The Masters' Select Funds Trust

Prospectus

The Masters' Select Equity Fund
The Masters' Select International Fund
The Masters' Select Value Fund
The Masters' Select Smaller Companies Fund
The Masters' Select Focused Opportunities Fund

June 30, 2006

LITMAN/GREGORY FUND ADVISORS, LLC

www.mastersfunds.com

Prospectus Enclosed

Litman/Gregory Fund Advisors'
Commitment to Shareholders

We are deeply committed to making each Masters' Select Fund a highly satisfying long-term investment for shareholders. In following through on this commitment we are guided by our core values, which influence four specific areas of service:

First, we are committed to the Masters' Select concept.

- We will only hire managers who we strongly believe will deliver exceptional long-term returns relative to their benchmarks. We base this belief on extremely thorough due diligence research. This not only requires us to assess their stock picking skills, but also to evaluate their ability to add incremental performance by investing in a concentrated portfolio of their highest conviction ideas.
- We will monitor each of the managers so that we can maintain our confidence in their ability to deliver the long-term performance we expect. In addition, our monitoring will seek to assess whether they are staying true to their Masters' Select mandate. Consistent with this mandate we focus on long-term performance evaluation so that the Masters' Select stock pickers will not be distracted by short-term performance pressure.

Second, we will do all we can to ensure that the framework within which our stock pickers do their work further increases the odds of success.

- New investments in each Fund are expected to be limited when that Fund reaches certain asset levels. By limiting Fund size in this manner, we believe each manager's Masters' Select asset base will remain small enough so that a high level of flexibility to add value through individual stock picking will be retained.
- The framework also includes the diversified multi-manager structure that makes it possible for each manager to invest in a concentrated manner knowing that the potential volatility within his or her portfolio will be diluted at the fund level by the performance of the other managers. The multi-manager structure seeks to provide the diversification necessary to temper the volatility of each manager's sub-portfolio.
- We will work hard to discourage short-term speculators so that cash flows into the Funds are not volatile. Lower volatility helps prevent our managers from being forced to sell stocks at inopportune times or to hold excessive cash for non-investment purposes. This is why years ago the Funds implemented a 2% redemption fee for the first six months of a shareholder's investment in any Fund, which is paid to each Fund for the benefit of shareholders.

Third, is our commitment to do all we can from an operational standpoint to maximize shareholder returns.

- We will remain attentive to Fund overhead, and whenever we achieve savings we will pass them through to shareholders. For example, we have had several manager changes that resulted in lower sub-advisory fees to our Funds. In every case we have passed through the full savings to shareholders in the form of fee waivers.
- There will be no loads, 12b-1 charges or any distribution charges.
- We also will work closely with our sub-advisors to make sure they are aware of tax-loss selling opportunities (only to be taken if there are equally attractive stocks to swap into). We account for partial sales on a specific tax lot basis so that shareholders will benefit from the most favorable tax treatment. The goal is not to favor taxable shareholders over tax-exempt shareholders but to make sure that the Masters' Select stock pickers are taking advantage of tax savings opportunities when doing so is not expected to reduce pre-tax returns.

Fourth, is our commitment to communicate honestly about all relevant developments and expectations.

- We will continue to do this by providing thorough and educational shareholder reports.
- We will continue to provide what we believe are realistic assessments of the investment environment.

Our commitment to Masters' Select is also evidenced by our own investment. Our employees have, collectively, substantial investments in the Funds, as does our company retirement plan. In addition, we use the Funds extensively in the client accounts of our investment advisor practice (through our affiliate Litman/Gregory Asset Management, LLC). We have no financial incentive to do so because the fees we receive from Masters' Select held in client accounts are fully offset against the advisory fees paid by our clients. In fact, we have a disincentive to use the Funds in our client accounts because each Masters' Select Fund is capacity constrained (they will be closed at the pre-determined asset levels mentioned above), and by using them in client accounts we are using up capacity for which we are not paid. But we believe these Funds offer value that we can't get elsewhere and this is why we enthusiastically invest in them ourselves and on behalf of clients.

While we believe highly in the ability of the Funds' sub-advisors, our commitments are not intended as guarantees of future results.

This information is authorized for use when preceded or accompanied by a prospectus for the Masters' Select Funds. Mutual fund investing involves risk; principal loss is possible. While the Funds are no-load, there are management fees and operating expenses that do apply. The prospectus contains more information regarding the Funds' investment objectives, risks, fees and expenses. Read the prospectus carefully before you invest in the Funds.

Distributed by Quasar Distributors, LLC (06/06)

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The Masters' Select Funds Overview

Investment Philosophy

The Masters' Select Funds are based on two fundamental beliefs:

First, the Funds' investment advisor, Litman/Gregory Fund Advisors, LLC ("Litman/Gregory") believes it is possible to identify investment managers who will deliver superior long-term performance relative to their passive benchmarks and peer groups. This belief is based on Litman/Gregory and its affiliates' extensive experience evaluating stock pickers and mutual funds on behalf of their clients.

Second, Litman/Gregory believes that most stock pickers have an unusually high level of conviction in only a small number of stocks and that a portfolio limited to these stocks will, on average, outperform a more diversified portfolio over a market cycle. However, most stock pickers typically manage portfolios that are diversified beyond these highest conviction holdings in order to reduce risk and to facilitate the management of the larger amounts of money they oversee.

The Masters' Select Concept

Based on the above beliefs, each Masters' Select Fund seeks to isolate the stock-picking skills of a group of highly regarded investment managers. To meet this objective, the Funds are designed with both risk and return in mind, placing particular emphasis on the following factors:

- Only stock pickers Litman/Gregory believes to be exceptionally skilled are chosen to manage each of the Fund's sub-portfolios.
- Of equal importance, each stock picker runs a very concentrated sub-portfolio of not more than 15 of his or her "highest conviction" stocks. For the Focused Opportunities Fund, each stock picker may own no more than seven stocks.
- Even though each manager's portfolio is concentrated, Masters' Select seeks to manage risk partly by building diversification into each Fund.
    - With the *Equity* and *International* Funds, Litman/Gregory has sought to achieve this by including managers with differing investment styles and market cap orientations.
    - With the *Smaller Companies* Fund, much like *Equity* and *International*, Litman/Gregory has brought together managers who use different investment approaches, though each focuses on the securities of smaller companies.
    - With the *Value* Fund, Litman/Gregory has included managers who each take a unique approach to assessing companies and defining value. Please note that the *Value* Fund is classified as a "non-diversified" fund; however, its portfolio has historically met the qualifications of a "diversified" fund.
    - With the *Focused Opportunities* Fund, this is done by using multiple managers with diverse investment styles. However, even with this diversification, the Fund is classified as a "non-diversified" fund, as it may hold as few as 15 stocks and no more than 21 stocks.
- Litman/Gregory believes that excessive asset growth often results in diminished performance. Therefore, each Masters' Select Fund will close to new investors at a level that Litman/Gregory believes will preserve each manager's ability to effectively implement the "select" concept. (Currently, the *International* Fund is closed to most new investors; please refer to "Closed Funds" in the shareholder services section for details.)

Selection Criteria – What Makes a Manager a Masters' Select Candidate?

Litman/Gregory believes that superior investment managers exhibit most of the following characteristics:

- *Consistently above-average intermediate and long-term performance relative to an appropriate benchmark index and peer group.*
- *A well-defined investment process that is executed with discipline.* Discipline refers to the commitment to in-depth research to support each and every decision and also to an unwavering commitment to the manager's process and circle of competency. This combination of sound process and discipline helps to minimize decision errors by the manager.
- *The confidence and ability to think and act independently*.
- *The intellectual honesty to realize a mistake, learn from it and move on.*
- *A passion for stock -picking that results in the drive to work harder and more creatively in order to gain an edge.*
- *A focus on the job of stock -picking and portfolio management*. Litman/Gregory seeks investment managers who have attempted to mitigate non-investment distractions by delegating most business management and marketing duties.

Litman/Gregory and its affiliated companies have extensive experience evaluating investment advisory firms using the above criteria, and they believe that each of the investment managers selected for the Funds exhibits most of the qualities mentioned above. Moreover, specific to Masters' Select, Litman/Gregory evaluates each manager's ability and inclination to run a concentrated portfolio and his or her enthusiasm for the Masters' Select opportunity.

The Masters' Select Equity Fund

Objective

The objective of the Fund is long-term growth of capital; that is, the increase in the value of your investment over the long term.

Principal Strategies

Litman/Gregory believes that it is possible to identify investment managers who, over a market cycle, will deliver superior returns relative to their peers. Litman/Gregory also believes that most stock pickers have a few select stocks in which they have a high degree of confidence. In the case of certain skilled stock pickers, Litman/Gregory believes a portfolio of their "highest confidence" stocks will outperform their more diversified portfolios over a market cycle.

Based on these beliefs, the Fund's strategy is to engage a number of proven managers as sub-advisors, each to invest in the securities of companies that he or she believes have strong appreciation potential. Under normal conditions, each manages a portion of the Fund's assets by independently managing a portfolio composed of between 5 and 15 stocks. The Fund invests primarily in the securities of large- and small-sized U.S. companies, although the managers have limited flexibility to invest in the securities of foreign companies. By executing this strategy the Fund seeks to:

- combine the efforts of several experienced, world-class managers, all with superior track records,
- access the favorite stock-picking ideas of each manager at any point in time,
- deliver a portfolio that is prudently diversified in terms of stocks (typically 60 to 90) and industries while allowing each manager to run a portion of the portfolio focused on only his or her favorite stocks, and
- further diversify across different-sized companies and stock-picking styles by incorporating managers with a variety of stock-picking disciplines.

Principal Risks

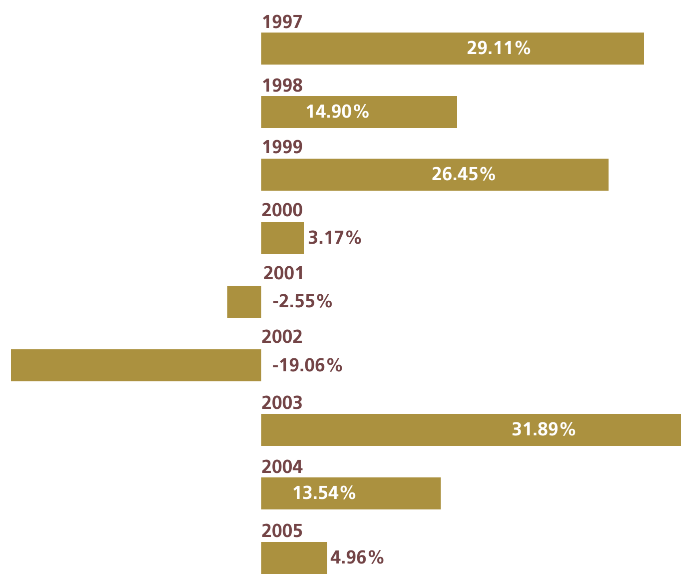
Investment in stocks exposes shareholders of the Fund to the risk of losing money if the value of the stocks held by the Fund declines during the period an investor owns shares in the Fund. As with all mutual funds that invest in common stocks, the value of an individual's investment will fluctuate daily in response to the performance of the individual stocks held in the Fund.

Though not a small-cap fund, the Fund typically invests a portion of its assets in the securities of small companies. The prices of small companies' stocks are generally more volatile than the prices of large companies' stocks. This is because small companies may be more reliant on a few products, services or key personnel, which can be riskier than owning larger companies with more diverse product lines and structured management. In addition, because small companies have fewer shares of stock outstanding, the ability to trade their securities quickly may be affected by a lack of buyers and sellers in these stocks. This lack of liquidity increases the Fund's risk to adverse market movements in the prices of these stocks.

Though primarily a U.S. equity fund, the Fund may invest a portion of its assets in the stocks and bonds of companies based outside of the United States. The Fund is exposed to higher risk in owning these securities because each country has its own rules regarding accounting practices, government regulation, and government economic policies, which may differ from the rules and policies to which U.S. companies are subject. In addition, the Fund, at times, will be exposed to foreign currency fluctuations as the result of its foreign holdings.

Past Performance

The following chart depicts the annual performance for the life of the Fund. The chart illustrates the risk of investing in the Fund by showing the fluctuations in its annual returns. Please keep in mind that past performance, before and after taxes, cannot guarantee future returns.



