

MUTUALS.com

GENERATION WAVE GROWTH FUND (GWGFX)

A series of MUTUALS.com

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Investment Advisor

Mutuals Advisors, Inc.

MUTUALS.COM

Table of Contents

LETTER TO SHAREHOLDERS	3
EXPENSE EXAMPLE	5
INVESTMENT HIGHLIGHTS	7
PORTFOLIO OF INVESTMENTS	9
STATEMENT OF ASSETS AND LIABILITIES	11
STATEMENT OF OPERATIONS	12
STATEMENTS OF CHANGES IN NET ASSETS	13
FINANCIAL HIGHLIGHTS	14
NOTES TO FINANCIAL STATEMENTS	15
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ...	20
ADDITIONAL INFORMATION	21

LETTER TO SHAREHOLDERS

March 31, 2007

Dear Fellow Shareholders,

7,918. That's the number of people that turned 60 each day in 2006, according to the U.S. Census Bureau. In fact, the oldest baby boomers celebrated their 60th birthday during 2006. We highlight these facts just to illustrate how significant the demographic shift currently underway truly is. On July 1, 2005, there were nearly 37 million Americans aged 65 or over, or 12% of the total population. By 2050, the U.S. Census Bureau projects there will be over 86 million, comprising 21% of the total population at that time.

As you can imagine, many industries and companies will be touched by America's aging population. The Generation Wave Growth Fund was designed to take advantage of this mega-trend. But, while compelling, it's a long-term story that will play out over the course of several decades.

Over the year, the Fund's commitment to the sectors of the market that will most likely be impacted by the spending habits of the massive baby boomer population was a drag on performance. Specifically, financials, healthcare, and information technology – the sectors most impacted by this massive demographic shift – advanced during the course of the year, but underperformed most other sectors of the market. The Fund did benefit from its substantial holdings of funds focused on value and international stocks.

For the year ended March 31, 2007, the Generation Wave Growth Fund returned 6.67% versus 11.83% for the S&P 500.

Over the second half of the year, we began the process of shifting some of the Fund's investments from mutual funds to exchange traded funds (ETFs). This will allow us to better manage your investment in the Fund, as ETFs provide a number of advantages over mutual funds including lower costs, increased transparency and more targeted coverage. One possible disadvantage of this strategy is that ETFs are passive investment vehicles and in some cases, active managers might outperform a similar passively managed ETF. Also, an ETF could fail to track its benchmark.

Remember that, as a shareholder, you can automatically invest electronically each month through your checking or savings account via an ACH. For more information, please call our shareholder service department at (866) 264-8783.

Please remember that detailed Fund information including holdings and performance, updated monthly, is always available at www.genwavefunds.com.

Thank you for being a valued shareholder of the Generation Wave Growth Fund.



Charles L. Norton, CFA
Portfolio Manager



Allen R. Gillespie, CFA
Portfolio Manager

Past performance does not guarantee future results.

The S&P 500 Index includes 500 common stocks, most of which are listed on the New York Stock Exchange. The Index is a market capitalization-weighted index representing approximately two-thirds of the total market value of all domestic common stocks. One cannot invest directly in an index.

Opinions expressed are those of Mutuals Advisors, Inc. and/or GNI Capital, Inc. and are subject to change, are not guaranteed and should not be considered a recommendation to buy or sell any security.

This report is intended for shareholder use only and must be preceded or accompanied by a prospectus. Read it carefully before investing or sending money.

Fund holdings and/or sector allocations are subject to change at any time and are not recommendations to buy or sell any security.

Because the Fund is a “fund of funds”, your cost of investing in the Fund will generally be higher than the cost of investing directly in the shares of the mutual funds in which it invests. By investing in the Fund, you will indirectly bear your share of any fees and expenses charged by the underlying funds, in addition to indirectly bearing the principal risks of those funds. Please refer to the prospectus for more information about the Fund, including risks, fees and expenses.

Automatic Investment Plans do not assure a profit and do not protect against a loss in declining markets.

Quasar Distributors, LLC, Distributor (5/07)

EXPENSE EXAMPLE

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, including redemption fees, and (2) ongoing costs, including advisory fees and other Fund expenses. Although the Fund charges no sales load, you will be assessed fees for outgoing wire transfers, returned checks and stop payment orders at prevailing rates charged by U.S. Bancorp Fund Services, LLC, the Fund's transfer agent. If you request that a redemption be made by wire transfer, currently a \$15.00 fee is charged by the Fund's transfer agent. You will be charged a redemption fee equal to 1.00% of the net amount of the redemption if you redeem your shares of the Fund within 60 days of purchase. IRA accounts will be charged a \$15.00 annual maintenance fee. To the extent the Fund invests in shares of other investment companies as part of its investment strategy, you will indirectly bear your proportionate share of any fees and expenses charged by the underlying funds in which the Fund invests in addition to the expenses of the Fund. Actual expenses of the underlying funds are expected to vary among the various underlying funds. These expenses are not included in the Example.

