



OCM GOLD FUND

Semi-Annual Report
May 31, 2012
(Unaudited)

Dear Fellow Shareholders:

The first six months of the fiscal period ending May 31, 2012 proved to be a difficult period for shares of gold mining companies. The OCM Gold Fund Investor Class declined 28.52% (-31.73% after maximum sales load) while the Advisor Class was down 28.30% compared to -25.47% for the Philadelphia Gold and Silver Index (XAU)¹ and +6.23% for the S&P 500 Index². The price of gold declined 10.77% based on the London PM fix during the period. The majority of your Fund is comprised of shares of major and intermediate/mid-tier gold producers with a smaller percentage in junior gold producers and exploration and development companies. This strategy has led to the Fund's outperformance of the XAU over longer periods, but fell short over the past six months as smaller cap companies underperformed their larger counterparts.

The gold market started the fiscal period with liquidation selling in December as investors led by hedge funds sold their gold bullion to lock in profits for the year. Since January, the gold market has been held captive by whether or not the Federal Reserve would enact a third round of Quantitative Easing (QE) and fear the crisis in Europe would lead to a rush for liquidity similar to 2008. The disappointment of Fed Chairman Bernanke to not hint or employ another round of QE triggered a series of selling bouts in the gold market. The encouraging sign was the gold market withstood each selling episode without going below the year-end gold price of \$1,523. Investor sentiment was exhibited by the poor performance of the gold mining shares which ended the period at extreme lows.

Despite record earnings, cash flows, and rising dividends, shares of most gold mining companies have underperformed the gold price for an extended period of time. The aversion to the business risk of mining appears to have gone too far, in our opinion. Granted a number of companies have been their own worst enemy by stumbling on overly optimistic production and cost guidance, and geopolitical risk has also thrown a monkey wrench into the equation in some cases, but the market has taken valuations based on the gold price to XAU ratio below the 2008 lows. The anomalous values offer a compelling proposition, in our opinion, to investors looking for an entry point for exposure to the gold market or wishing to add to existing gold share positions.

We believe the prolonged correction in gold and shares of gold mining companies that began in September 2011 is reaching a conclusion. Continued negative real interest rates, the worsening economic crisis in Europe, a global economy that is sputtering, and the likelihood the Federal Reserve will lead a parade of central banks in monetizing debt, points to the next phase of the bull market in gold being possibly imminent, in our opinion. Bull markets have a way of taking as few participants along for the ride as possible, and bull markets in gold are especially trying. Gold mining shares, we believe, should outperform the bullion price if market focus moves away from attention on mining business risks to the strong fundamental value of the shares of gold mining companies and the inherent leverage of the reserves in the ground.

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 24, 2012

Questions and Answers with Portfolio Manager Greg Orrell

Q: Why should investors hold gold and gold related assets in their portfolios?

A: Investors should view gold assets as a tool against monetary debasement caused by unsound monetary and fiscal policies. History tells us gold is one of the best forms of money and that fiat currencies tend to fall victim to political wills and end up losing purchasing power over time. The temptation to debase currencies is far too great for some policy makers. In general, it is more palatable to print money than raise taxes or endure austerity measures in order to meet political promises. Such is the case now, in our opinion. Each generation tends to re-learn monetary history and regain an appreciation for gold's monetary characteristics, namely it cannot be created by a printing press or computer keystroke and that it is not someone else's liability subject to default. Though gold assets can tend to be volatile at times, it is my view gold assets should be a core asset of any portfolio.

Q: What factors have caused the price of gold to fall from its September 2011 high?

A: When gold prices quickly advanced to \$1,900 last September, it was a combination of global Central Banks stepping up gold purchases along with political paralysis in Washington feeding momentum buying. What we have seen since, in my view, is a constructive consolidation in the \$1,500 to \$1,700 price level that has flushed out momentum buyers and weak holders. The main influencing factors on the downside have been Central Banks slowing the pace of gold purchases and the Federal Reserve putting off a third round of quantitative easing (QE). India, the world's largest gold consumer, contributed to the slide by imposing higher duties on gold in an effort to stabilize its balance of payments. One additional factor, while not a guarantee of future performance, the presidential election year cycle in the U.S. has historically been a headwind for gold prices. Overall, the gold price has withstood multiple attempts to trade lower which I believe points to exhaustion of selling pressure.

Q: Considering the gold price in U.S. dollars has risen significantly over the past ten years, what is the outlook for gold over the next 12 months?