During the periods shown above, the highest and lowest quarterly returns earned by the Fund were:

Highest:	**21.49%**	**Quarter ended December 31, 1998**
Lowest:	**-18.76%**	**Quarter ended September 30, 2001**

The Fund's year-to-date return as of March 31, 2006 was 4.20%.

The following table compares the Fund's performance over time with the the Lipper Multi-Cap Core Index, which measures the performance of the 30 largest multi-cap core equity mutual funds as determined by Lipper, Inc., and the Russell 3000 Index, a broad-based index that measures the performance of the 3,000 largest U.S. companies as measured by market capitalization, and represents about 98% of the U.S. stock market. Because indices cannot be invested in directly, these index returns do not reflect a deduction for fees, expenses, or taxes.

Average Annual Total Returns As of December 31, 2005

	One Year	Five Year	Since Fund Inception (12/31/96)
Masters' Select Equity Fund			
Return before taxes	**4.96%**	**4.39%**	**10.21%**
Return after taxes on distributions	**4.20%**	**4.22%**	**8.70%**
Return after taxes on distributions and sale of fund shares	**4.20%**	**3.76%**	**8.18%**
Russell 3000 Index*	**6.12%**	**1.58%**	**7.88%**
Lipper Multi-Cap Core Index*	**8.21%**	**2.20%**	**7.71%**

* Reflects no deduction for fees, expenses, or taxes.

The Fund's after-tax returns as shown in the previous table are calculated using the highest applicable individual federal marginal income tax rates for the period and do not reflect the impact of state and local taxes. In certain cases the figure representing "Return After Taxes on Distributions and Sales of Fund Shares" may be higher than the other return figures of the same period. A higher after-tax return results when a capital loss occurs upon redemption and provides an assumed tax deduction that benefits the investor. Your actual after-tax returns depend on your tax situation and may differ from those shown. If you own Fund shares in a tax-deferred account, such as a 401(k) plan or an individual retirement account ("IRA"), this information does not apply to your investment.

Fees and Expenses

Expenses are one of several factors to consider when investing in a mutual fund. There are usually two types of expenses involved: shareholder transaction expenses, such as sales loads and transaction fees, and annual operating expenses, such as advisory fees. The Fund has no front-end or deferred sales loads, and imposes no shareholder transaction fees. The following table illustrates the fees and expenses you might pay over time as an investor in the Fund.

Shareholder Fees (paid directly from your investment)	
Sales Loads	None
180-Day Redemption Fee(1)	2.00%
Exchange Fees	None
Annual Operating Expenses (deducted from Fund assets)	
Management Fee	1.09%
Distribution (12b-1) Fee	None
Other Operating Expenses(2)	0.10%
Total Annual Fund Operating Expenses	**1.19%**

(1) You will be charged a 2% fee if you redeem or exchange shares of the Fund within 180 days of purchase.

(2) Significant other expenses include custody, fund accounting, transfer agency, legal, audit, and administration.

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. It assumes that you invest $10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

One Year	Three Years	Five Years	Ten Years
$121	$378	$654	$1,443

Management

The Advisor to the Fund is Litman/Gregory Fund Advisors, LLC. Litman/Gregory has ultimate responsibility for the investment performance of the Fund due to its responsibility to oversee the investment managers and recommend their hiring, termination and replacement. The following table provides a description of the Fund's six investment managers. A detailed discussion of the management structure of the Fund begins on Page 20.

INVESTMENT MANAGER/FIRM	TARGET MANAGER ALLOCATION	MARKET CAPITALIZATION OF COMPANIES IN PORTFOLIO	STOCK-PICKING STYLE
Craig Blum and Steven Burlingame TCW Investment Management Company	20%	Mostly mid- and large-sized companies	Growth
Christopher Davis/ Kenneth Feinberg Davis Selected Advisors, L.P.	20%	Mostly large companies	Growth at a reasonable price
Bill D'Alonzo and team Friess Associates, LLC	10%	Small and mid-sized companies	Growth
Mason Hawkins Southeastern Asset Management, Inc.	20%	All sizes and global, may have up to 50% foreign stocks	Value
Bill Miller Legg Mason Capital Management, Inc.	20%	All sizes but mostly large and mid-sized companies	Eclectic, may invest in traditional value stocks or growth stocks
Dick Weiss Wells Capital Management, Inc.	10%	Small and mid-sized companies	Growth at a reasonable price

The Masters' Select International Fund

Objective

The objective of the Fund is long-term growth of capital; that is, the increase in the value of your investment over the long term.

Principal Strategies

Litman/Gregory believes that it is possible to identify international investment managers who, over a market cycle, will deliver superior returns relative to their peers. Litman/Gregory also believes that most stock pickers have a few select stocks in which they have a high degree of confidence. In the case of certain skilled stock pickers, Litman/Gregory believes that a portfolio of their "highest confidence" stocks will outperform their more diversified portfolios over a market cycle.

Based on these beliefs, the Fund's strategy is to engage a number of proven managers as sub-advisors, each to invest in the securities of companies that they believe have strong appreciation potential. Under normal conditions, each manages a portion of the Fund's assets by independently managing a portfolio composed of between 8 and 15 stocks. The Fund invests primarily in the securities of non-U.S. companies, including large and small companies and companies located in emerging markets. The managers have limited flexibility to invest in the securities of U.S. companies. By executing this strategy the Fund seeks to:

- combine the efforts of several experienced, world-class international managers, all with superior track records,
- access the favorite stock-picking ideas of each manager at any point in time,
- deliver a portfolio that is prudently diversified in terms of stocks (typically 40 to 75) and industries while still allowing each manager to run portfolio segments focused on only his favorite stocks, and
- further diversify across different sized companies, countries, and stock-picking styles by including managers with a variety of stock-picking disciplines.

Principal Risks

Investment in stocks exposes shareholders of the Fund to the risk of losing money if the value of the stocks held by the Fund declines during the period an investor owns shares in the Fund. As with all mutual funds that invest in common stocks, the value of an individual's investment will fluctuate daily in response to the performance of the individual stocks held in the Fund.

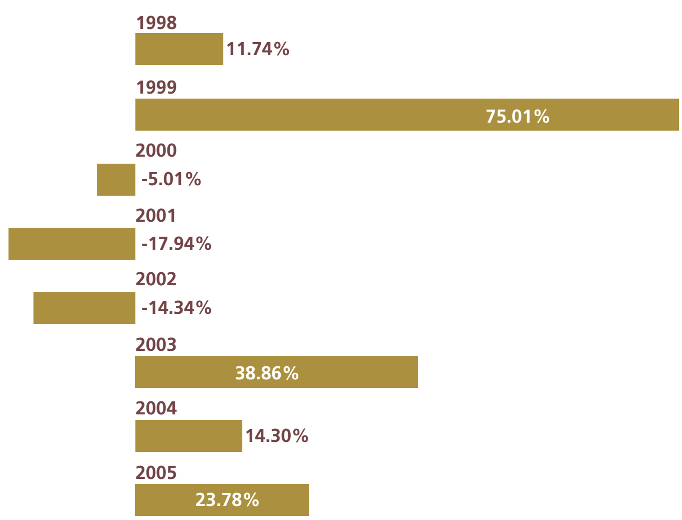
The Fund will normally be invested in the stocks and bonds of companies based outside of the United States. The Fund is exposed to higher risk in owning these securities because foreign countries have their own rules regarding accounting practices, government regulation, and government economic policies, which may differ from the rules and policies to which U.S. companies are subject. Owning foreign securities also exposes shareholders to the political risks of other countries and the risk of fluctuations of the exchange rate of the local currency relative to the U.S. dollar.

The Fund may invest a portion of its assets in emerging market countries. Emerging market countries are those with immature economic and political structures, and entail greater investment risk than developed markets. Such risks include government dependence on a few industries or resources, government-imposed taxes on foreign investment or limits on the removal of capital from a country, unstable government, and volatile markets.

Though not a small-cap fund, the Fund may invest a portion of its assets in the securities of small companies. The prices of small companies' stocks are generally more volatile than the prices of large companies' stocks. This is because small companies may be more reliant on a few products, services or key personnel, which can be riskier than owning larger, more diversified companies with more structured management. In addition, because small companies have fewer shares of stock outstanding, the ability to trade their securities quickly may be affected by a lack of buyers and sellers in these stocks. This lack of liquidity increases the Fund's risk to adverse market movements in the prices of these stocks.

Past Performance

The following chart depicts the annual performance for the life of the Fund. The chart illustrates the risk of investing in the Fund by showing the fluctuations in its annual returns. Please keep in mind that past performance, before and after taxes, cannot guarantee future returns.



During the periods shown above, the highest and lowest quarterly returns earned by the Fund were:

Highest:	**41.01%**	**Quarter ended December 31, 1999**
Lowest:	**-20.80%**	**Quarter ended September 30, 2002**

The Fund's year-to-date return as of March 31, 2006 was 8.18%.

The following table compares the Fund's performance over time with the Morgan Stanley Capital International ("MSCI") All Country World (except U.S.) Index, an unmanaged broad market index that measures the performance of common equities in 46 developed and emerging markets, and with the Lipper

International Fund Index, which measures the performance of the 30 largest International Equity mutual funds as determined by Lipper, Inc. The S&P Citigroup Global PMI (ex-US) Index is a broad based index that represents the largest 80% of investable companies in 52 developed and emerging market countries. Because indices cannot be invested in directly, these index returns do not reflect a deduction for fees, expenses, or taxes.

Average Annual Total Returns As of December 31, 2005

	One Year	Five Year	Since Fund Inception (12/01/97)
Masters' Select International Fund			
Return before taxes	**23.78%**	**6.67%**	**12.19%**
Return after taxes on distributions	**20.09%**	**5.95%**	**11.04%**
Return after taxes on distributions and sale of fund shares	**18.59%**	**5.56%**	**10.30%**
MSCI All Country World (except U.S.) Index*	**17.11%**	**6.61%**	**7.33%**
S&P Citigroup Global PMI (ex US) Index*	**17.71%**	**6.32%**	**7.62%**
Lipper International Fund Index*	**15.67%**	**5.33%**	**7.02%**

* Reflects no deduction for fees, expenses, or taxes.

The Fund's after-tax returns as shown in the previous table are calculated using the highest applicable individual federal marginal income tax rates for the period and do not reflect the impact of state and local taxes. In certain cases the figure representing "Return After Taxes on Distributions and Sales of Fund Shares" may be higher than the other return figures of the same period. A higher after-tax return results when a capital loss occurs upon redemption and provides an assumed tax deduction that benefits the investor. Your actual after-tax returns depend on your tax situation and may differ from those shown. If you own Fund shares in a tax-deferred account, such as a 401(k) plan or an IRA, this information does not apply to your investment.

Fees and Expenses

Expenses are one of several factors to consider when investing in a mutual fund. There are usually two types of expenses involved: shareholder transaction expenses, such as sales loads and transaction fees, and annual operating expenses, such as advisory fees. The Fund has no front-end or deferred sales loads, and imposes no shareholder transaction fees. The following table illustrates the fees and expenses you might pay over time as an investor in the Fund.

Shareholder Fees (paid directly from your investment)

Sales Loads	None
180-Day Redemption Fee(1)	2.00%
Exchange Fees	None

Annual Operating Expenses (deducted from Fund assets)

Management Fee	1.08%
Distribution (12b-1) Fee	None
Other Operating Expenses(2)	0.16%
Total Annual Fund Operating Expenses	1.24%
Less: Fees waived(3)	(0.13)%
Net Operating Expenses	**1.11%**

(1) You will be charged a 2% fee if you redeem or exchange shares of the Fund within 180 days of purchase.

(2) Significant other expenses include custody, fund accounting, transfer agency, legal, audit, and administration.

(3) Through 12/31/06, Litman/Gregory has agreed to waive a portion of its management fee to pass through any costs benefits resulting from changes in the sub-advisory fee schedules or allocations.

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. It assumes that you invest $10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

One Year	Three Years	Five Years	Ten Years
$113	$381	$668	$1,489

Management

The Advisor to the Fund is Litman/Gregory Fund Advisors, LLC. Litman/Gregory has ultimate responsibility for the investment performance of the Fund due to its responsibility to oversee the investment managers and to recommend their hiring, termination and replacement. The following table provides a description of the five investment managers. A detailed discussion of the management structure of the Fund begins on Page 24.