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 (10/1/06 – 3/31/07).

Actual Expenses

The first line of the following table provides information about actual account values and actual expenses. The Example includes, but is not limited to, advisory fees, fund administration and accounting, custody and transfer agent fees. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The second line of the table provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds. Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads), redemption fees or exchange fees. Therefore, the second line of the table is useful in comparing 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 would have been higher.

EXPENSE EXAMPLE (Continued)

	Generation Wave Growth Fund		
	<u>Beginning Account Value October 1, 2006</u>	<u>Ending Account Value March 31, 2007</u>	<u>Expenses Paid During Period October 1, 2006 - March 31, 2007*</u>
Actual	\$1,000.00	\$1,062.50	\$7.71
Hypothetical (5% return before expenses)	\$1,000.00	\$1,017.45	\$7.54

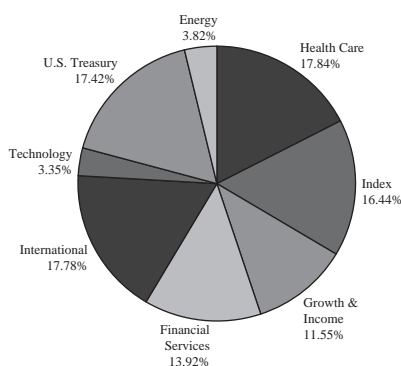
* Expenses are equal to the Fund's annualized expense ratio of 1.50%, multiplied by the average account value over the period, multiplied by 182/365 to reflect the one-half year period.

INVESTMENT HIGHLIGHTS

The investment objective of the Fund is capital appreciation over the long term while at times providing a low level of current income. Under normal market conditions, the Fund seeks to achieve its investment objective by investing primarily in shares of other mutual funds. In turn, those mutual funds invest primarily in equity securities of U.S. and/or foreign companies with a wide range of market capitalizations. The mutual funds in which the Fund invests will be selected from the suitable pool of funds selected by the subadvisor after applying a combination of objective and subjective criteria to mutual funds available on the market.

The Fund will typically invest in equity funds and may include any type of equity fund (e.g., international equity, technology or health care). The Fund may at times add fixed-income funds to the allocation. The Fund's sector breakdown at March 31, 2007 is shown below.

Sector Breakdown % of Net Assets*



* Excludes net liabilities.

Total Returns as of March 31, 2007

<u>Average Total Return</u>	<u>Generation Wave</u>	<u>S&P 500 Index</u>
	<u>Growth Fund</u>	
One year	6.67%	11.83%
Three year average annual	9.38%	10.06%
Five year average annual	7.08%	6.25%
Average annual since inception 6/21/01	5.71%	4.23%

Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. In the absence of the existing fee waiver, the total return would be reduced. Performance data current to the most recent month end may be obtained by calling 1-866-264-8783 or visiting www.genwavefunds.com.

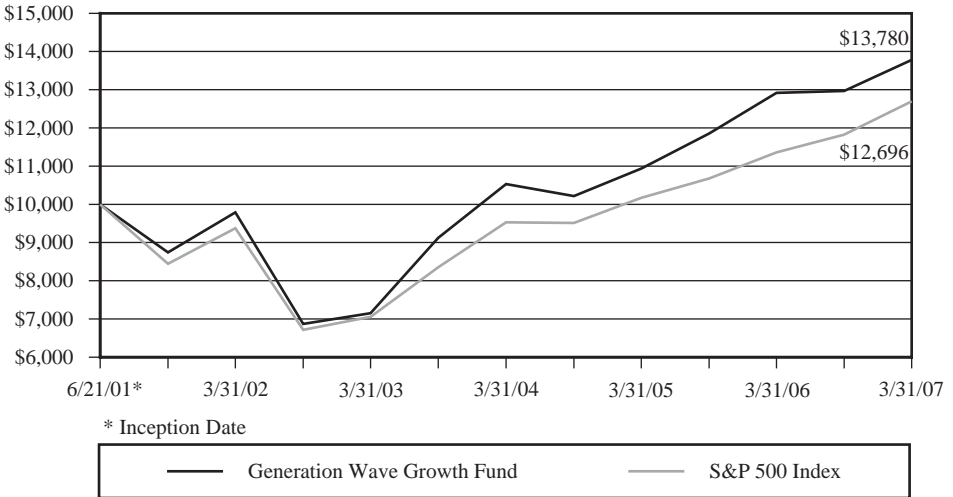
INVESTMENT HIGHLIGHTS (Continued)

The returns shown on the graph and table assume reinvestment of dividends and capital gains and do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

The S&P 500 Index includes 500 common stocks, most of which are listed on the New York Stock Exchange. The Index is a market capitalization-weighted index representing approximately two-thirds of the total market value of all domestic common stocks. One cannot invest directly in an index.

This chart assumes an initial gross investment of \$10,000 made on June 21, 2001 (the commencement of operations).