A: The past ten years, in my opinion, has just been the opening act for gold prices. Monetary debasement appears to be gathering momentum on a global basis. Looking at Europe, it is dealing with a sovereign debt crisis that is engulfing its banking system and bringing into question the future existence of the European Union in many corners. Germany and France appear to not have the capital to save their southern neighbors and nor does the European Central Bank without a major debt monetization campaign. The strong political desire to maintain the euro coupled with the realization that French and German banks are in the crosshairs of the crisis would appear to pave the way for aggressive money printing in Europe. The Bank of England and the Swiss National Bank are already operating under open ended quantitative easing initiatives.

In the Far East, The Bank of Japan is monetizing debt as its total debt to GDP has reached what we consider the danger point of 200%. Meanwhile, its demographics have turned decidedly negative with more retirees requiring payouts as the workforce contracts. China's economy has been the engine of growth for the global economy and it is now slowing with cracks in the financial system exposing pyramid financing schemes and malinvestment on an almost daily basis. It is becoming clear China may need to monetize on a massive scale to recapitalize its financial system and devalue its currency to support exports.

The events abroad, in our opinion, will draw the U.S. in and refocus the market on our own financial quagmire and question the "safe haven" status of the dollar. Sputtering growth and the fiscal cliff as it is being called should provide plenty of cover for the Federal Reserve to reaccelerate expansion of its balance sheet.

Should monetary debasement become a clear theme to the market and with sound currency alternatives seemingly limited, over the next 12 months we see gold heading toward new high territory.

Q: What are the prospects for a new monetary system and would gold play a role?

A: If and when it becomes clear the Federal Reserve must continue to monetize debt in a rising inflationary environment because there are no other buyers of Treasuries, the market may realize the Fed is financing the expansion of government. In our opinion, that would signal the need for a new monetary regime to succeed the current dollar reserve system. The increasing appetite for gold by central banks and the move by the Bank for International Settlements (BIS) to make gold a tier one asset for banks on par with government securities signals gold may have a role in any new monetary system. It is an event that could happen quickly should it transpire.

Q: Shares of gold mining companies have historically exhibited greater leverage to gold bullion. However, recently gold shares have underperformed gold, what is going on with the gold shares?

A: The performance of shares of gold mining companies certainly has been disappointing over the past ten months. While a number of shares of gold mining companies have seen margin expansion and increased dividend payouts, investors have been hesitant to purchase gold shares in a falling gold price environment. Further, investors have shied away from the business risk of mining as operating costs have increased materially along with margin expansion over the past four years. Geopolitical risk has also heightened with political instability in West Africa and a wave of gold producing countries moving to increase taxes on mining companies. Finally, the gold mining industry as a whole didn't help itself with overly optimistic forecasts for growth of production in a market that was clamoring for growth. With very few exceptions, gold mining companies have failed to meet original guidance and have had to reduce forecasts to more attainable goals. The lack of execution has played into the decline.

Q: What is your outlook for shares of gold mining companies?

A: It is our belief that shares of gold mining companies are tremendously undervalued based on most valuation metrics. Whether it is cash flow per share, earnings per share, gold reserves per \$1,000 invested, gold vs. XAU ratio, or price to net asset value, we believe gold shares are historically cheap. At the point sentiment in the gold market turns positive, we could see gold mining shares come back in favor if investors understand earnings and cash flows for the senior and intermediate producers are sustainable and not fleeting. The market should once again appreciate the reserves mining companies have established in the ground and the leverage inherent in those reserves. For those investors who recognize the value opportunity in gold shares at present, they stand to be well rewarded if valuations revert back to historic means.

Q: What is the Fund's investment strategy over the next 12 months?

A: We are presently overweighting major and intermediate/mid-tier gold producers as those companies currently offer strong relative historic value. Further, major and intermediate/mid-tier producers tend to be the first group to react to changes in trend in the gold price. We are looking to add to selective junior gold producers whose shares have been beaten up in the search for liquidity. Exploration and development companies with ore bodies that represent attractive acquisition targets for the major and intermediate/mid-tier producers are an important component of the portfolio. Greenfield junior exploration companies will continue to struggle with funding, so we are staying away from that sector at present. We have no plans currently to add to our gold bullion position held through an ETF, as shares of gold mining companies represent a more compelling value alternative.