Effective October 4, 2004, the Masters' Select International Fund is closed to new investors except as described in "Closed Funds" under the Shareholder Services section.

INVESTMENT MANAGER/FIRM	TARGET MANAGER ALLOCATION	MARKET CAPITALIZATION OF COMPANIES IN PORTFOLIO	STOCK-PICKING STYLE
Bill Fries Thornburg Investment Management, Inc.	24%	All sizes	Eclectic, may invest in traditional value stocks or growth stocks
Jim Gendelman Marsico Capital Management, LLC	15%	All sizes, but mostly large and mid-sized companies	Growth
David Herro Harris Associates L.P.	23%	All sizes, but mostly large and mid-sized companies	Value
Ted Tyson Mastholm Asset Management, LLC	23%	All sizes	Growth
Amit Wadhwaney Third Avenue Management, LLC	15%	All sizes	Value

The Masters' Select Value Fund

Objective

The objective of the Fund is long-term growth of capital; that is, the increase in the value of your investment over the long term.

Principal Strategies

Litman/Gregory believes that it is possible to identify investment managers who, over a market cycle, will deliver superior returns relative to their peers. Litman/Gregory also believes that most stock pickers have a few select stocks in which they have a particularly high degree of confidence. In the case of certain skilled stock pickers, Litman/Gregory believes a portfolio of their "highest confidence" stocks will outperform their more diversified portfolios over a market cycle.

Based on these beliefs, the Fund's strategy is to engage a number of proven managers as sub-advisors, each to invest in the securities of companies that they believe have strong appreciation potential. Under normal conditions, each manages a portion of the Fund's assets by independently managing a portfolio composed of between 8 and 15 stocks. The Fund typically invests in the securities of mid and large-sized U.S. companies, although the managers have limited flexibility to invest in the securities of foreign companies and small companies. And, to a much smaller extent, the Fund also invests in distressed companies by purchasing securities of companies that are, or are about to be, involved in reorganizations, financial restructurings, or bankruptcy. The Fund's investments in distressed companies typically involve the purchase of high-yield bonds, bank debt or other indebtedness of such companies. By executing this strategy the Fund seeks to:

- combine the efforts of several experienced, world-class managers, all with superior track records,
- access the favorite stock-picking ideas of each manager at any point in time, and
- deliver a value-oriented portfolio that is prudently diversified in terms of the number of stocks.

All of the managers selected to pick stocks for the Fund utilize a value approach to stock selection. Value investors seek to invest in companies whose stocks they deem to be undervalued. Their value analysis may focus on factors such as earnings, cash flow, private market value, intrinsic value, liquidation value or other factors. In assessing a company, a value investor will review financial statements and may assess the quality of management, competitive forces, industry outlook, capital structure, lifecycle issues, growth potential and other factors. At times, stocks of companies undergoing temporary hardships may be purchased. Each of the Fund's investment managers has their own unique approach to company analysis and may define value differently.

Principal Risks

Investment in stocks exposes shareholders of the Fund to the risk of losing money if the value of the stocks held by the Fund declines during the period an investor owns shares in the Fund. As with all mutual funds that invest in common stocks, the value of an individual's investment will fluctuate daily in response to the performance of the individual stocks held in the Fund.

The Fund is non-diversified, which means it may hold larger positions in a smaller number of individual securities than a diversified fund. A probable result of non-diversification is that increases or decreases in the value of any of the individual securities owned by the Fund may have a greater impact on the Fund's net asset value ("NAV") and total return than would be the case in a diversified fund holding a larger number of securities.

Though mostly a U.S. equity fund, the Fund may invest a small portion of its assets in stocks of companies based outside of the United States. The exposure to foreign stocks is not expected to exceed 40% of the Fund's assets (measured at the time of original investment), and may be significantly lower. The Fund is exposed to greater risk in owning these securities because each country has its own rules regarding accounting practices, government regulation, and government economic policies, which may differ from the rules and policies to which U.S. companies are subject. In addition, the Fund will, at times, be exposed to foreign currency fluctuations as the result of its foreign holdings.

Though not a small-cap fund, the Fund may invest a portion of its assets in the securities of small companies. The exposure to small companies is not expected to exceed 20% of assets (measured at the time of original investment), and may be significantly lower. The prices of small companies' stocks are generally more volatile than the prices of large companies' stocks. This is because small companies may be more reliant on a few products, services or key personnel, which can be riskier than owning larger companies with more diverse product lines and structured management. In addition, because small companies have fewer shares of stock outstanding, the ability to trade their securities quickly may be affected by a lack of buyers and sellers in these stocks. This lack of liquidity increases the Fund's risk to adverse market movements in the prices of these stocks.

The Fund may invest a portion of its assets in securities of distressed companies. Debt obligations of distressed companies typically are unrated, lower rated, in default or close to default and may become worthless.

The Fund's investments in distressed companies typically involve the purchase of high-yield bonds, or comparable unrated debt securities, or the purchase of direct indebtedness (or participations in the indebtedness) of such companies. Indebtedness generally represents a specific commercial loan or portion of a loan made to a company by a financial institution such as a bank or insurance company. Loan participations represent fractional interests in a company's indebtedness and are generally made available by banks or insurance companies. By purchasing all or a part of a company's direct indebtedness, the Fund, in effect, steps into the shoes of the lender. If the loan is secured, the Fund will have a priority claim to the assets of the company ahead of unsecured creditors and stockholders. The Fund also may purchase trade claims and other similar direct obligations or claims against companies in bankruptcy. Trade claims are generally purchased from creditors of the bankrupt company and typically represent money due to a supplier of goods or services to the company.

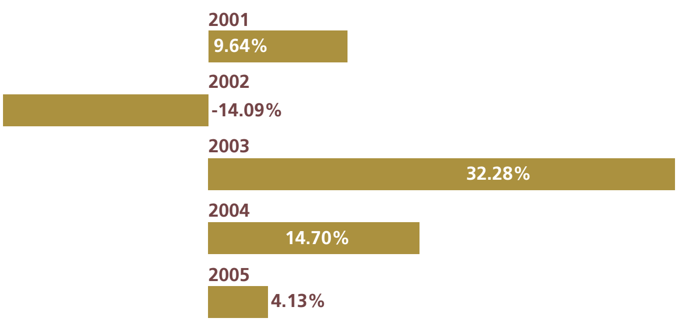
The purchase of indebtedness or loan participations of a troubled company always involves a risk as to the creditworthiness of the issuer and the possibility that principal invested may be lost.

The Masters' Select Value Fund – (Continued)

Purchasers of participations, such as the Fund, must rely on the financial institution issuing the participation to assert any rights against the borrower with respect to the underlying indebtedness. In addition, the Fund takes on the risk as to the creditworthiness of the bank or other financial intermediary issuing the participation, as well as that of the company issuing the underlying indebtedness. When the Fund purchases a trade claim, there is no guarantee that the debtor will ever be able to satisfy the obligation on the trade claim.

Past Performance

The following chart depicts the annual performance for the life of the Fund. The chart illustrates the risk of investing in the Fund by showing the fluctuations in its annual returns. Please keep in mind that past performance, before and after taxes, cannot guarantee future returns.



During the period shown above, the highest and lowest quarterly returns earned by the Fund were:

Highest:	**22.99%**	**Quarter ended June 30, 2003**
Lowest:	**-17.42%**	**Quarter ended September 30, 2001**

The Fund's year-to-date return as of March 31, 2006 was 6.10%.

The following table compares the Fund's performance over time with the Russell 3000 Value Index, which measures the performance of the 3,000 largest U.S. companies based on total market capitalization with lower price-to-book ratios and lower forecasted growth values, and with the Lipper Multi-Cap Value Fund Index, which measures the performance of the 30 largest multi-cap value equity mutual funds as determined by Lipper, Inc. Because indices cannot be invested in directly, these index returns do not reflect a deduction for fees, expenses, or taxes.

Average Annual Total Returns As of December 31, 2005

	One Year	Five Years	Since Fund Inception (6/30/00)
Masters' Select Value Fund			
Return before taxes	**4.13%**	**8.28%**	**8.36%**
Return after taxes on distributions	**3.12%**	**8.05%**	**8.15%**
Return after taxes on distributions and sale of fund shares	**3.80%**	**7.15%**	**7.24%**
Russell 3000 Value Index*	**6.84%**	**5.86%**	**7.51%**
Lipper Multi-Cap Value Fund Index*	**6.32%**	**6.25%**	**7.60%**

* Reflects no deduction for fees, expenses, or taxes.

The Fund's after-tax returns as shown in the previous table are calculated using the highest applicable individual federal marginal income tax rates for the period and do not reflect the impact of state and local taxes. In certain cases the figure representing "Return After Taxes on Distributions and Sales of Fund Shares" may be higher than the other return figures of the same period. A higher after-tax return results when a capital loss occurs upon redemption and provides an assumed tax deduction that benefits the investor. Your actual after-tax returns depend on your tax situation and may differ from those shown. If you own Fund shares in a tax-deferred account, such as a 401(k) plan or an IRA, this information does not apply to your investment.

Fees and Expenses

Expenses are one of several factors to consider when investing in a mutual fund. There are usually two types of expenses involved: shareholder transaction expenses, such as sales loads and transaction fees, and annual operating expenses, such as advisory fees. The Fund has no front-end or deferred sales loads, and imposes no shareholder transaction fees. The following table illustrates the fees and expenses you might pay over time as an investor in the Fund.

Shareholder Fees (paid directly from your investment)	
Sales Loads	None
180-Day Redemption Fee[1]	2.00%
Exchange Fees	None
Annual Operating Expenses (deducted from Fund assets)	
Management Fee	1.10%
Distribution (12b-1) Fee	None
Other Operating Expenses[2]	0.14%
Total Annual Fund Operating Expenses	1.24%
Less: Fees waived[3]	(0.02)%
Net Operating Expenses	**1.22%**

(1) You will be charged a 2% fee if you redeem or exchange shares of the Fund within 180 days of purchase.

(2) Significant other expenses include custody, fund accounting, transfer agency, legal, audit, and administration.

(3) Through 12/31/06, Litman/Gregory has agreed to waive a portion of its management fee to pass through any costs benefits resulting from changes in the sub-advisory fee schedules or allocations.

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. It assumes that you invest $10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

One Year	Three Years	Five Years	Ten Years
$124	$391	$679	$1,498

Management

The Advisor to the Fund is Litman/Gregory Fund Advisors, LLC. Litman/Gregory has ultimate responsibility for the investment performance of the Fund due to its responsibility to oversee the investment managers and recommend their hiring, termination and replacement. The following table provides a description of the four investment managers. A detailed discussion of the management structure of the Fund begins on Page 28.

INVESTMENT MANAGER/FIRM	TARGET MANAGER ALLOCATION	MARKET CAPITALIZATION OF COMPANIES IN PORTFOLIO	STOCK-PICKING STYLE
Mason Hawkins Southeastern Asset Management, Inc.	25%	All sizes	Value
Bill Miller Legg Mason Capital Management, Inc.	25%	All sizes but mostly large and mid-sized companies	Eclectic, may invest in traditional value stocks or growth stocks
Bill Nygren Harris Associates L.P.	25%	Mostly large and mid-sized companies	Value
Michael Embler and Peter Langerman Franklin Mutual Advisers, LLC	25%	All sizes	Value

The Masters' Select Smaller Companies Fund

Objective

The objective of the Fund is long-term growth of capital; that is, the increase in the value of your investment over the long term.

Principal Strategies

Litman/Gregory believes that it is possible to identify investment managers who, over a market cycle, will deliver superior returns relative to their peer groups. Litman/Gregory also believes that most stock pickers have a few select stocks in which they have a particularly high degree of confidence. In the case of certain skilled stock pickers, Litman/Gregory believes a portfolio of their "highest confidence" stocks will outperform their more diversified portfolios over a market cycle.