Hypothetical Comparison of Change in Value of \$10,000 Investment



PORTFOLIO OF INVESTMENTS

March 31, 2007

Ticker Symbol: GWGFX

	Shares	Market Value
Domestic Bond Funds 6.1%		
iShares Lehman 1-3 Year Treasury Bond Fund	31,500	\$ 2,534,490
iShares Lehman 3-7 Year Treasury Bond Fund	5,000	<u>505,000</u>
Total Domestic Bond Funds (Cost \$3,022,937)		<u>3,039,490</u>
Domestic Equity Funds 39.4%		
Dodge & Cox Stock Fund	37,072	5,720,168
Franklin Mutual Financial Services Fund – Class Z	249,084	5,826,068
Vanguard Health Care Fund – Admiral Class	128,415	7,971,976
Total Domestic Equity Funds (Cost \$13,799,533)		<u>19,518,212</u>
Domestic Index Funds 23.7%		
Financial Select Sector SPDR Fund	30,000	1,068,900
iShares Russell 1000 Growth Index Fund	60,000	3,339,000
iShares S&P 100 Index Fund	20,000	1,300,600
PowerShares Aerospace & Defense Portfolio	27,500	532,950
PowerShares FTSE RAFI US 1000 Portfolio	36,000	2,117,520
Rydex S&P 500 Pure Growth ETF	23,300	852,314
Ultra QQQ ProShares	20,500	1,659,475
Vanguard Health Care VIPERs	15,000	<u>866,550</u>
Total Domestic Index Funds (Cost \$11,537,104)		<u>11,737,309</u>
International Equity Fund 8.2%		
Oakmark International Fund – Class I	151,126	<u>4,035,072</u>
Total International Equity Fund (Cost \$2,203,351)		<u>4,035,072</u>
International Index Funds 9.6%		
India Fund, Inc.	8,000	305,120
iShares MSCI EAFE Index Fund	7,000	533,820
iShares MSCI Hong Kong Index Fund	30,000	481,800
iShares MSCI Singapore Index Fund	25,000	309,250
iShares MSCI South Korea Index Fund	18,000	910,080
iShares MSCI Taiwan Index Fund	85,000	1,184,900
Wisdomtree Japan SmallCap Dividend Fund	20,000	<u>1,043,800</u>
Total International Index Funds (Cost \$4,802,641)		<u>4,768,770</u>
Money Market Fund 11.3%		
Federated Treasury Obligations Fund – Class IS	5,586,431	<u>5,586,431</u>
Total Money Market Fund (Cost \$5,586,431)		<u>5,586,431</u>

The accompanying notes are an integral part of these financial statements.

PORTFOLIO OF INVESTMENTS (Continued)

March 31, 2007

Ticker Symbol: GWGFX

Sector Fund 3.8%

Energy

Oil Service HOLDRs Trust	13,000	\$ 1,894,360
Total Sector Fund (Cost \$1,920,986)		<u>1,894,360</u>
Total Investments 102.1% (Cost \$42,872,983)		<u>50,579,644</u>
Liabilities, less Other Assets (2.1%)		<u>(1,048,152)</u>
Net Assets 100.0%		<u><u>\$49,531,492</u></u>

The accompanying notes are an integral part of these financial statements.

FINANCIAL STATEMENTS

Statement of Assets and Liabilities

March 31, 2007

ASSETS

Investments, at value (cost \$42,872,983)	\$50,579,644
Income receivable	20,303
Receivable for capital shares sold	33,117
Other assets	9,322
TOTAL ASSETS	<u>50,642,386</u>

LIABILITIES

Payable for investments purchased	966,269
Payable for capital shares redeemed	60,173
Payable to Advisor	9,520
Payable to affiliates	31,130
Accrued interest payable	314
Accrued expenses and other liabilities	43,488
TOTAL LIABILITIES	<u>1,110,894</u>

NET ASSETS	<u>\$49,531,492</u>
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Net assets consist of:

Paid-in capital	\$36,605,344
Undistributed net realized gain	5,219,487
Net unrealized appreciation on investments	7,706,661
NET ASSETS	<u>\$49,531,492</u>

Shares of beneficial interest outstanding (unlimited number of shares authorized, \$0.001 par value)	<u>3,886,858</u>
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Net asset value, redemption price and offering price per share ⁽¹⁾	<u>\$ 12.74</u>
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(1) A redemption fee of 1.00% is assessed against shares redeemed within 60 days of purchase.

The accompanying notes are an integral part of these financial statements.