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, 2012

	OCMGX (without load)	OCMGX (with load)	Philadelphia Gold and Silver Index (XAU) ¹	S&P 500 ²
Six Months	(-28.52%)	(-31.73%)	(-25.47%)	6.23%
One Year	(-26.19%)	(-29.51%)	(-25.18%)	(-0.41%)
3 Year Annualized	3.42%	1.85%	(-0.19%)	14.92%
5 Year Annualized	6.12%	5.15%	3.01%	(-0.92%)
10 Year Annualized	12.41%	11.90%	7.49%	4.14%

Advisor Class Performance as of May 31, 2012

	OCMAX	Philadelphia Gold and Silver Index (XAU) ¹	S&P 500 ²
Six Months	(-28.30%)	(-25.47%)	6.23%
One Year	(-25.82%)	(-25.18%)	(-0.41%)
Since Inception Annualized*	0.43%	(-1.91%)	7.61%

* 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 1.93% and 1.34% 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, 2012
(Unaudited)

Shares	Value	Shares	Value
COMMON STOCKS 94.0%		Exploration and Development Companies 8.7%	
Major Gold Producers 32.1%		500,000	Amarillo Gold Corp.* \$ 440,529
215,000	AngloGold Ashanti Ltd. ADR \$ 7,752,900	75,500	Andina Minerals, Inc.* 35,087
75,000	Barrick Gold Corp. 2,929,500	400,000	Argentex Mining Corp.* 144,000
270,000	Gold Fields Ltd. ADR 3,577,500	2,190,000	Avala Resources Ltd.* 1,908,312
500,050	Goldcorp, Inc. 18,116,811	342,700	Edgewater Exploration Ltd.* 116,130
500,000	Kinross Gold Corp. 3,985,000	3,500,000	Indochine Mining Ltd.* 426,168
116,500	Newmont Mining Corp. 5,494,140	300,000	MAG Silver Corp.* 2,335,286
	41,855,851	275,000	Malbex Resources, Inc.* 21,300
Intermediate/Mid-Tier Gold Producers 35.5%		700,000	Millrock Resources, Inc.* 142,325
161,860	Agnico-Eagle Mines Ltd. 6,043,852	295,000	Ocean Park Ventures Corp.* 48,555
250,000	Alacer Gold Corp.* 1,391,780	300,000	Sabina Silver Corp.* 662,245
91,250	AuRico Gold, Inc.*^ 680,278	350,000	South American Silver Corp.* 474,416
50,000	AuRico Gold, Inc.* 371,000	350,000	Strategic Metals Ltd.* 307,692
500,000	Centerra Gold, Inc. 5,223,411	4,600,040	Sutter Gold Mining, Inc.* 1,781,494
500,000	Eldorado Gold Corp. 5,515,000	100,000	Tahoe Resources, Inc.* 1,624,631
500,000	IAMGOLD Corp. 5,335,000	500,000	Torex Gold Resources, Inc.* 885,898
200,000	New Gold, Inc.* 1,752,000		11,354,068
140,000	Randgold Resources Ltd. ADR 11,109,000	Primary Silver Producers 5.6%	
600,000	Yamana Gold, Inc. 8,742,000	225,000	Fortuna Silver Mines, Inc.* 886,624
	46,163,321	48,075	Pan American Silver Corp. 797,084
Junior Gold Producers 8.5%		216,599	Silver Wheaton Corp. 5,563,607
227,000	Argonaut Gold Ltd.* 1,791,209		7,247,315
250,000	Aurizon Mines Ltd.* 1,202,500	Other 3.6%	
500,000	B2Gold Corp.* 1,505,543	14,800	Franco-Nevada Corp. 622,321
120,000	CGA Mining Ltd.* 189,379	60,000	Royal Gold, Inc. 4,058,400
291,200	Claude Resources, Inc.* 183,260		4,680,721
305,500	Dundee Precious Metals, Inc.* 1,863,436	Total Common Stocks	
281,011	Kingsgate Consolidated Ltd. 1,434,358	(Cost \$45,605,731) 122,384,695	
250,000	Perseus Mining Ltd.* 624,486		
500,000	Petaquilla Minerals Ltd.* 198,480		
610,000	San Gold Corp.* 844,556		
200,000	SEMAFO, Inc. 1,016,605		
255,000	Wesdome Gold Mines Ltd.* 229,607		
	11,083,419		

See notes to financial statements.