Based on these beliefs, the Fund's strategy is to engage a number of proven managers as sub-advisors, each to invest in the securities of smaller companies that he believes have strong appreciation potential. Under normal conditions, each manages a portion of the Fund's assets by independently managing a portfolio composed of between 8 and 15 stocks. The Fund invests primarily in the securities of small and mid-sized U.S. companies, although the managers have limited flexibility to invest in the securities of foreign companies. By executing this strategy the Fund seeks to:

- combine the efforts of several experienced, world-class managers, all with superior track records,
- access the favorite stock-picking ideas of each manager at any point in time,
- deliver a portfolio that is prudently diversified in terms of stocks (typically 32 to 60) and industries while still allowing each manager to run portfolio segments focused on only his favorite stocks, and
- further diversify across stock-picking styles by including managers with a variety of stock-picking disciplines.

Litman/Gregory defines a "Smaller Company" as one whose market-capitalization falls within the range of market capitalizations of any company in the Russell 2500 Index, as of the most recent reconstitution. The Russell 2500 Index measures the performance of 2,500 small and mid-sized companies with market capitalizations ranging between $23 million and $12.7 billion as of March 31, 2006. Overall, Litman/Gregory expects the majority of the Fund's holdings at any point in time to fall into the lower half of this range and to meet the definition of small capitalization company, but the Fund has the flexibility to hold mid-sized companies if the investment managers believe that holding these companies will lead to higher overall returns.

Principal Risks

Investment in stocks exposes shareholders of the Fund to the risk of losing money if the value of the stocks held by the Fund declines during the period an investor owns shares in the Fund. As with all mutual funds that invest in common stocks, the value of an individual's investment will fluctuate daily in response to the performance of the individual stocks held in the Fund. During some periods, the stocks of smaller companies, as an asset class, have performed better than the stocks of larger companies, while in some periods they have performed worse.

The Fund invests its assets in the securities of small and, at times, mid-sized companies. The prices of small companies' stocks are generally more volatile than the prices of large companies' stocks. This is because small companies may be more reliant on a few products, services or key personnel, which can be riskier than owning larger companies with more diverse product lines and structured management. In addition, because small companies have fewer shares of stock outstanding, the ability to trade their securities quickly may be affected by a lack of buyers and sellers in these stocks. This lack of liquidity increases the Fund's risk to adverse market movements in the prices of these stocks.

Though primarily a U.S. equity fund, the Fund may invest a small portion of its assets in stocks of companies based outside of the United States. The exposure to foreign stocks is not expected to exceed 10% of the Fund's assets (measured at the time of original investment), and may be significantly lower. The Fund may be exposed to greater risk in owning these securities because each country has its own rules regarding accounting practices, government regulation, and government economic policies, which may differ from the rules and policies governing U.S. companies. In addition, the Fund may, at times, be exposed to foreign currency fluctuations as a result of such foreign holdings.

Past Performance

The following chart depicts the annual performance for the life of the Fund. The chart illustrates the risk of investing in the Fund by showing the fluctuations in its annual returns. Please keep in mind that past performance, before and after taxes, cannot guarantee future returns.

During the period shown above, the highest and lowest quarterly returns earned by the Fund were:

Highest:	**8.23%**	**Quarter Ended March 31, 2004**
Lowest:	**-2.67%**	**Quarter ended March 31, 2005**

The Fund's year-to-date return as of March 31, 2006 was 10.92%.

The following table compares the Fund's performance over time with the Russell 2000 Index, which measures the performance of the 2,000 smallest U.S. companies of the Russell 3000 Index, and with the Lipper Small-Cap Core Fund Index, which measures the performance of the 30 largest mutual funds in the small capitalization range, as determined by Lipper, Inc. Because indices cannot be invested in directly, these index returns do not reflect a deduction for fees, expenses, or taxes.

Average Annual Total Returns As of December 31, 2005

	One Year	Since Fund Inception (6/30/03)
Masters' Select Smaller Companies Fund		
Return before taxes	**5.29%**	**18.19%**
Return after taxes on distributions	**4.59%**	**17.37%**
Return after taxes on distributions and sale of fund shares	**3.92%**	**15.39%**
Russell 2000 Index*	**4.55%**	**19.02%**
Lipper Small Cap Core Fund Index*	**7.55%**	**19.74%**

* Reflects no deduction for fees, expenses, or taxes.

The Fund's after-tax returns as shown in the previous table are calculated using the highest applicable individual federal marginal income tax rates for the period and do not reflect the impact of state and local taxes. In certain cases the figure representing "Return After Taxes on Distributions and Sales of Fund Shares" may be higher than the other return figures of the same period. A higher after-tax return results when a capital loss occurs upon redemption and provides an assumed tax deduction that benefits the investor. Your actual after-tax returns depend on your tax situation and may differ from those shown. If you own Fund shares in a tax-deferred account, such as a 401(k) plan or an IRA, this information does not apply to your investment.

Fees and Expenses

Expenses are one of several factors to consider when investing in a mutual fund. There are usually two types of expenses involved: shareholder transaction expenses, such as sales loads and transaction fees, and annual operating expenses, such as advisory fees. The Fund has no front-end or deferred sales loads, and imposes no shareholder transaction fees. The following table illustrates the fees and expenses you might pay over time as an investor in the Fund.

Shareholder Fees (paid directly from your investment)	
Sales Loads	None
180-Day Redemption Fee(1)	2.00%
Exchange Fees	None
Annual Operating Expenses (deducted from Fund assets)	
Management Fee	1.14%
Distribution (12b-1) Fee	None
Other Operating Expenses(2)	0.19%
Total Annual Operating Expenses	**1.33%**

(1) You will be charged a 2% fee if you redeem or exchange shares of the Fund within 180 days of purchase.

(2) Significant other expenses include custody, fund accounting, transfer agency, legal, audit, and administration.

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. It assumes that you invest $10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

One Year	Three Years	Five Years	Ten Years
$135	$421	$729	$1,601

The Masters' Select Smaller Companies Fund – (Continued)

Management

The Advisor to the Fund is Litman/Gregory Fund Advisors, LLC. Litman/Gregory has ultimate responsibility for the investment performance of the Fund due to its responsibility to oversee the investment managers and recommend their hiring, termination and replacement. The following table provides a description of the four investment managers. A detailed discussion of the management structure of the Fund begins on Page 31.

INVESTMENT MANAGER/FIRM	TARGET MANAGER ALLOCATION	MARKET CAPITALIZATION OF COMPANIES IN PORTFOLIO	STOCK-PICKING STYLE
Bill D'Alonzo and team Friess Associates, LLC	28%	Small and mid-sized companies	Growth
John Rogers, Jr. Ariel Capital Management, LLC	22%	Small and mid-sized companies	Value
Robert Rodriguez First Pacific Advisors, Inc.	22%	Small and mid-sized companies	Value
Dick Weiss Wells Capital Management, Inc.	28%	Small and mid-sized companies	Growth at a reasonable price

The Masters' Select Focused Opportunities Fund

Objective

The objective of the Fund is long-term growth of capital; that is, the increase in the value of your investment over the long term.

Principal Strategies

Litman/Gregory Fund Advisors, LLC (the "Advisor") believes that it is possible to identify investment managers who, over a market cycle, will deliver superior returns relative to their peers. The Advisor also believes that most stock pickers have a few select stocks in which they have a high degree of confidence. In the case of certain skilled stock pickers, the Advisor believes a portfolio of their "highest confidence" stocks will outperform their more diversified portfolios over a market cycle.

Based on these beliefs, the Fund's strategy is to engage several proven managers as sub-advisors, each to invest in the securities of companies that they believe have strong appreciation potential. Under normal conditions, each runs a portion of the Fund's assets by independently managing a portfolio composed of between 5 and 7 stocks. The fund is "non-diversified," which means the securities laws do not limit the percentage of assets that it may invest in any one company. The Advisor believes that concentrating the Fund's portfolio in a select, limited number of securities allows the sub-advisors' highest conviction ideas to have a meaningful impact on the Fund's performance. For example, with three sub-advisors, the Fund could own as few as 15 securities. The Advisor believes limiting the number of holdings improves the long-term return opportunity because the portfolio contains only the sub-advisors' very highest-conviction ideas.

The Fund typically invests in the securities of large and mid-sized U.S. companies, although the managers may also invest in the securities of non U.S. companies. At times, securities of non U.S. companies may make up a material portion of the overall portfolio. The managers may also own securities of smaller companies, though these are expected to be a lesser portion of the overall fund portfolio. In addition, to a limited extent, the Fund may also invest in distressed companies by purchasing securities of companies that are, or are about to be, involved in reorganizations, financial restructurings or bankruptcy. The Fund's investments in distressed companies typically involve the purchase of high-yield bonds, bank debt or other indebtedness of such companies.

By executing this strategy the Fund seeks to:

- combine the efforts of several experienced, world-class managers, all with superior track records,
- access only the very highest conviction stock-picking ideas of each manager at any point in time, and
- reduce the risk of non-diversification at the overall portfolio level by incorporating managers with different stock-picking disciplines.

Principal Risks

Investment in stocks exposes shareholders of the Fund to the risk of losing money if the value of the stocks held by the Fund declines during the period an investor owns shares in the Fund. As with all mutual funds that invest in common stocks, the value of an individual's investment will fluctuate daily in response to the performance of the individual stocks held in the Fund.

The Fund is non-diversified, which means it may hold larger positions in a smaller number of individual securities than a diversified fund. A probable result of non-diversification is that increases or decreases in the value of any of the individual securities owned by the Fund may have a greater impact on the Fund's net asset value ("NAV") and total return – namely increased volatility – than would be the case in a diversified fund holding a larger number of securities. Therefore, the NAV of the Fund can be expected to fluctuate more than if it had invested in a larger number of stocks. If the stocks in which the Fund invests perform poorly, the Fund could incur greater losses than if it had invested in a larger number of stocks.

Though expected to be invested mostly in U.S. securities, the Fund may invest a portion of its assets in stocks of companies based outside of the United States. To the extent the Fund holds non-U.S. securities, the Fund is exposed to greater risk because each country has its own rules regarding accounting practices, government regulation, and government economic policies, which may differ from the rules and policies to which U.S. companies are subject. In addition, the Fund will, at times, be exposed to foreign currency fluctuations as the result of its non-U.S. holdings.

Although not a small-cap fund, the Fund may invest a portion of its assets in the securities of smaller companies. The prices of smaller companies' stocks are generally more volatile than the prices of large companies' stocks. This is because smaller companies may be more reliant on a few products, services or key personnel, which can be riskier than owning larger companies with more diverse product lines and structured management. In addition, because smaller companies have fewer shares of stock outstanding, the ability to trade their securities quickly may be affected by a lack of buyers and sellers in these stocks. This lack of liquidity increases the Fund's risk to adverse market movements in the prices of these stocks.

The Fund may invest a portion of its assets in securities of distressed companies, including debt obligations. Debt obligations of distressed companies typically are unrated, lower rated, in default or close to default and may become worthless.

The Fund's investments in distressed companies typically involve the purchase of high-yield bonds, or comparable unrated debt securities, or the purchase of direct indebtedness (or participations in the indebtedness) of such companies. Indebtedness generally represents a specific commercial loan or portion of a loan made to a company by a financial institution such as a bank or insurance company. Loan participations represent fractional interests in a company's indebtedness and are generally made available by banks or insurance companies. By purchasing all or a part of a company's direct indebtedness, the Fund, in effect, steps into the shoes of the lender. If the loan is secured, the Fund will have a priority claim to the assets of the company ahead of unsecured creditors and stockholders. The Fund also may purchase trade claims and other similar direct obligations or claims against companies in bankruptcy. Trade claims are generally purchased from creditors of the bankrupt company and typically represent money due to a supplier of goods or services to the company.

The purchase of indebtedness or loan participations of a troubled company always involves a risk as to the creditworthiness of the issuer and the possibility that principal invested may be lost. Purchasers of participations, such as the Fund, must rely on the financial institution issuing the participation to assert any rights against the borrower with respect to the underlying indebtedness. In addition, the Fund takes on the risk as to the creditworthiness of the bank or other financial intermediary issuing the participation, as well as that of the company issuing the underlying indebtedness. When the Fund purchases a trade claim, there is no guarantee that the debtor will ever be able to satisfy the obligation on the trade claim.

Past Performance

The Fund commenced operations on June 30, 2006. Performance information for the Fund has not been presented because, as of the date of this Prospectus, the Fund has not been in operation for a full calendar year.