FINANCIAL STATEMENTS

Statement of Operations

For the Year Ended March 31, 2007

INVESTMENT INCOME	
Dividend income	\$ 1,145,604
Interest income	152,259
TOTAL INVESTMENT INCOME	<u>1,297,863</u>
EXPENSES	
Advisory fees	494,307
Legal fees	72,513
Administration fees	64,059
Transfer agent fees and expenses	62,732
Fund accounting fees	36,051
Chief compliance officer fees and expenses	23,195
Federal and state registration fees	19,548
Audit fees	19,500
Reports to shareholders	9,471
Trustees' fees and related expenses	8,749
Custody fees	6,282
Other expenses	22,537
TOTAL EXPENSES BEFORE INTEREST EXPENSE	<u>838,944</u>
Interest expense	308
TOTAL EXPENSES	<u>839,252</u>
Less waivers by Advisor	(58,767)
NET EXPENSES	<u>780,485</u>
NET INVESTMENT INCOME	<u>517,378</u>
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS	
Net realized gain from security transactions	6,352,135
Capital gain distributions from other investment companies	2,432,614
Change in net unrealized appreciation/depreciation on investments	(5,993,189)
NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS	<u>2,791,560</u>
NET INCREASE IN NET ASSETS FROM OPERATIONS	<u>\$ 3,308,938</u>

The accompanying notes are an integral part of these financial statements.

FINANCIAL STATEMENTS

Statements of Changes in Net Assets

	<u>Year Ended March 31, 2007</u>	<u>Year Ended March 31, 2006</u>
FROM OPERATIONS		
Net investment income	\$ 517,378	\$ 141,988
Net realized gain from security transactions	6,352,135	883,915
Capital gain distributions from other investment companies	2,432,614	1,750,605
Change in net unrealized appreciation/depreciation on investments	<u>(5,993,189)</u>	<u>9,186,397</u>
Net increase in net assets from operations	<u>3,308,938</u>	<u>11,962,905</u>
FROM DISTRIBUTIONS		
Net investment income	(719,903)	(87,405)
Net realized gain on investments	<u>(2,489,549)</u>	<u>—</u>
Net decrease in net assets resulting from distributions paid	<u>(3,209,452)</u>	<u>(87,405)</u>
FROM CAPITAL SHARE TRANSACTIONS		
Proceeds from shares sold	2,079,405	2,371,567
Net proceeds from merger (Note 7)	—	24,332,960
Net asset value of shares issued in reinvestment of distributions to shareholders	3,145,949	86,895
Payments for shares redeemed ⁽¹⁾	<u>(11,805,912)</u>	<u>(14,100,491)</u>
Net increase (decrease) in net assets from capital share transactions	<u>(6,580,558)</u>	<u>12,690,931</u>
TOTAL INCREASE (DECREASE) IN NET ASSETS	(6,481,072)	24,566,431
NET ASSETS		
Beginning of year	<u>56,012,564</u>	<u>31,446,133</u>
End of year	<u>\$49,531,492</u>	<u>\$56,012,564</u>
UNDISTRIBUTED NET INVESTMENT INCOME		
	<u>\$ —</u>	<u>\$ 141,988</u>

(1) Net of redemption fees of \$1,574 for the year ended March 31, 2007, and \$2,821 for the year ended March 31, 2006.

The accompanying notes are an integral part of these financial statements.

FINANCIAL STATEMENTS

Financial Highlights

Per Share Data for a Share Outstanding Throughout Each Year

	Year Ended March 31, 2007	Year Ended March 31, 2006	Year Ended March 31, 2005	Year Ended March 31, 2004	Year Ended March 31, 2003
Net Asset Value, Beginning of Year	\$ 12.72	\$ 10.80	\$ 10.40	\$ 7.06	\$ 9.79
Income (loss) from investment operations:					
Net investment income (loss) ⁽¹⁾	0.14 ⁽²⁾	0.03	0.03	(0.06)	(0.09)
Net realized and unrealized gain (loss) on investments	0.70	1.92	0.37	3.40	(2.55)
Total from investment operations	0.84	1.95	0.40	3.34	(2.64)
Less distributions paid:					
From net investment income	(0.18)	(0.03)	—	—	—
From net realized gain on investments	(0.64)	—	—	—	(0.09)
Total distributions paid	(0.82)	(0.03)	—	—	(0.09)
Paid-in capital from redemption fees (Note 2)	— ⁽³⁾	— ⁽³⁾	— ⁽³⁾	— ⁽³⁾	— ⁽³⁾
Net Asset Value, End of Year	\$ 12.74	\$ 12.72	\$ 10.80	\$ 10.40	\$ 7.06
Total Return	6.67%	18.13%	3.85%	47.31%	(26.98)%
Supplemental Data and Ratios:					
Net assets at end of year (000's)	\$49,531	\$56,013	\$31,446	\$37,586	\$31,368
Ratio of expenses to average net assets ⁽⁴⁾⁽⁵⁾	1.50%	1.50%	1.50%	1.50%	1.50%
Ratio of net investment income (loss) to average net assets ⁽⁴⁾⁽⁵⁾	0.99%	0.30%	0.26%	(0.59)%	(1.04)%
Portfolio turnover rate	53.00%	6.60%	39.78%	1.66%	39.50%

- (1) Recognition of investment income by the Fund is affected by the timing of the declaration of the dividends by the underlying investment companies in which the Fund invests.
- (2) Per share net investment income was calculated prior to tax adjustments.
- (3) Less than one cent per share.
- (4) Net of waivers and reimbursement of expenses by Advisor. Without waivers and reimbursement of expenses, the ratio of expenses to average net assets would have been 1.61%, 1.77%, 1.90%, 1.89% and 2.08% and the ratio of net investment income (loss) to average net assets would have been 0.88%, 0.03%, (0.14)%, (0.98)% and (1.62)% for the years ended March 31, 2007, March 31, 2006, March 31, 2005, March 31, 2004 and March 31, 2003, respectively.
- (5) Does not include expenses of investment companies in which the Fund invests.