OCM GOLD FUND
Schedule of Investments – May 31, 2012 (Continued)
(Unaudited)

Shares	Value	Shares	Value
EXCHANGE TRADED FUND 6.2%		SHORT-TERM INVESTMENT 0.2%	
53,500 SPDR Gold Trust*	\$ 8,111,670	195,842 UMB Money Market Fiduciary, 0.01% . . .	\$ 195,842
Total Exchange Traded Fund		Total Short-Term Investment	
(Cost \$2,365,235)	8,111,670	(Cost \$195,842)	195,842
WARRANTS 0.0%		Total Investments	
250,000 Amarillo Gold Corp.*†#		(Cost \$48,390,135)	100.4% 130,735,992
Exercise Price 2.00 CAD,		Liabilities less Other Assets	(0.4%) (514,667)
Exp. 10/29/2012	—	TOTAL NET ASSETS	100.0% \$130,221,325
33,000 Kinross Gold Corp.*			
Exercise Price \$21.29,		ADR – American Depository Receipt.	
Exp. 9/17/2014	15,336	CAD – Canadian Dollars.	
40,000 Primero Mining Corp.*		* Non-income producing security.	
Exercise Price 8.00 CAD,		^ Denoted investment in Aurico Gold, Inc. is a Canadian security	
Exp. 7/20/2015	14,329	traded on U.S. stock exchange.	
58,333 Silver Range Resources Ltd.*		† Illiquid security. Security is valued at fair value in accordance with	
Exercise Price 0.85 CAD,		procedures established by the Fund’s Board of Trustees.	
Exp. 2/10/2013	14,120	# Security exempt from registration under Rule 144A of the	
100,000 Yukon-Nevada Gold Corp.*		Securities Act of 1933, as amended, or otherwise restricted. These	
Exercise Price 3.00 CAD,		securities may be resold in transactions exempt from registration,	
Exp. 6/20/2012	—	normally to qualified institutional buyers. The securities are valued	
Total Warrants		at fair value in accordance with procedures established by the	
(Cost \$223,327)	43,785	Fund’s Board of Trustees.	

See notes to financial statements.

OCM GOLD FUND
Schedule of Investments – May 31, 2012 (Continued)
(Unaudited)

SUMMARY OF INVESTMENTS BY COUNTRY

Country	Value	Percent of Investment Securities
Australia	\$ 2,674,391	2.0%
Canada	87,762,149	67.1
Jersey	11,109,000	8.5
South Africa	11,330,400	8.7
United States ¹	17,860,052	13.7
Total	\$ 130,735,992	100.0%

¹ Includes short-term investments.

See notes to financial statements.

OCM GOLD FUND
Statement of Assets and Liabilities – May 31, 2012
(Unaudited)

Assets:

Investments in unaffiliated issuers, at value (cost \$48,390,135)	\$130,735,992
Interest and dividends receivable	100,781
Receivable from fund shares sold	47,371
Prepaid expenses and other assets	23,888
Total assets	<u>130,908,032</u>

Liabilities:

Payable from fund shares redeemed	244,274
Due to investment adviser	105,076
Accrued distribution fees	269,205
Accrued Trustees' fees	2,144
Accrued expenses and other liabilities	66,008
Total liabilities	<u>686,707</u>
Net Assets	<u>\$130,221,325</u>

Net Assets Consist of:

Shares of beneficial interest, no par value: unlimited shares authorized	\$ 49,181,021
Undistributed net investment loss	(3,644,694)
Accumulated net realized gain on investments and foreign currency transactions	2,339,427
Net unrealized appreciation on investments and foreign currency translations	82,345,571
Net Assets	<u>\$130,221,325</u>

Calculation of Maximum Offering Price:

Investor Class:

Net asset value and redemption price per share	\$ 19.49
Maximum sales charge (4.50% of offering price)	<u>0.92</u>
Offering price to public	\$ 20.41
Shares outstanding	<u>5,889,330</u>

Advisor Class:

Net asset value and redemption price per share	\$ 19.73
Shares outstanding	<u>781,358</u>
Total shares outstanding	<u>6,670,688</u>

See notes to financial statements.

OCM GOLD FUND
Statement of Operations – Six Months Ended May 31, 2012
(Unaudited)

Investment Income:

Interest	\$	33
Dividend (net of foreign withholding taxes of \$82,152)		787,811
Total investment income		<u>787,844</u>

Expenses:

Investment advisory fees		656,655
Distribution fees – Investor Class		595,772
Distribution fees – Advisor Class		22,378
Fund administration and accounting fees		112,851
Transfer agent fees and expenses		51,625
Professional fees		30,677
Federal and state registration fees		21,302
Custody fees		17,309
Chief Compliance Officer fees		12,554
Reports to shareholders		9,743
Trustees' fees		4,643
Other expenses		4,880
Total expenses		<u>1,540,389</u>
Net investment loss		<u>(752,545)</u>

Realized and Unrealized Gain/(Loss) on Investments:

Net realized gain on investments and foreign currency transactions		2,134,012
Net change in unrealized appreciation/depreciation on investments and foreign currency translations		<u>(54,529,510)</u>
Net loss on investments		<u>(52,395,498)</u>

Net decrease in net assets resulting from operations \$ (53,148,043)

See notes to financial statements.