Fees and Expenses

Expenses are one of several factors to consider when investing in a mutual fund. There are usually two types of expenses involved: external shareholder transaction expenses, such as sales loads and transaction fees, and internal operating expenses, such as management fees. The Fund has no front-end or deferred sales loads, and imposes no shareholder transaction fees. The following table illustrates the fees and expenses you might pay over time as an investor in the Fund.

Shareholder Fees (paid directly from your investment)

Sales Loads	None
180-Day Redemption Fee(1)	2.00%
Exchange Fees	None

Annual Operating Expenses (deducted from Fund assets)

Management Fee	1.10%
Distribution (12b-1) Fee	None
Other Operating Expenses(2)	0.62%
Less: Expenses Reduced(3)	(0.22%)
Total Annual Fund Operating Expenses	**1.50%**

(1) You will be charged a 2% fee if you redeem or exchange shares of the Fund within 180 days of purchase.

(2) Significant other expenses include custody, fund accounting, transfer agency, legal, audit, and administration. These expenses are based upon estimated amounts for the Fund's current fiscal year

(3) The Advisor has contractually agreed to reduce its fees and/or pay expenses of the Fund to limit the Fund's total operating expenses (excluding extraordinary expenses) through December 31, 2007.

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. It assumes that you invest $10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

One Year	Three Years
$153	$520

Management

The Advisor to the Fund is Litman/Gregory Fund Advisors, LLC. The Advisor has ultimate responsibility for the investment performance of the Fund due to its responsibility to oversee the investment managers and recommend their hiring, termination and replacement. Litman/Gregory will consider adding additional sub-advisor(s) to the Fund in the future if we believe they can add value running an extremely concentrated sub-portfolio. The following table provides a description of the investment managers. A detailed discussion of the management structure of the Fund begins on Page 34.

INVESTMENT MANAGER/FIRM	TARGET MANAGER ALLOCATION	MARKET CAPITALIZATION OF COMPANIES IN PORTFOLIO	STOCK-PICKING STYLE
Craig Blum and Steven Burlingame TCW Investment Management Company	33.33%	Mostly mid- and large-sized companies	Growth
Christopher Davis/ Kenneth Feinberg Davis Selected Advisers, L.P.	33.33%	Mostly large companies	Growth at a reasonable price
Michael Embler and Peter Langerman Franklin/Mutual Advisers	33.33%	All sizes and global	Value

The Funds in Detail—Elements Common to All the Funds

The Advisor

The Funds are managed by Litman/Gregory Fund Advisors, LLC, 4 Orinda Way, Orinda, California, 94563. Litman/Gregory has overall responsibility for assets under management, recommends selection of investment managers to the Board of Trustees of the Masters' Select Funds Trust (the "Trust"), evaluates the performance of the investment managers, monitors changes at the investment managers' organizations that may impact their abilities to deliver superior future performance, determines when to rebalance the investment managers' assets, determines the amount of cash equivalents (if any) that may be held in addition to cash in each of the investment managers' sub-portfolios and coordinates with the managers with respect to diversification and tax issues and oversees the operational aspects of the Funds.

Kenneth E. Gregory is a Trustee of the Trust, Co-Portfolio Manager of the Funds and the President of Litman/Gregory. Gregory is also President, Chief Strategist and a member of Litman/Gregory Asset Management, LLC ("LGAM"), a research-oriented money management firm which is affiliated with, and provides research to, Litman/Gregory. Gregory co-founded LGAM in 1987. LGAM owns Litman/Gregory Analytics, publisher of AdvisorIntelligence, a web-based investment research service. Gregory is also President of L/G Research, Inc., an affiliated firm that publishes the No-Load Fund Analyst newsletter and conducts research on financial markets and mutual funds. Gregory has been in the investment business since 1979 and he has an MBA degree in Business from the University of Michigan's Ross School of Business.

Jeremy DeGroot, CFA, is the other Co-Portfolio Manager of the Funds. He is also a member and Co-Chief Investment Officer of LGAM. Prior to joining Litman/Gregory in 1999, DeGroot was a Manager in KPMG Peat Marwick's Economic Consulting Services practice in 1998. From 1989 to 1997, he was a Senior Economist with the Law & Economics Consulting Group, Inc., providing economics and financial analysis to Fortune 500 clients. He has a Master's degree in Economics from the University of California, Berkeley.

Together, Gregory and DeGroot are responsible for monitoring the day-to-day activities of the investment managers and overseeing all aspects of Litman/Gregory's responsibilities with respect to the Masters' Select Funds.

Portfolio Holdings Information

A description of the Funds' policies and procedures regarding disclosure of portfolio holdings can be found in the Funds' Statement of Additional Information, which can be obtained free of charge by contacting the Funds' transfer agent at 1-800-960-0188.

Asset Base

Litman/Gregory believes that high levels of assets under management can be detrimental to certain investment strategies. Litman/Gregory also believes that very low levels can provide flexibility to skilled stock pickers that under certain circumstances may contribute positively to returns. It is Litman/Gregory's belief that asset levels are particularly relevant to the Masters' Select Funds given their concentrated investment strategy. Because of this belief, each of the Funds will be closed to new shareholders, with certain exceptions approved by the Board of Trustees, at asset levels that Litman/Gregory and sub-advisors believe lock in a high degree of flexibility on a per-sub-advisor basis.

Multi-Manager Issues

The investment methods used by the managers in selecting securities for the Funds vary. The segment of each Fund's portfolio managed by an investment manager will, under normal circumstances, differ from the segments managed by the other investment managers with respect to portfolio composition, turnover, issuer capitalization and issuer financial condition. Because selections are made independently by each investment manager, it is possible that a security held by one portfolio segment may also be held by other portfolio segments of the Funds or that several managers may simultaneously favor the same industry segment. Litman/Gregory monitors the overall portfolio on an ongoing basis to ensure that such overlaps do not create an unintended industry concentration or lack of diversification. Litman/Gregory is responsible for establishing the target allocation of Fund assets to each investment manager. Litman/Gregory does not intend to change the target allocations, although, under unusual conditions, Litman/Gregory may adjust the target allocations. Market performance may result in allocation drift among the investment managers of a Fund. Litman/Gregory is responsible for periodically rebalancing the portfolios, the timing and degree of which will be determined by Litman/Gregory. Each investment manager selects the brokers and dealers to execute transactions for the segment of the Fund being managed by that manager. The Statement of Additional Information provides additional information about the Portfolio Managers' compensation, other accounts managed, and ownership of securities of the Funds.

Under unusual market conditions or for temporary defensive purposes, up to 35% of each Fund's total assets may be invested in short-term, high-quality debt securities. Defensive positions may be initiated by the individual portfolio managers or by Litman/Gregory.

Litman/Gregory has obtained an exemptive order from the Securities and Exchange Commission that permits it, subject to certain conditions, to select new investment managers with the approval of the Board of Trustees and without obtaining shareholder approval. The order also permits Litman/Gregory to change the terms of agreements with the managers or to continue the employment of a manager after an event that would otherwise cause the automatic termination of services. Shareholders must be notified of any manager changes. Shareholders have the right to terminate arrangements with a manager by vote of a majority of the outstanding shares of a Fund. The order also permits a Fund to disclose managers' fees only in the aggregate in its registration statement.

The Funds each pay a monthly investment advisory fee to Litman/Gregory on the respective Fund's average daily net assets. The table below illustrates the base fees paid to Litman/Gregory along with reduced fees paid on assets in excess of certain levels (breakpoints).

Fund	Net Asset Breakpoint	Base Advisory Fee	Advisory Fee on Net Assets in Excess of Breakpoint
Equity	**$750 million**	**1.10%**	**1.00%**
International	**$1 billion**	**1.10%**	**1.00%**
Value	**$1 billion**	**1.10%**	**1.00%**
Smaller Companies	**$450 million**	**1.14%**	**1.04%**
Focused Opportunities	**$ 1 billion**	**1.10%**	**1.00%**

Litman/Gregory, not the Funds, is responsible for payment of the sub-advisory fees to the investment managers, each of whom is compensated monthly on the basis of the assets committed to his or her individual discretion. Litman/Gregory pays fees to the investment managers as follows:

Fund	Aggregate Annual Fee Rates Advisor Pays to Investment Managers
Masters' Select Equity Fund	**0.695%**
Masters' Select International Fund	**0.556%**
Masters' Select Value Fund	**0.675%**
Masters' Select Smaller Companies Fund	**0.754%**
Masters' Select Focused Opportunities Fund	**N/A**

Through December 31, 2006, Litman/Gregory has contractually agreed to waive a portion of its advisory fees effectively reducing total advisory fees to approximately 0.97% of the average daily net assets of the International Fund and 1.08% of the average daily net assets of the Value Fund. Litman/Gregory has agreed not to seek recoupment of advisory fees waived.

Through December 31, 2007, the Advisor has agreed to reimburse the Focused Opportunities Fund for any ordinary operating expenses above 1.50% of the Fund's average daily net assets. The Advisor reserves the right to be repaid by the Fund within three fiscal years, provided the Fund remains within the applicable expense limitation for the relevant fiscal year. The Advisor may not request or receive reimbursement of such amounts before payment of the Fund's operating expenses for the current fiscal year.

In 2005, the advisory fees paid and net fees retained by Litman/Gregory with respect to the Funds, after fee waivers and breakpoint adjustments, were as follows:

Fund	2005 Advisory Fees Paid by the Fund after Fee Waivers	2005 Net Fees Retained by Advisor after Fee Waivers and Payments to Investment Managers
Masters' Select Equity Fund	**1.084%**	**0.394%**
Masters' Select International Fund	**0.919%**	**0.382%**
Masters' Select Value Fund	**1.074%**	**0.405%**
Masters' Select Smaller Companies Fund	**1.105%**	**0.399%**
Masters' Select Focused Opportunities Fund	**N/A**	**N/A**

In the event an investment manager ceases to manage a segment of a Fund's portfolio, Litman/Gregory will select a replacement investment manager or allocate the assets among the remaining managers. Litman/Gregory will use the same criteria as those used in the original selection of investment managers. The securities that were held in the departing manager's segment of the Fund's portfolio may be allocated to and retained by another manager of the Fund or will be liquidated in an orderly manner, taking into account various factors, which may include but are not limited to the market for the security and the potential tax consequences. A discussion regarding the Board of Trustees' basis for approving the Funds' investment advisory agreements is- included in the Funds' annual report to shareholders.

The Masters' Select Equity Fund in Detail

The Fund's six investment managers emphasize different stock-picking styles and invest in stocks spanning a range of market capitalizations. Litman/Gregory believes that during any given year certain stock-picking styles will generate higher returns than comparable market indexes, while others will lag. By including a variety of stock-picking styles in this single mutual fund, Litman/Gregory believes that the variability and volatility of returns can be lessened.

Litman/Gregory's strategy is to allocate the portfolio's assets among investment managers who, based on Litman/Gregory's research, are judged to be among the best in their respective style groups. The investment managers manage their individual portfolio segments by building a focused portfolio representing their highest-confidence stocks. Under normal conditions, each investment manager's portfolio segment includes a minimum of 5 and a maximum of 15 securities. A manager may, on a temporary basis, hold more than 15 securities. Though the overall Fund may hold more or fewer securities at any point in time, it is generally expected that the Fund will hold between 60 and 90 securities. The target allocation of assets to the managers was designed with the specific objective of maintaining exposure to stocks of large and mid-sized companies at 50% to 85% of the Fund's total assets in normal market conditions. In addition, the stocks of smaller companies will make up 15% to 25% of the portfolio in normal market conditions.

Masters' Select Equity Fund Portfolio Managers

Craig Blum
Stephen Burlingame
TCW Investment Management Company
865 S. Figueroa Street
Los Angeles, CA 91001

Craig Blum and Stephen Burlingame are the co-portfolio managers for the segment of the Fund's assets run by TCW Investment Management Company, a member of the TCW Group ("TCW"). Blum has been at TCW since 1999 and is a Managing Director of the Firm. Prior to then he was a financial analyst with FMAC Capital Markets. Burlingame is also a Managing Director at TCW and has been with the firm since 2000. Prior to then he was a financial analyst with Brandywine Asset Management. Burlingame and Blum have been co-managers along with Glen Bickerstaff of the TCW Galileo Select Equities Fund since January 2004. While no longer portfolio manager, Bickerstaff remains as Senior Portfolio Advisor to the TCW team that manages their Concentrated Core growth stock portfolios. TCW has been an investment manager to Masters' Select Equity Fund since October 2003.