The accompanying notes are an integral part of these financial statements.

March 31, 2007

(1) Organization

MUTUALS.com (the “Trust”) was organized as a Delaware business trust under a Declaration of Trust dated March 20, 2001. The Trust is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company. The Generation Wave Growth Fund (the “Fund”), represents a distinct portfolio with its own investment objectives and policies within the Trust. The Trust may issue an unlimited number of shares of beneficial interest at \$0.001 par value. The Fund became effective and commenced operations on June 21, 2001.

(2) Significant Accounting Policies

The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of the financial statements. These policies are in conformity with accounting principles generally accepted in the United States of America (“GAAP”).

(a) *Investment Valuation* – The assets of the Fund consist primarily, if not exclusively, of shares of underlying mutual funds, which are valued at their respective Net Asset Values (“NAVs”). Most underlying fund securities are valued primarily on the basis of current market quotations or on the basis of information furnished by a pricing service. Certain short-term securities are valued on the basis of amortized cost. If market quotations or information furnished by a pricing service is not readily available or does not accurately reflect fair value for a security held by an underlying fund or if the value of a security held by an underlying fund has been materially affected by events occurring after the close of the applicable exchange or market on which the security is principally traded (e.g., a foreign exchange or market), that security may be valued at its fair market value as determined in good faith in accordance with procedures approved by the underlying funds’ board of trustees/directors. The NAV of the Fund will fluctuate with the value of the securities held by the underlying funds in which it principally invests. When the NAV of an underlying fund is unavailable, it is valued at fair value as determined by the Advisor under the supervision of the Fund’s Board of Trustees. When determining fair value, the following factors are taken into consideration: (i) fundamental analytical data relating to the investment; (ii) the nature and duration of restrictions on disposition of the securities; and (iii) an evaluation of the forces which influence the market in which these securities are purchased and sold.

(b) *Federal Income Taxes* – The Fund intends to comply with the requirements of Subchapter M of the Internal Revenue Code necessary to qualify as a regulated investment company and will make the requisite distributions of income and capital gains to its shareholders sufficient to relieve it from all or substantially all federal income taxes. Therefore, no federal income tax provision has been provided.

(c) *New Accounting Pronouncements* – On July 13, 2006, the Financial Accounting Standards Board (“FASB”) released FASB Interpretation No. 48 “Accounting for Uncertainty in Income Taxes” (“FIN 48”). FIN 48 provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. FIN 48 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Fund’s tax returns to determine whether the tax positions are

NOTES TO FINANCIAL STATEMENTS (Continued)

March 31, 2007

“more-likely-than-not” of being sustained by the applicable tax authority. To the extent that a tax benefit of a position is not deemed to meet the more-likely-than-not threshold, the Fund would report an income tax expense in the statement of operations. Adoption of FIN 48 is required for the last net asset value calculation in the first financial statement reporting period for fiscal years beginning after December 15, 2006. The Fund will apply FIN 48 to all open tax years on the date of adoption which is expected to be September 30, 2007. At this time, management is evaluating the implications of FIN 48 and its impact on the financial statements has not yet been determined.

In September 2006, the FASB issued Statement of Financial Accounting Standards (“SFAS”) No. 157, “Fair Value Measurements”. SFAS No. 157 defines fair value, establishes a framework for measuring fair value in accordance with GAAP, and expands disclosure about fair value measurements. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007. Management is currently evaluating the implications of SFAS No. 157, and its impact on the financial statements has not yet been determined.

(d) *Distributions to Shareholders* – The Fund will distribute any net investment income and any net realized long or short-term capital gains at least annually. Distributions from net realized gains for book purposes may include short-term capital gains. All short-term capital gains are included in ordinary income for tax purposes. Distributions to shareholders are recorded on the ex-dividend date. The Fund may also pay a special distribution at the end of the calendar year to comply with federal tax requirements.

The tax character of distributions paid during the year ended March 31, 2007 and the year ended March 31, 2006 were as follows:

	Year Ended March 31, 2007	Year Ended March 31, 2006
Ordinary income	\$ 658,166	\$87,405
Long-term capital gains	\$2,551,286	\$ —

The Fund designated as a long-term capital dividend, pursuant to the Internal Revenue Code Section 852(b)(3), the amount necessary to reduce the earnings and profits of the Fund related to net capital gain to zero for the tax year ended March 31, 2007.