OCM GOLD FUND
Statements of Changes in Net Assets

	Six Months Ended	Year ended
	May 31, 2012	Nov. 30,
	(Unaudited)	2011
	<u> </u>	<u> </u>
Operations:		
Net investment loss	\$ (752,545)	\$ (1,864,122)
Net realized gain on investments and foreign currency transactions	2,134,012	7,685,694
Net change in unrealized appreciation/depreciation on investments and foreign currency translations	<u>(54,529,510)</u>	<u>(2,687,603)</u>
Net increase/(decrease) in net assets resulting from operations.	<u>(53,148,043)</u>	<u>3,133,969</u>
Distributions Paid to Shareholders:		
Investor Class:		
Distributions paid from net realized gains	<u>(5,940,145)</u>	<u>(14,401,514)</u>
Total distributions from Investor Class	<u>(5,940,145)</u>	<u>(14,401,514)</u>
Advisor Class:		
Distributions paid from net realized gains	<u>(734,597)</u>	<u>(1,674,355)</u>
Total distributions from Advisor Class	<u>(734,597)</u>	<u>(1,674,355)</u>
Total distributions	<u>(6,674,742)</u>	<u>(16,075,869)</u>
Fund Share Transactions:		
Investor Class:		
Net proceeds from shares sold	2,693,045	8,953,939
Distributions reinvested	5,551,213	13,629,588
Payment for shares redeemed ¹	<u>(8,644,382)</u>	<u>(18,367,148)</u>
Net increase/(decrease) in net assets from Investor Class share transactions.	<u>(400,124)</u>	<u>4,216,379</u>
Advisor Class:		
Net proceeds from shares sold	1,440,402	2,008,485
Distributions reinvested	580,841	1,471,590
Payment for shares redeemed ²	<u>(209,574)</u>	<u>(2,310,133)</u>
Net increase in net assets from Advisor Class share transactions.	<u>1,811,669</u>	<u>1,169,942</u>
Net increase in net assets from Fund share transactions	<u>1,411,545</u>	<u>5,386,321</u>
Total decrease in net assets	(58,411,240)	(7,555,579)

See notes to financial statements.

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

	Six Months Ended	Year ended
	May 31, 2012	Nov. 30,
	(Unaudited)	2011
	<u> </u>	<u> </u>
Net Assets, Beginning of Period	\$188,632,565	\$196,188,144
Net Assets, End of Period	<u>\$130,221,325</u>	<u>\$188,632,565</u>
Accumulated Net Investment Loss	<u>\$ (3,644,694)</u>	<u>\$ (2,892,149)</u>
 Transactions in Shares:		
Investor Class:		
Shares sold	115,609	319,505
Shares issued on reinvestment of distributions	244,979	486,945
Shares redeemed	<u>(379,081)</u>	<u>(656,541)</u>
Net increase/(decrease) in Investor Class shares outstanding	<u>(18,493)</u>	<u>149,909</u>
 Advisor Class:		
Shares sold	58,296	71,161
Shares issued on reinvestment of distributions	25,386	52,332
Shares redeemed	<u>(9,679)</u>	<u>(81,229)</u>
Net increase in Advisor Class shares outstanding	<u>74,003</u>	<u>42,264</u>
Net increase in Fund shares outstanding	<u>55,510</u>	<u>192,173</u>

¹ Net of redemption fees of \$1,091 and \$7,770, respectively.

² Net of redemption fees of \$1,619 and \$5,881, respectively.

OCM GOLD FUND

Notes to Financial Statements – May 31, 2012

(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.

Under *Fair Value Measurements and Disclosures*, various inputs are used in determining the value of the Fund’s investments. 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, 2012 (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, 2012, in valuing the Fund's assets:

Sector	Level 1	Level 2	Level 3	Total
Common Stocks				
Major Gold Producers	\$ 41,855,851	\$ —	\$ —	\$ 41,855,851
Intermediate/Mid-Tier Gold Producers	46,163,321	—	—	46,163,321
Junior Gold Producers	11,083,419	—	—	11,083,419
Exploration and Development Companies	11,354,068	—	—	11,354,068
Primary Silver Producers	7,247,315	—	—	7,247,315
Other	4,680,721	—	—	4,680,721
Exchange Traded Fund	8,111,670	—	—	8,111,670
Short-Term Investment	195,842	—	—	195,842
Warrants				
Major Gold Producers	15,336	—	—	15,336
Junior Gold Producers	14,329	—	—	14,329
Exploration and Development Companies	14,120	—	—	14,120
Total	\$ 130,735,992	\$ —	\$ —	\$ 130,735,992