Blum and Burlingame manage approximately 20% of the Fund's assets. In picking stocks they focus primarily on mid- and large-cap companies that are market leaders in scalable businesses. These superior businesses typically demonstrate strong sales growth, increasing market share, and high or rising profit margins. Blum and Burlingame seek to identify companies that have unique business franchise characteristics and a sustainable competitive advantage, such as a proprietary product, valuable intellectual property, low cost structure, or distribution advantage. They also seek to be aligned with management that has proven its ability to create shareholder value through skilled capital allocation. While bottom-up company research ultimately drives their stock selection, the team tries to take advantage of major secular trends, such as the baby boomers' growing demand for financial services and health care products and the proliferation of technology. They are somewhat unique among growth managers in that their investment decisions are based on their long-term assessment of each business so that they don't have a "trader" mentality.

Although Blum and Burlingame are growth investors, valuation also plays a role in their investment process. In valuing a company they focus on the "cap rate," defined as the pre-tax cash flow generated by the business divided by its enterprise value (i.e., what it would cost to buy the entire business). However, they will pay up for businesses that they believe will deliver high cash flow growth rates over the long-term. Although Blum and Burlingame may trim holdings when stock prices run up, they typically will not eliminate a holding due to valuation as long as the company's fundamentals continue to be strong.

Christopher Davis
Kenneth Feinberg
Davis Selected Advisers, L.P.
2949 East Elvira Road, Suite 101
Tucson, AZ 85706

Christopher C. Davis and Kenneth Feinberg are the co-portfolio managers for the segment of the Fund's assets managed by Davis Selected Advisers, L.P. ("Davis Advisors"). Davis has served as a Portfolio Manager of Davis New York Venture Fund since October 1995, and also manages other equity funds advised by Davis Advisors. Mr. Davis served as Assistant Portfolio Manager and Research Analyst working with Shelby M.C. Davis from September 1989 through September 1995. Feinberg has served as a Portfolio Manager of Davis New York Venture Fund since May 1998 and also manages other equity funds advised by Davis Advisors. Mr. Feinberg started with Davis Advisors as a Research Analyst in December 1994.

Approximately 20% of the Fund's assets are managed by Davis and Feinberg. Davis Advisors manages equity funds using the Davis Investment Discipline. Davis Advisors conducts extensive research to try to identify businesses that possess characteristics it believes foster the creation of long-term value, such as proven management, a durable franchise and business model, and sustainable competitive advantages. Davis Advisors aims to invest in such businesses when they are trading at a discount to their intrinsic worth. Davis Advisors emphasizes individual stock selection and believes that the ability to evaluate management is critical. Davis Advisors routinely visits managers at their places of business in order to gain insight into the relative value of different businesses. Such research, however rigorous, involves predictions and forecasts that are inherently uncertain.

Over the years, Davis Advisors has developed a list of characteristics that it believes help companies to create shareholder value over the long term and manage risk. While few companies possess all of these characteristics at any given time, Davis Advisors searches for companies that demonstrate a majority or an appropriate mix of these characteristics.

First-Class Management

- Proven track record
- Significant personal ownership in business
- Intelligent allocation of capital
- Smart application of technology to improve business and lower costs

Strong Financial Condition and Satisfactory Profitability

- Strong balance sheet
- Low cost structure
- High after-tax returns on capital
- High quality of earnings

Strong Competitive Positioning

- Non-obsolescent products / services
- Dominant or growing market share
- Participation in a growing market
- Global presence and brand names

After determining which companies it wishes to own, Davis Advisors then turns its analysis to determining the intrinsic value of those companies' common stock. Davis Advisors seeks common stock which can be purchased at attractive valuations relative to their intrinsic value. Davis Advisors' goal is to invest in companies for the long term. Davis Advisors considers selling a company if it believes the stock's market price exceeds the Adviser's estimates of intrinsic value, or if the ratio of the risks and rewards of continuing to own the company is no longer attractive.

Bill D'Alonzo and Team
Friess Associates, LLC
115 E. Snow King Avenue
Jackson, WY 83001

Bill D'Alonzo is the lead manager for the segment of the Fund's assets managed by Friess Associates, LLC ("Friess"). D'Alonzo has been in the investment business for more than 20 years, is Chairman of the Brandywine Funds and is Chief Executive and Chief Investment Officer of Friess. Friess has been an investment manager to Masters' Select Equity Fund since its inception in 1996.

Approximately 10% of the Fund's assets are managed by D'Alonzo and his team. D'Alonzo invests in stocks of well-financed issuers that have proven records of profitability and strong earnings momentum. Emphasis is placed on companies with market capitalization of less than $5 billion. These companies are likely to be lesser-known companies moving from a lower to higher market share position within their industry groups, rather than the largest and best-known companies in these groups.

D'Alonzo may, however, purchase common stocks of well-known, highly researched mid-sized companies if the team believes that those common stocks offer particular opportunity for long-term capital growth.

In selecting investments, D'Alonzo considers financial characteristics of the issuer, including historical sales and net income, debt/equity and price/earnings ratios, and book value. D'Alonzo may also review research reports of broker-dealers and trade publications and, in appropriate situations, meet with management. Greater weight is given to internal factors, such as product or service development, than to external factors, such as interest rate changes, commodity price fluctuations, general stock market trends and foreign-currency exchange values. A particular issuer's dividend history is not considered important.

Mason Hawkins
Southeastern Asset Management, Inc.
6410 Poplar Avenue
Memphis, TN 38119

Mason Hawkins is the lead portfolio manager for the portion of the Fund's assets run by Southeastern Asset Management, Inc. ("Southeastern"). Hawkins has been in the investment business for more than 25 years and was one of the original founders in 1975 of Southeastern, of which he is now the majority owner. He has managed the Longleaf Partners Fund since its inception in 1987 and the Longleaf Partners International Fund since its inception in 1998. Southeastern has been an investment manager to Masters' Select Equity Fund assets since its inception in 1996.

Approximately 20% of the Fund's assets are managed by Southeastern, which uses a value-oriented approach to picking stocks. The firm considers companies of all sizes, although most of its portion of the Fund's assets are expected to be invested in mid-sized and larger companies. Southeastern has the flexibility, but not the requirement, to invest up to 50% of its portfolio segment in the securities of foreign companies.

Southeastern focuses on securities of companies believed to have unrecognized intrinsic value and the potential to grow their economic worth. Southeastern believes that superior long-term performance can be achieved when positions in financially strong, well-managed companies are acquired at prices significantly below their business value and are sold when they approach their corporate worth. Corporate intrinsic value is determined through careful securities analysis and the use of established disciplines consistently applied over long periods of time. Securities that can be identified and purchased at a price significantly discounted from their intrinsic worth not only protect investment capital from significant loss but also facilitate major rewards when the true business value is ultimately recognized. Seeking the largest margin of safety possible, Southeastern requires at least a 40% market value discount from its appraisal of an issuer's intrinsic value before purchasing the security.

To determine intrinsic value, current publicly available financial statements are carefully scrutinized, and two primary methods of appraisal are applied. The first assesses what Hawkins believes to be the real economic value of the issuer's net assets; the second examines the issuer's ability to generate free cash flow after required or maintenance capital expenditures. After free cash flow is determined, conservative projections about its rate of future growth are made. The present value of that stream of cash flow plus its terminal value are then calculated using a discount rate based on expected interest rates. If the calculations are accurate, the present value would be the price at which buyers and sellers negotiating at arm's length would accept for the whole company.

In a concluding analysis, the asset value determination and/or the discounted free cash flow value are compared with business transactions of comparable corporations. Other considerations used in selecting potential investments include the following:

- Indications of shareholder-oriented management
- Evidence of financial strength
- Potential earnings improvement

Bill Miller
Legg Mason Capital Management, Inc.
100 Light Street
Baltimore, MD 21202

Bill Miller is the portfolio manager for the segment of the Fund's assets run by Legg Mason Capital Management, Inc. ("Legg Mason"). Miller has been in the investment business and with Legg Mason since 1981. He was co-manager of the Legg Mason Value Trust since its inception in April of 1982 and has been sole manager of the fund since the end of 1990. Miller is also the sole manager of the Legg Mason Opportunity Trust. Miller has been an investment manager to Masters' Select Equity Fund since March 2000.

Miller manages approximately 20% of the Fund's assets. His investment approach is valuation driven with a focus on companies trading at significant discounts to his team's assessment of intrinsic business value. Most of Miller's investments for the Fund will be in mid-sized and larger companies, although he may also invest in some smaller companies. He may invest up to 20% of his position of the portfolio in foreign stocks. Miller and his team define intrinsic business value as the present value of the future cash flows of a business. They seek to purchase companies that are trading at least a 50% discount to their assessment of underlying intrinsic value in order to build in a margin of safety between what they believe a company is worth and what they are willing to pay for it.

Legg Mason's process begins with a quantitative approach that helps to identify a universe of stocks that look statistically inexpensive relative to historical stock factors. The process then moves to the more important, qualitative assessment of underlying business value where Miller and his team employ a multi-factor valuation approach focusing on the cash flows of the companies and the returns on invested capital. The team spends a great deal of time meeting with companies and understanding the capital allocation process employed. Their research often involves valuing companies under a variety of scenarios with varying probabilities associated with those scenarios. They attempt to determine the underlying economic value of the business through research, which may involve private market analysis, liquidation analysis, leveraged buy-out analysis and other analyses they deem appropriate. Valuation factors that are most important in evaluating companies are balance sheet strength, return on investment capital, the ability to generate free cash flow, pricing flexibility and position in their respective industries. The team focuses heavily on management's ability to demonstrate and articulate a clear, value-creating capital allocation process. Other important qualitative factors that are incorporated into the analysis include their assessment of management, business strategies, the competitive position of a company and the long-term outlook for the industry. Research focuses on evaluating a company's intrinsic business value and its ability to generate sustainable returns on capital above its cost of capital, thereby creating value for shareholders.

The portfolio will be constructed and re-balanced so that the companies that are believed to offer the highest risk-adjusted rates of return represent the largest proportion of the portfolio. As a long-term investor, Miller prefers to let his winners run and will not seek to arbitrarily target percentage weightings within the portfolio.

Miller's sell discipline is an integral part of his investment process and is critical to the generation of excess returns and controlling risk in the portfolio. He will sell a stock when one of three things occurs: (1) a stock has reached what he believes is fair value for the company; (2) he determines that the original analysis is no longer operative or the competitive environment has changed in some way since their initial analysis (e.g., new legislation or regulation); or (3) a more attractive investment alternative emerges which offers a better long-term risk-adjusted rate of return.

Richard T. Weiss
Wells Capital Management, Inc.
100 Heritage Reserve
Menomonee Falls, WI 53051

Dick Weiss is the portfolio manager for the segment of the Fund's assets managed by Wells Capital Management, Inc. ("Wells Capital"). Weiss is Executive Vice President and Portfolio Manager at Wells Capital and has been in the investment business for more than 25 years. He has been the manager or co-manager of the Wells Fargo Advantage Common Stock Fund (and its predecessor) since 1991 and has worked closely with Ann Miletti for several years. She began first as a research analyst and then as co-portfolio manager on a number of managed accounts and mutual funds, including the Wells Fargo Advantage Common Stock Fund (and its predecessor). Miletti has also made material contributions to the Masters' Select Equity Fund portfolio managed by Weiss. Weiss has been an investment manager to Masters' Select Equity Fund since its inception in 1996.

Approximately 10% of the Fund's assets are managed by Weiss. He invests in stocks of small and mid-sized companies that are undervalued either because they are not broadly recognized, are in transition, or are out of favor based on short-term factors. In seeking attractively valued companies, Weiss focuses on companies with above-average growth potential that also exhibit some or all of the following:

- Low institutional investor ownership and low analyst coverage
- High-quality management
- Sustainable competitive advantage

Weiss evaluates the degree of under-valuation relative to his estimate of each company's private market value. This private market value approach is based on an assessment of what a private buyer would be willing to pay for the future cash flow stream of the target company. Based on his experience, Weiss believes that, except for technology and other high-growth stocks, most stocks trade at between 50% and 80% of private market value. When trading at the low end of this range, companies take steps to prevent takeover, or they are taken over. The private market value estimate is applied flexibly, based on the outlook for the industry and the company's fundamentals.