As of March 31, 2007, the components of accumulated earnings on a tax basis were as follows:

Cost basis of investments for federal income tax purposes	\$42,917,525
Gross tax unrealized appreciation	\$ 7,942,962
Gross tax unrealized depreciation	(280,843)
Net tax unrealized appreciation	<u>7,662,119</u>
Undistributed ordinary income	—
Undistributed long-term capital gain	<u>5,264,029</u>
Total distributable earnings	<u>5,264,029</u>
Other accumulated losses	—
Total accumulated earnings	<u><u>\$12,926,148</u></u>

March 31, 2007

The difference between book-basis and tax-basis unrealized appreciation is attributable primarily to the tax deferral of losses on wash sales.

The Fund intends to utilize provisions of the federal income tax laws which allow it to carry a realized capital loss forward for eight years following the year of loss and offset such losses against any future realized capital gains. At March 31, 2007, the Fund had no capital loss carryforwards.

(e) *Use of Estimates* – The preparation of financial statements in conformity with GAAP 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

(f) *Share Valuation* – The NAV per share of the Fund is calculated by dividing the sum of the value of the securities held by the Fund, plus cash or other assets, minus all liabilities (including estimated accrued expenses) by the total number of shares outstanding for the Fund, rounded to the nearest cent. The Fund's shares will not be priced on the days on which the New York Stock Exchange ("NYSE") is closed for trading. The offering and redemption price per share for the Fund is equal to the Fund's net asset value per share. The Fund charges a 1.00% redemption fee on shares held less than 60 days. These fees are deducted from the redemption proceeds otherwise payable to the shareholder. The Fund will retain the fee charged as paid-in capital and such fees become part of the Fund's daily NAV calculation.

(g) *Other* – Investment transactions are accounted for on the trade date. The Fund determines the gain or loss from investment transactions on the identified cost basis by comparing the original cost of the security lot sold with the net sale proceeds. Dividend income is recognized on the ex-dividend date and interest income is recognized on an accrual basis.

(h) *Reclassifications of Capital Accounts* – Due to inherent differences in the recognition of income, expenses and realized gains/losses under GAAP and federal income tax purposes, permanent differences between book and tax basis reporting have been identified and appropriately reclassified on the Statement of Assets and Liabilities. For the fiscal year ended March 31, 2007 reclassifications were recorded to decrease undistributed net investment loss by \$60,537 and decrease undistributed net realized gain by \$60,537. These reclassifications have no effect on net assets or net asset value per share.

(3) Transactions with Affiliates

The Trust has an Investment Advisory Agreement (the "Agreement") with Mutuals Advisors, Inc. (the "Advisor"), formerly known as MUTUALS.com, Inc., with whom an officer of the Trust is affiliated, to furnish investment advisory services to the Fund. Under the terms of the Agreement, the Trust, on behalf of the Fund, compensates the Advisor for its management services at the annual rate of 0.95% of the Fund's average daily net assets.

NOTES TO FINANCIAL STATEMENTS (Continued)

March 31, 2007

The Advisor has agreed to waive, through July 31, 2017, its management fee and/or reimburse the Fund's other expenses to the extent necessary to ensure that the Fund's operating expenses do not exceed 1.50% of the Fund's average daily net assets. For the year ended March 31, 2007, expenses of \$58,767 were waived by the Advisor. Any such waiver or reimbursement is subject to later adjustment to allow the Advisor to recoup amounts waived or reimbursed to the extent actual fees and expenses for a fiscal period are less than the Fund's expense limitation cap, provided, however, that the Advisor shall only be entitled to recoup such amounts for a period of three years from the date such amount was waived or reimbursed.

The following table shows the remaining waived or reimbursed expenses subject to potential recovery expiring in:

2008	\$136,006
2009	\$125,546
2010	\$ 58,767

A Trustee of the Trust is affiliated with U.S. Bancorp Fund Services, LLC and U.S. Bank, N.A., which provide accounting, administration, transfer agency and custodian services to the Fund.

The Fund paid the Chief Compliance Officer \$23,195 for the year ended March 31, 2007.

(4) Capital Share Transactions

Transactions in shares of the Fund were as follows:

	Year Ended March 31, 2007	Year Ended March 31, 2006
Shares sold	162,113	203,757
Shares issued in connection with acquisition of Aggressive Growth Fund	—	1,494,551
Shares issued in connection with acquisition of Alternative Growth Fund	—	1,001,017
Shares issued to holders in reinvestment of distributions	249,086	7,569
Shares redeemed	<u>(928,690)</u>	<u>(1,215,075)</u>
Net increase (decrease)	<u>(517,491)</u>	<u>1,491,819</u>

(5) Investment Transactions

The aggregate purchases and sales of securities, excluding short-term investments, for the Fund for the year ended March 31, 2007 were \$26,324,539 and \$40,077,920, respectively. There were no purchases or sales of U.S. government securities for the Fund.