The Fund held one Level 2 security at May 31, 2012, which was a set of warrants fair valued by the Adviser at zero, in accordance with procedures established by and under the general supervision of the Trust's Board of Trustees. There were no Level 3 securities as of May 31, 2012. There were no significant transfers between each of the three levels. The Fund recognizes such transfers between levels at the end of the reporting period.

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, 2012 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, 2012 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.

OCM GOLD FUND

Notes to Financial Statements – May 31, 2012 (Continued)

(Unaudited)

Accounting for Uncertainty in Income Taxes (the “Income Tax Statement”) requires an evaluation of tax positions taken (or expected to be taken) in the course of preparing a Fund’s tax returns to determine whether these positions meet a “more-likely-than-not” standard that, based on the technical merits, have a more than fifty percent likelihood of being sustained by a taxing authority upon examination. A tax position that meets the “more-likely-than-not” recognition threshold is measured to determine the amount of benefit to recognize in the financial statements. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statements of Operations.

The Income Tax Statement requires management of the Fund to analyze tax positions taken in the prior three open tax years, if any, and tax positions expected to be taken in the Funds’ current tax year, defined by IRS statute of limitations for all major jurisdictions, including federal tax authorities and certain state tax authorities. As of and during the six months ended May 31, 2012, the Fund did not have a liability for any unrecognized tax benefits. The Fund has no examination in progress and is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

Share Classes – The Fund offers two classes of shares, Investor Class and Advisor Class. The outstanding shares of the Fund on April 1, 2010 were renamed “Investor Class shares.” 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 six months ended May 31, 2012, the Investor Class and the Advisor Class received \$1,091 and \$1,619 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 – 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 acquire any warrants during the six months ended May 31, 2012. At May 31, 2012, the Fund held warrants as listed on the Schedule of Investments.

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, 2012 (Continued)

(Unaudited)

Note 3. Investment Advisory Agreement

The Fund has an investment advisory agreement with Orrell Capital Management, Inc. (“OCM”). Under the current investment advisory agreement approved by shareholders on March 16, 2012 and effective as of March 29, 2012, 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 \$250 million	0.950%
\$250 million to \$500 million	0.800%
\$500 million to \$1 billion	0.700%
Over \$1 billion	0.600%

Prior to March 29, 2012, the Fund paid 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 \$200 million	0.500%
Over \$200 million	0.375%

As explained in a proxy statement sent to shareholders of record as of January 12, 2012, the terms of the new investment advisory agreement are substantially the same as the terms of the prior investment advisory agreement, except for the increased investment advisory fee.

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. For the six months ended May 31, 2012, the Investor Class and the Advisor Class accrued \$595,772 and \$22,378, 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, 2012 were \$1,275,650 and \$4,936,028, respectively. There were no purchases or sales of U.S. government obligations.

Note 6. Federal Income Tax Information

At May 31, 2012, gross unrealized appreciation and depreciation of investments and foreign currency owned by the Fund, based on cost for federal income tax purposes were as follows:

Cost of investments	<u>\$ 49,704,959</u>
Unrealized appreciation	\$ 86,912,003
Unrealized depreciation	(5,880,970)
Unrealized appreciation/(depreciation) on foreign currency	<u>(286)</u>
Net unrealized appreciation on investments and foreign currency . .	<u>\$ 81,030,747</u>

OCM GOLD FUND

Notes to Financial Statements – May 31, 2012 (Continued)

(Unaudited)

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, 2011 and 2010 was as follows:

	2011	2010
Ordinary income	\$ —	\$ —
Net long-term capital gains	<u>16,075,869</u>	<u>3,437,477</u>
Total distributions	<u>\$16,075,869</u>	<u>\$ 3,437,477</u>

As of November 30, 2011 the components of accumulated earnings on a tax basis were as follows:

Undistributed ordinary income	\$ —
Undistributed long-term gains	<u>7,107,596</u>
Tax accumulated earnings	7,107,596
Accumulated capital and other losses	—
Unrealized appreciation on investments	<u>133,755,493</u>
Total accumulated earnings	<u>\$140,863,089</u>

On December 22, 2010, The Regulated Investment Company Modernization Act of 2010 (the “Modernization Act”) was signed into law. The Modernization Act is the first major piece of legislation affecting regulated investment companies (“RICs”) since 1986 and it modernizes several of the federal income and excise tax provisions related to RICs. Some highlights of the enacted provisions are as follows: New capital losses may now be carried forward indefinitely, and retain the character of the original loss. Under pre-enactment law, capital losses could be carried forward for eight years, and carried forward as short-term capital losses, irrespective of the character of the original loss.