The SAI provides additional information about the portfolio managers' method of compensation, other accounts managed by the portfolio managers, and the portfolio managers' ownership of securities in the Funds.

The Masters' Select International Fund in Detail

The Fund's five investment managers pursue the Fund's objective primarily through investments in common stocks of issuers located outside of the United States. Each investment manager may invest in securities traded in both developed and emerging markets. Though there is no limit on emerging market exposure, it is not expected to be a primary focus, and the majority of the Fund's assets are expected to be invested in stocks of companies listed and domiciled in developed countries. There are no limits on the Fund's geographic asset distribution but, to provide adequate diversification, the Fund ordinarily invests in the securities markets of at least five countries outside of the United States. In most periods it is expected that the Fund will hold securities in more than five countries. Although the Fund intends to invest substantially all of its assets in issuers located outside of the United States, at times of abnormal market conditions it may invest in U.S. issuers and it may at times invest all of its assets in fewer than five countries.

The Fund's investment managers emphasize different stock-picking styles and invest in stocks spanning a range of market capitalization. Litman/Gregory believes that during any given year certain stock-picking styles will generate higher returns than comparable market indexes, while others will lag. By including a variety of stock-picking styles in this single mutual fund, Litman/Gregory believes that the variability and volatility of returns can be lessened. Although each manager has the flexibility to invest on a worldwide basis (excluding the U.S.) in companies with market capitalization of any size, it is expected that the Fund's exposure to large and mid-sized foreign companies will range from 60% to 95% of the Fund's total assets under normal market conditions.

Litman/Gregory's strategy is to allocate the portfolio's assets among investment managers who, based on Litman/Gregory's research, are judged to be among the best relative to their respective peer groups. Litman/Gregory has focused exclusively on stock pickers that emphasize bottom-up stock-picking rather than macro-driven, top-down country picking.

Litman/Gregory believes that bottom-up stock pickers have an advantage in foreign markets because:

- It is Litman/Gregory's opinion that the dynamics that influence individual countries' markets, including currencies, inflation, economic growth, political factors, regulation and the like, are much more difficult to assess than the prospects and valuation characteristics of individual companies.
- Litman/Gregory believes that many individual stocks in foreign markets are less closely analyzed (the markets are less "efficient") than in the United States. If true, Litman/Gregory believes that this will result in greater opportunities for skilled stock pickers to add value through pure stock selection.
- Based on Litman/Gregory's observations, bottom-up stock pickers in foreign markets, on average, seem to perform better than top-down-oriented managers.

Though bottom-up stock-picking is emphasized, each manager also monitors specific macro-factors that he believes are relevant in specific countries.

The investment managers manage their individual portfolio segments by building a focused portfolio representing their highest-confidence stocks. Under normal conditions, each investment manager's portfolio segment includes a minimum of 8 and a maximum of 15 securities. A manager may, on a temporary basis, hold more than 15 securities. Though the overall Fund may hold more or fewer securities at any point in time, it is generally expected that the Fund will hold between 50 and 75 securities.

Masters' Select International Fund Portfolio Managers

Bill Fries, CFA
Thornburg Investment Management, Inc.
119 East Marcy Street
Santa Fe, NM 87501

Bill Fries is the lead manager for the segment of the Fund's assets managed by Thornburg Investment Management. Fries joined Thornburg in 1995 as a Managing Director and Portfolio Manager. At Thornburg he has managed the Thornburg International Value Fund since May of 1998 and the Thornburg Value Fund since October 1995. Fries has been an investment manager to Masters' Select International Fund since September 2003.

Fries has been in the investment management business since the early 1970s. Prior to joining Thornburg he was Vice President of equities at USAA Investment Management Company, where he created the investment strategy for the USAA Income Stock Fund and was its original portfolio manager. Fries also began managing the USAA Aggressive Growth Fund in early 1994 and he was in charge of the Basic Value Sector of the USAA Cornerstone Fund from 1984 to 1988. Also at USAA, he served as investment advisor to the company's employee benefit plans and managed its insurance company equity portfolios from 1984 to 1988. Fries began his investment career as a securities analyst and bank investment officer. He received his designation as a Chartered Financial Analyst in 1974. Fries also served in the U.S. Marine Corps as a Communications Officer from 1961 to 1964.

Approximately 24% of the Fund's assets are managed by Fries. He believes that a bottom-up approach to investing in undervalued securities will generate above-average returns with below market risk. His idea of value centers on his assessment of the intrinsic worth of an investment. The goal is to uncover promising companies with sound business fundamentals at a time when their intrinsic value is not fully recognized by the marketplace.

Thornburg's initial search for investment ideas relies on quantitative screens. Starting with the international equity universe, Thornburg screens their databases for companies that appear attractive across a number of value parameters. Thornburg looks for securities that have low price-to-earnings, low price-to-cash flow and low price-to-book ratios. Companies ranging from small-cap to large-cap are considered. Additionally, a number of proprietary screens are employed in order to develop a comprehensive view of a company's financial prospects. Thornburg scrutinizes the universe for companies that are strong and stable yet value-priced. This battery of screens generates a list of approximately 125 stocks that merit further consideration.

Thornburg will not purchase a security simply because it is priced cheaply relative to the market. The investment team spends the majority of its time on internal, bottom-up research, in its effort to understand the fundamental value of each stock that has been identified as promising. These efforts include thorough financial statement analysis, discussions with senior management of the companies, as well as coordinated research of the company's competitors, suppliers and clientele. Fries seeks to uncover companies with promising prospects that are not yet reflected in the price of the stock. Many of the investments made will be contrary to the popular consensus despite industry leadership positions and positive outlooks for earnings-per-share growth. Ultimately, Fries and his team of analysts attempt to estimate the business value of each company as a going concern. They determine not only an intrinsic value for each stock, but also seek to identify where potential weaknesses may lie, in an attempt to minimize downside risk.

Each of the researched stocks is categorized into one of three pockets of value:

- Basic Value – Stocks of financially sound companies with established businesses that are selling at low valuations relative to the company's net assets or potential earning power
- Consistent Earners – Companies with steady earnings and dividend growth that are selling at attractive values and are priced at historical norms
- Emerging Franchises – Value-priced companies in the process of establishing a leading position in a product, service or market that is expected to grow at an above average rate

The dynamics of the companies that fall into each of these categories differ and, therefore, merit specific consideration within the context of that category. For example, Basic Value companies are generally more cyclically oriented than Emerging Franchises and require more thorough analysis of the companies' product cycles and the historical and prospective impact of the economy on those products. Within the context of each value category, Thornburg's analysts evaluate and rank the most attractive prospects. Generally, Fries' segment of the Fund's portfolio is expected to include stocks from each category, with Basic Value stocks comprising a larger portion of the portfolio than either of the other two categories. Because of the diversification across these categories, Fries' portfolio will typically be eclectic and not easily categorized as "growth" or "value," "small-cap" or "large-cap."

James Gendelman
Marsico Capital Management, LLC
1200 17th Street, Suite 1600
Denver, CO 80202

James Gendelman is the portfolio manager for the portion of the Fund's assets allocated to Marsico Capital Management, LLC ("Marsico"). Gendelman has been in the investment business since 1987, and has served as the international equities portfolio manager and a senior analyst of Marsico since May 2000. Prior to joining Marsico, Gendelman spent 13 years as a Vice President of International Sales for Goldman, Sachs & Co. He holds a Bachelor's degree in Accounting from Michigan State University and an MBA degree in Finance from the University of Chicago. Gendelman was a certified public accountant with Ernst & Young from 1983 to 1985. Gendelman has been an investment manager to Masters' Select International Fund since February 2005.

Gendelman is responsible for managing approximately 15% of the Fund's assets. In selecting investments for the Fund, Gendelman takes a research intensive hands-on fundamental approach.

Gendelman believes in combining top-down macroeconomic and thematic views with bottom-up stock selection to identify high-quality companies with attractive growth characteristics. The ultimate objective is to find companies with earnings-growth potential that may not be recognized by the market at large. He is typically drawn to companies where he can tangibly identify a sustainable market advantage, an event that could realize franchise value, or a unique low-cost advantage relative to competition. In determining whether a particular company is suitable for investment, Gendelman and his team consider a number of different attributes. These may include the company's specific market expertise or dominance, its franchise durability and pricing power, financial attributes (with a preference for strong balance sheets, improving returns on equity, and the ability to generate free cash flow), the quality of management, and valuations in the context of the investment team's projected growth rates.

In order to be flexible across the growth spectrum, Gendelman divides the growth universe into three categories—core growth, aggressive growth, and lifecycle change. Core growth companies represent a group that they have extensively modeled and where, in Gendelman's view, the conviction level is high. Aggressive growth company selection generally represents companies that are trading at a premium valuation to their sector and/or market, but that also have higher growth expectations. This category could also include higher-risk companies such as those in emerging markets or industries that are in the early stages of fast growth. Life-cycle change companies are those that Gendelman believes to be undergoing meaningful fundamental change such as new management, new products, or divestiture.

In identifying specific companies to research, Gendelman may consider macro-economic factors such as interest rates, inflation, central bank policy, credit spreads, the regulatory environment and the global competitive landscape. In addition, Gendelman may also examine other factors such as industry consolidation and the sustainability of economic trends. The objective of this "top-down" analysis is to identify sectors, industries and companies that may benefit from the overall trends Gendelman has observed.

In researching companies, Gendelman and his team rely heavily on fundamental analysis. Fundamental work generally starts with building a detailed financial model of a company. The objective of this exercise is to identify key leverage points in the business that may drive earnings and cash flow. Fundamental work also involves meeting with various levels of a company's management and often also with its customers, suppliers, distributors, and competitors. These meetings help Gendelman and his team confirm key leverage points in a business model and gain confidence in the overall business strategy.

Gendelman does not follow a rigid valuation discipline. Rather, a company's valuation is assessed on an ongoing basis in the context of its fundamentals, industry, and its stage of growth. Gendelman's assessment of what stage the economic cycle is in may impact his valuation sensitivity. Gendelman uses a variety of valuation metrics depending upon company-specific circumstances. For example, he may use discounted-cash-flow analysis if he expects significant change in future cash flow, while for more mature industries he may find "metrics" such as price-to-earnings and free cash flow yield just as useful.

A stock may be sold for four main reasons. A significant change in Gendelman's macro or thematic outlook could lead to a shift in portfolio emphasis and trigger a sale. Valuations may become too expensive in relation to underlying earnings growth fundamentals. An adverse change in fundamentals relative to the team's expectations may also result in a sale. Finally, a superior new idea can displace an existing holding.

David G. Herro, CFA
Harris Associates L.P.
Two North LaSalle Street
Suite 500
Chicago, IL 60602

David Herro is the portfolio manager for the portion of the assets allocated to Harris Associates L.P. ("Harris Associates"). Harris Associates, based in Chicago, is a wholly-owned subsidiary of CDC Ixis Asset Management. Herro has managed The Oakmark International Fund and The Oakmark International Small Cap Fund since their inception in 1992 and 1995, respectively. Herro earned a B.S. degree in Accounting from the University of Wisconsin-Platteville and an M.A. degree from the University of Wisconsin-Milwaukee. He has over 15 years of investment experience. Herro has been an investment manager to Masters' Select International Fund since its inception in 1997.

Approximately 23% of the Fund's assets are managed by Herro, who employs a highly-disciplined, bottom-up approach to stock picking. When evaluating potential investments, three key factors are typically assessed:

- Companies trading at less than 60% of the firm's estimate of underlying business value
- Free cash flows and intelligent investment of excess cash
- High level of manager ownership

Herro begins with an investment universe of 5,000 to 6,000 non-U.S. stocks that are publicly traded and have information readily available. Herro then screens these stocks. The first screen is a "country cut" which eliminates stocks of countries that he believes do not have the adequate legal/regulatory structure and investment infrastructure in place to protect the interests of shareholders. Once such countries are eliminated, the next cut is one of market capitalization, eliminating those stocks whose market capitalizations are too small or do not trade at sufficient levels of liquidity. The final cut is one of valuation. After eliminating those stocks whose valuations are unreasonably high, Herro is left with a working list of approximately 200 to 300 stocks to begin applying his value discipline.