(6) Credit Facility

U.S. Bank, N.A. (the "Bank") has made available to the Fund a credit facility pursuant to a Loan and Security Agreement for the Fund dated October 1, 2004 for the purpose of purchasing portfolio securities. For the periods April 1, 2006 through May 9, 2006, May 10, 2006 through June 28, 2006 and June 29, 2006 through March 31, 2007 the interest

March 31, 2007

rate on the outstanding principal amount was the Bank's Prime Rate of 7.75%, 8.00% and 8.25%, respectively. During the year ended March 31, 2007, the Fund had an outstanding average daily balance of \$6,122 and the maximum amount outstanding during the period was \$497,700. Interest expense amounted to \$308 for the Fund for the year ended March 31, 2007. At March 31, 2007 there was no loan payable balance for the Fund.

(7) Acquisition Information

Effective at the close of business on July 29, 2005, the Fund acquired, through a non-taxable reorganization, substantially all of the net assets of the Aggressive Growth and Alternative Growth Funds. The Fund issued 1,494,550.700 shares (valued at \$14,969,314) for net assets of the Aggressive Growth Fund, including unrealized appreciation of \$2,242,080 and the Fund issued 1,001,017.152 shares (valued at \$9,363,646) for net assets of the Alternative Growth Fund, including unrealized appreciation of \$2,164,167. The Alternative Growth Fund had capital loss carryforwards, which were combined with those of the Fund. Subject to IRS regulations, the Fund may use capital loss carryforwards of \$372,506 from the Alternative Growth Fund.

**REPORT OF INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM**

**To the Board of Trustees and Shareholders of
Mutuals.com
Dallas, Texas**

We have audited the accompanying statement of assets and liabilities of the Generation Wave Growth Fund, a series of shares of MUTUALS.com, including the portfolio of investments, as of March 31, 2007, the related statement of operations for the year then ended, statements of changes in net assets for each of the two years in the period then ended and financial highlights for each of the four years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits. The financial highlights for the year ended March 31, 2003 were audited by other auditors, whose report dated May 1, 2003, expressed an unqualified opinion on such financial highlights.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Fund is not required to have, nor were we engaged to perform an audit of the Fund's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of March 31, 2007 by correspondence with the custodian and brokers. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of the Generation Wave Growth Fund as of March 31, 2007, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the four years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

TAIT, WELLER & BAKER LLP

Philadelphia, Pennsylvania
May 18, 2007

ADDITIONAL INFORMATION

Information about Trustees

The business and affairs of the Fund are managed under the direction of the Fund's Board of Trustees. Information pertaining to the Trustees of the Fund is set forth below. The Statement of Additional Information includes additional information about the Fund's Trustees and is available, without charge, upon request by calling 1-866-264-8783.

Non-Interested Trustees

<u>Name, Address and Age</u>	<u>Position Held with the Trust</u>	<u>Term of Office and Length of Time Served</u>	<u>Principal Occupation During Past Five Years</u>	<u>Number of Portfolios Overseen by Trustee</u>	<u>Other Directorships Held by Trustee</u>
Dr. Michael D. Akers Straz Hall, 481 606 N. 13th Street Milwaukee, WI 53201 Age: 50	Independent Trustee	Indefinite term; Since 2001	Professor and Chair, Department of Accounting, Marquette University (2004 - present); Associate Professor of Accounting, Marquette University (1996 - 2004)	2	Independent Trustee, Trust for Professional Managers (an open-end investment company)
Gary A. Drska 6744 S. Howell Avenue Oak Creek, WI 53154 Age: 49	Independent Trustee	Indefinite term; Since 2001	Captain, Midwest Airlines (Airline Company) (1985 - present); Director - Flight Standards and Training (July 1990 - December 1999)	2	Independent Trustee, Trust for Professional Managers (an open-end investment company)

Interested Trustee and Officers

<u>Name, Address and Age</u>	<u>Position(s) Held with the Trust</u>	<u>Term of Office and Length of Time Served</u>	<u>Principal Occupation During Past Five Years</u>	<u>Number of Portfolios Overseen by Trustee</u>	<u>Other Directorships Held by Trustee</u>
Joseph C. Neuberger* 615 E. Michigan Street Milwaukee, WI 53202 Age: 43	Trustee and Chairperson	Indefinite term; Since 2001	Senior Vice President, U.S. Bancorp Fund Services, LLC (1994 - present)	2	Trustee, Trust for Professional Managers (an open-end investment company); Director/Trustee, Buffalo Funds (an open-end investment company)

* This trustee is considered an "interested person" as defined in the 1940 Act because of his affiliation with U.S. Bancorp Fund Services, LLC and U.S. Bank, N.A., which provide fund accounting, administration, transfer agency and custodian services to the Fund.