The Modernization Act contains simplification provisions, which are aimed at preventing disqualification of a RIC for “inadvertent” failures of the asset diversification and/or qualifying income tests. Additionally, the Modernization Act exempts RICs from the preferential dividend rule, and repealed the 60-day designation requirement for certain types of pay-through income and gains. Finally, the Modernization Act contains several provisions aimed at preserving the character of distributions made by a RIC during the portion of its taxable year ending after October 31 or December 31, reducing the circumstances under which a RIC might be required to file amended Forms 1099 to restate previously reported distributions.

The provisions related to the Modernization Act for qualification testing are effective for the November 30, 2011 taxable year. The effective date for changes in the treatment of capital losses is the November 30, 2012 taxable year.

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

Notes to Financial Statements – May 31, 2012 (Continued)

(Unaudited)

Note 8. New Accounting Pronouncements

In May 2011, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2011-04 “Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs.” ASU No. 2011-04 requires additional disclosures regarding fair value measurements. Effective for fiscal years beginning after December 15, 2011, and for interim periods within those fiscal years, entities will need to disclose the following:

- 1) the amounts of any transfers between Level 1 and Level 2 and the reasons for those transfers; and
- 2) for Level 3 fair value measurements, quantitative information about the significant unobservable inputs used, a description of the entity’s valuation processes, and a narrative description of the sensitivity of the fair value measurement to changes in the unobservable inputs and the interrelationship between inputs.

Management is currently evaluating the impact ASU No. 2011-04 will have on the Fund’s financial statement disclosures.

In December 2011, the FASB issued ASU No. 2011-11 Disclosures about Offsetting Assets and Liabilities. The amendments in this ASU require an entity to disclose information about offsetting and related arrangements to enable users of its financial statements to understand the effect of those arrangements on its financial position. The ASU is effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. The guidance requires retrospective application for all comparative periods presented. Management is currently evaluating the impact ASU 2011-11 will have on the financial statement disclosures.

OCM GOLD FUND

Financial Highlights Investor Class

	Six Months Ended May 31, 2012 (Unaudited)	Year Ended Nov. 30, 2011	Year Ended Nov. 30, 2010	Year Ended Nov. 30, 2009	Year Ended Nov. 30, 2008	Year Ended Nov. 30, 2007
Per Share Operating Performance (For a share outstanding throughout each period)						
Net asset value, beginning of period	\$ 28.49	\$ 30.53	\$ 24.68	\$ 12.35	\$ 21.49	\$ 20.44
Income From Investment Operations:						
Net investment loss	(0.09)	(0.29)	(0.43)	(0.29)	(0.31)	(0.27)
Net realized and unrealized gain/(loss) on investments and foreign currency transactions	(7.89)	0.76	6.81	12.65	(7.41)	3.06
Total from investment operations	(7.98)	0.47	6.38	12.36	(7.72)	2.79
Less Distributions:						
Dividends from net investment income	—	—	—	—	—	—
Distribution from net realized gains	(1.02)	(2.51)	(0.53)	(0.03)	(1.42)	(1.74)
Total distributions	(1.02)	(2.51)	(0.53)	(0.03)	(1.42)	(1.74)
Net asset value, end of period	\$ 19.49	\$ 28.49	\$ 30.53	\$ 24.68	\$ 12.35	\$ 21.49
Total Return*	(28.52)% ¹	1.70%	26.70%	100.14%	(38.55)%	15.64%
Ratios/Supplemental Data:						
Net assets, end of period (in 000's)	\$ 114,802	\$ 168,305	\$ 175,802	\$ 159,833	\$ 78,652	\$ 136,241
Ratio of expenses to average net assets	2.02% ²	1.73%	1.93%	1.94%	1.99%	1.93%
Ratio of net investment loss to average net assets	(0.75)% ²	(1.03)%	(1.57)%	(1.59)%	(1.58)%	(1.51)%
Portfolio turnover rate	1% ¹	5%	12%	6%	5%	11%

* Assumes no sales charge.

¹ Not annualized for periods less than one year.

² Annualized for periods less than one year.

See notes to financial statements.

OCM GOLD FUND
Financial Highlights Advisor Class

	Six Months Ended May 31, 2012 (Unaudited)	Year Ended Nov. 30, 2011	For the Period April 1, 2010 [#] – Nov. 30, 2010
Per Share Operating Performance (For a share outstanding throughout each period)			
Net asset value, beginning of period	\$ 28.74	\$ 30.65	\$ 22.24
Income From Investment Operations:			
Net investment loss	(0.01)	(0.18)	(0.13)
Net realized and unrealized gain/(loss) on investments and foreign currency transactions	(7.98)	0.78	8.54
Total from investment operations	(7.99)	0.60	8.41
Less Distributions:			
Dividends from net investment income	—	—	—
Distribution from net realized gains	(1.02)	(2.51)	—
Total distributions	(1.02)	(2.51)	—
Net asset value, end of period	\$ 19.73	\$ 28.74	\$ 30.65
Total Return	(28.30)% ¹	2.15%	37.81% ¹
Ratios/Supplemental Data:			
Net assets, end of period (in 000's)	\$ 15,419	\$ 20,328	\$ 20,386
Ratio of expenses to average net assets	1.42% ²	1.30%	1.34% ²
Ratio of net investment loss to average net assets	(0.15)% ²	(0.60)%	(0.98)% ²
Portfolio turnover rate	1% ¹	5%	12% ¹

[#] Inception date of Advisor Class.

¹ Not annualized for periods less than one year.

² Annualized for periods less than one year.

See notes to financial statements.

OCM GOLD FUND

Expense Example – For the Period Ended May 31, 2012

(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, 2011 to May 31, 2012 (the “period”).

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 each class’ 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>Beginning Account Value December 1, 2011</u>	<u>Ending Account Value May 31, 2012</u>	<u>Expenses Paid During the Period Ended May 31, 2012*</u>
Investor Class			
Actual	\$ 1,000.00	\$ 714.80	\$ 8.65
Hypothetical (5% return before expenses)	1,000.00	1,014.92	10.16
Advisor Class			
Actual	1,000.00	717.00	6.09
Hypothetical (5% return before expenses)	1,000.00	1,017.91	7.16

* Expenses are equal to the Investor Class’ and Advisor Class’ annualized expense ratios of 2.02% and 1.42%, respectively, for the period, multiplied by the average account value over the period, multiplied by 183/366 (to reflect the one-half year period).

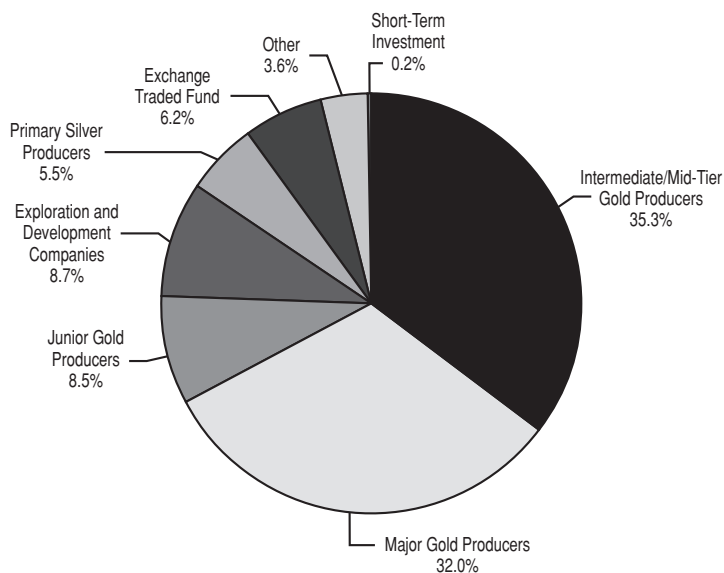
OCM GOLD FUND

Other Information

(Unaudited)

Investments by Sector – As of May 31, 2012

As a Percentage of Total Investments



Results of Shareholder Meeting

A special meeting of shareholders of the Fund was held on March 16, 2012.

The matter voted on by the shareholders of record as of January 12, 2012 (the "Record Date") was the approval of a new investment advisory agreement for the Fund. The number of shares outstanding for the Fund as of the Record Date was 6,824,054.

With respect to the proposal to approve the new investment advisory agreement for the Fund, the results of the vote were as follows:

FOR	AGAINST	ABSTAIN
3,713,194	173,248	57,185

Proxy Voting Information

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, 2011 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>.

Quarterly Filings of Portfolio Holdings

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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