ADDITIONAL INFORMATION (Continued)

Interested Trustee and Officers (Continued)

<u>Name, Address and Age</u>	<u>Position(s) Held with the Trust</u>	<u>Term of Office and Length of Time Served</u>	<u>Principal Occupation During Past Five Years</u>	<u>Number of Portfolios Overseen by Trustee</u>	<u>Other Directorships Held by Trustee</u>
Laurie P. Roberts Plaza of the Americas 700 N. Pearl Street, Suite 900 Dallas, TX 75201 Age: 40	President and Treasurer	Indefinite term; Since 2007	President, Mutuals Advisors, Inc. (2007 - present); Executive Vice President and Chief Compliance Officer, Douglas Scott Securities, Inc. (1995 - January 2007); Chief Executive Officer, LPCR Consulting Inc. (2002 - present)	N/A	N/A
Rachel A. Spearo 615 E. Michigan Street Milwaukee, WI 53202	Secretary	Indefinite term; Since 2005	Counsel, Fund Administration and Compliance, U.S. Bancorp Fund Services, LLC (2004 - present)	N/A	N/A
David E. Scott 521 Fifth Avenue, Suite 1700 New York, NY 10175 Age: 36	Chief Compliance Officer	Indefinite term; Since 2007	Managing Member, D.E. Scott & Associates, LLC (December 2005 - present); CCO, Strategic Value Partners, LLC (August 2004 - December 2005); Managing Director, IMRC Group (August 2003 - August 2004); Director of Fund Compliance, US Trust Company (August 2001 - August 2003)	N/A	N/A

Tax Information

The Fund designates 96% of its ordinary income distribution for the year ended March 31, 2007 as qualified dividend income under the Jobs and Growth Tax Relief Reconciliation Act of 2003.

For the year ended March 31, 2007, 52% of the dividends paid from net ordinary income qualify for the dividends received deduction available to corporate shareholders.

A NOTE ON FORWARD LOOKING STATEMENTS

Except for historical information contained in this report, the matters discussed in this report may constitute forward-looking statements made pursuant to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. These include any advisor, sub-advisor or portfolio manager predictions, assessments, analyses or outlooks for individual securities, industries, market sectors and/or markets. These statements involve risks and uncertainties. In addition to the general risks described for the Fund in the current Prospectus, other factors bearing on this report include the accuracy of the advisor's, sub-advisor's or portfolio manager's forecasts and predictions, and the appropriateness of the investment programs designed by the advisor, sub-advisor or portfolio manager to implement their strategies efficiently and effectively. Any one or more of these factors, as well as other risks affecting the securities markets and investment instruments generally, could cause the actual results of the Fund to differ materially as compared to benchmarks associated with the Fund.

PROXY VOTING POLICIES AND PROCEDURES

MUTUALS.com has adopted proxy voting policies and procedures that delegate to Mutuals Advisors, Inc., the Fund's investment advisor (the "Advisor"), the authority to vote proxies. A description of the Fund's proxy voting policies and procedures is available without charge, upon request, by calling the Fund toll free at 1-866-264-8783. A description of these policies and procedures is also included in the Fund's Statement of Additional Information, which is available on the SEC's website at <http://www.sec.gov>.

The actual voting records relating to portfolio securities during the most recent twelve month period ended June 30 are available without charge, upon request, by calling 1-866-264-8783 or by accessing the SEC's website at <http://www.sec.gov>.

PORTFOLIO DISCLOSURE INFORMATION

The Fund files its complete schedule of portfolio holdings with the SEC four times each fiscal year at quarter-ends. The Fund files the Schedule of Portfolio Holdings with the SEC on Form N-CSR (second and fourth quarters) and on Form N-Q (first and third quarters). Shareholders may view the Fund's Forms N-CSR and N-Q on the SEC's website at <http://www.sec.gov>. Forms N-CSR and N-Q may also be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the SEC's Public Reference Room may be obtained by calling 1-202-942-8090 (direct) or 1-800-SEC-0330 (general SEC number).

MUTUALS.com

Generation Wave Growth Fund

Investment Advisor

Mutuals Advisors, Inc.

Plaza of the Americas
700 North Pearl Street, Suite 900
Dallas, Texas 75201

Subadvisor

GNI Capital, Inc.

125 The Parkway, Suite 201
Greenville, South Carolina 29615

Legal Counsel

Godfrey & Kahn, S.C.

780 North Water Street
Milwaukee, Wisconsin 53202

Independent Registered Public
Accounting Firm

Tait, Weller & Baker LLP

1818 Market Street, Suite 2400
Philadelphia, Pennsylvania 19103

Transfer Agent, Fund Accountant
and Fund Administrator

U.S. Bancorp Fund Services, LLC

615 East Michigan Street
Milwaukee, Wisconsin 53202

Custodian

U.S. Bank, N.A.

Custody Operations
1555 North RiverCenter Drive, Suite 302
Milwaukee, Wisconsin 53212

Distributor

Quasar Distributors, LLC

615 East Michigan Street
Milwaukee, Wisconsin 53202