Herro employs several risk controls that he considers important when constructing international portfolios:

- Currency risk
- Political risk
- Individual security/company-specific risk

Due to his bottom-up approach, Herro focuses on stock selection rather than industry or country selection. Currency hedging is done defensively and only if the dollar appears excessively undervalued. Hedging is based on real interest rate spreads, purchasing power parity differentials and differences in growth and productivity.

Theodore J. Tyson
Douglas R. Allen
Thomas Pak
Mastholm Asset Management, LLC
10500 N.E. 8th Street
Suite 1725
Bellevue, WA 98004

Ted Tyson is the Chief Investment Officer and a Portfolio Manager of Mastholm Asset Management, LLC ("Mastholm"). Prior to forming Mastholm in 1997, Tyson was the founder and head of international equity at American Century Investment Management, which he joined in 1988. He has over 20 years of investment experience in domestic and international markets. The Mastholm portfolio is managed by a team of portfolio managers led by Ted Tyson and including Thomas Pak and Doug Allen. Tyson and Allen worked together at American Century. Mastholm has been an investment manager to Masters' Select International Fund since October 1999.

Approximately 23% of the Fund's assets are managed by the Mastholm team. Mastholm's investment approach is bottom-up all capitalization growth, primarily in developed markets.

Mastholm screens a universe of 28,000 companies on a daily basis to identify stocks with accelerating earnings or positive news impacting current or future earnings. Companies that pass their initial screens are reviewed to identify purchase candidates with the following characteristics:

- Clarity of accounting and confirmation of real earnings growth
- Operating results significantly higher than analysts expectations
- Wide divergence of analyst expectations
- Stock price below historical average range
- Trading liquidity that meets guidelines

Candidates with these characteristics become the highest priorities for fundamental analysis by the team. Fundamental research is allocated among the portfolio managers based on country or industry expertise.

The fundamental analysis process is designed to uncover catalysts that drive earnings not fully recognized by the market. Industry analysts are interviewed to understand the assumptions that led to their original earnings forecast, companies are contacted to discuss how their explanation differs from that of industry analysts and to identify trends not recognized or fully discounted by the market. Competitors, suppliers and vendors are questioned to cross-reference the information garnered from analysts and companies. The portfolio managers spend a significant amount of time visiting with companies abroad that are in the portfolio or under consideration.

Investments are primarily concentrated in developed markets. Mastholm tends to remain fully invested in stocks at all times, and does not hedge currencies except under rare circumstances.

Amit Wadhwaney
Third Avenue Management, LLC
622 Third Avenue
New York, NY 10017

Amit Wadhwaney is the portfolio manager for the segment of the Fund's assets managed by Third Avenue Management, LLC ("Third Avenue"). Wadhwaney has more than 20 years of experience in the investment business. Earlier in his career he was a securities analyst and, subsequently, Director of Research for MJ Whitman, Inc, an affiliate of Third Avenue. Prior to joining Third Avenue in 1999 as a foreign-securities analyst, Wadhwaney was a portfolio manager of the Carl Marks Global Value Fund, L.P. He has been the manager of the Third Avenue International Value Fund since its inception in 2001. Wadhwaney has been an investment manager to Masters' Select International Fund since February 2005.

Wadhwaney manages approximately 15% of the Fund's assets. He manages portfolios with a value-oriented style that is focused on buying and holding stocks of business that he believes are "safe" and that are selling significantly below their intrinsic value. To meet the safe criterion, businesses must be understandable and have strong finances and competent management. A business's finances are considered strong if the company has quality assets and if it is not heavily dependent on external capital by virtue of low debt levels in comparison to its existing and future cash resources. Value is measured in various ways depending on the nature of a business, but in general, valuations are assessed based on either liquidation value or what a private buyer is willing to pay for the business. In addition, Wadhwaney prefers businesses that are likely to compound their value over time. This could arise from a company's leadership position in the industry or management's ability to convert its resources in a competent fashion (such as sales of surplus land, purchases of businesses, re-financings, spin-offs, reorganizations, or repurchases of stock).

Wadhwaney's research objective is to develop a comprehensive understanding of a company's business model and its environment, assess its true value, and to compare the company's position within its industry. Significant emphasis is placed on the quality of management and the transparency a company provides with respect to real and contingent liabilities that may affect the integrity of the balance sheet. Fundamental research is relied on to make these assessments, and focuses on analyzing the balance sheet rather than forecasting future revenues and earnings. Wall Street research is seldom utilized. Stockholder mailings, regulatory filings, financial statements, industry publications and conferences, and field research are utilized as primary sources of information on a company. Interviewing company management, and meeting its peers, suppliers, and customers is also an important part of the process.

Wadhwaney tends to hold stocks for multi-year periods. He will generally sell an investment only when there has been a fundamental change in the business or capital structure of the company that significantly reduces the investment's inherent value, or when he believes the stock is clearly overvalued relative to his assessment of the underlying intrinsic value of the business.

The SAI provides additional information about the portfolio managers' method of compensation, other accounts managed by the portfolio managers, and the portfolio managers' ownership of securities in the Funds.

The Masters' Select Value Fund in Detail

Litman/Gregory's strategy is to allocate the portfolio's assets among investment managers who, based on Litman/Gregory's research, are judged to be among the best in the value style. The investment managers manage their individual portfolio segments by building a focused portfolio representing their highest-confidence stocks. Under normal conditions, each investment manager's portfolio segment includes a minimum of 8 and a maximum of 15 securities. A manager may, on a temporary basis, hold more than 15 securities. Though the overall Fund may hold more or fewer securities at any point in time, it is generally expected that the Fund will hold between 32 and 60 securities.

Each of the Fund's investment managers has his/her own unique approach to company analysis and may define value differently. Each has the freedom to invest to a limited extent in foreign stocks and the stocks of smaller companies. However, with the exception of David Winters, the investment managers have been instructed to focus primarily on mid- and large-sized U.S.-based companies and to deviate from this universe only if foreign or small company opportunities are significantly more compelling. Winters has been given more latitude to invest in foreign stocks, stocks of various sized companies, and securities of distressed companies.

The Value Fund is structured as a non-diversified fund. Diversification is a way to reduce risk by investing in a wide range of securities. Although the Value Fund is structured as a non-diversified fund, it is likely that most of the time the portfolio will be diversified. In instances when the Value Fund's portfolio is not diversified, it may own large positions in a small number of securities. Because the change in value of any one security owned by the Value Fund may have a significant effect on the daily NAV of the Value Fund, the share price may be expected to fluctuate more than that of a diversified fund. Significant fluctuations may affect the performance of the Value Fund.

Masters' Select Value Fund Portfolio Managers

Mason Hawkins
Southeastern Asset Management, Inc.
6410 Poplar Avenue
Memphis, TN 38119

Mason Hawkins is the lead portfolio manager for the portion of the Fund's assets run by Southeastern Asset Management, Inc. ("Southeastern"). Hawkins has been in the investment business for more than 25 years and was one of the original founders in 1975 of Southeastern, of which he is now the majority owner. He has managed the Longleaf Partners Fund since its inception in 1987 and Longleaf Partners International Fund since its inception in 1998. Hawkins has been an investment manager to Masters' Select Value Fund assets since its inception in June 2000.

Approximately 25% of the Fund's assets are managed by Southeastern. The firm considers companies of all sizes, although most of its portion of the Fund's assets are expected to be invested in mid-sized and larger companies.

Southeastern focuses on securities of companies believed to have unrecognized intrinsic value and the potential to grow their economic worth. Southeastern believes that superior long-term performance can be achieved when positions in financially strong, well-managed companies are acquired at prices significantly below their business value and are sold when they approach their corporate worth. Corporate intrinsic value is determined through careful securities analysis and the use of established disciplines consistently applied over long periods of time. Securities that can be identified and purchased at a price significantly discounted from their intrinsic worth not only protect investment capital from significant loss but also facilitate major rewards when the true business value is ultimately recognized. Seeking the largest margin of safety possible, Southeastern requires at least a 40% market value discount from its appraisal of an issuer's intrinsic value before purchasing the security.

To determine intrinsic value, current publicly available financial statements are carefully scrutinized, and two primary methods of appraisal are applied. The first assesses what Hawkins believes to be the real economic value of the issuer's net assets; the second examines the issuer's ability to generate free cash flow after required or maintenance capital expenditures. After free cash flow is determined, conservative projections about its rate of future growth are made. The present value of that stream of cash flow plus its terminal value is then calculated using a discount rate based on expected interest rates. If the calculations are accurate, the present value would be the price at which buyers and sellers negotiating at arm's length would accept for the whole company. In a concluding analysis, the asset value determination and/or the discounted free cash flow value are compared with business transactions of comparable corporations. Other considerations used in selecting potential investments include the following:

- Indications of shareholder-oriented management
- Evidence of financial strength
- Potential earnings improvement

Bill Miller
Legg Mason Capital Management, Inc.
100 Light Street
Baltimore, MD 21202

Bill Miller is the portfolio manager for the segment of the Fund's assets run by Legg Mason Capital Management, Inc. ("Legg Mason"). Miller has been in the investment business and with Legg Mason since 1981. He was co-manager of the Legg Mason Value Trust since its inception in April of 1982 and has been sole manager of the fund since the end of 1990. Miller is also the sole manager of the Legg Mason Opportunity Trust. Miller has been an investment manager to Masters' Select Value Fund assets since its inception in June 2000.

Miller manages approximately 25% of the Fund's assets. His investment approach is valuation driven with a focus on companies trading at significant discounts to his team's assessment of intrinsic business value. Most of Miller's investments for the Fund will be in mid-sized and larger companies, although he may also invest in some smaller companies. Miller and his team define intrinsic business value as the present value of the future cash flows of a business. They seek to purchase companies that are trading at at least a 50% discount to their assessment of underlying intrinsic value in order to build in a margin of safety between what they believe a company is worth and what they are willing to pay for it.

Legg Mason's process begins with a quantitative approach that helps to identify a universe of stocks that look statistically inexpensive relative to historical stock factors. The process then moves to the more important, qualitative assessment of underlying business value where they employ a multi-factor valuation approach focusing on the cash flows of the companies and the returns on invested capital. The team spends a great deal of time meeting with companies and understanding the capital allocation process employed. Their research often involves valuing companies under a variety of scenarios with varying probabilities associated with those scenarios. They attempt to determine the underlying economic value of the business through research, which may involve private market analysis, liquidation analysis, leveraged buy-out analysis and other analyses they deem appropriate. Valuation factors that are most important in evaluating companies are balance sheet strength, return on invested capital, the ability to generate free cash flow, pricing flexibility and position in their respective industries. The team focuses heavily on management's ability to demonstrate and articulate a clear, value-creating capital allocation process. Other important qualitative factors that are incorporated into the analysis include their assessment of management, business strategies, the competitive position of a company and the long-term outlook for the industry. Research focuses on evaluating a company's intrinsic business value and its ability to generate sustainable returns on capital above its cost of capital, thereby creating value for shareholders.

The portfolio will be constructed and re-balanced so that the companies that are believed to offer the highest risk-adjusted rates of return represent the largest proportion of the portfolio. As a long-term investor, Miller prefers to let his winners run and will not seek to arbitrarily target percentage weightings within the portfolio.

Miller's sell discipline is an integral part of his investment process and is critical to the generation of excess returns and controlling risk in the portfolio. He will sell a stock when one of three things occurs: (1) a stock has reached what he believes is fair value for the company; (2) he determines that the original analysis is no longer operative or the competitive environment has changed in some way since their initial analysis (e.g., new legislation or regulation); or (3) a more attractive investment alternative emerges which offers a better long-term risk-adjusted rate of return.

William C. Nygren, CFA
Harris Associates L.P.
Two North LaSalle Street
Suite 500
Chicago, IL 60602

Bill Nygren is the portfolio manager for the portion of assets allocated to Harris Associates L.P ("Harris Associates"). Harris Associates, based in Chicago, is a wholly-owned subsidiary of CDC Ixis Asset Management. Nygren joined the firm in 1983 as an Investment Analyst and later served as the firm's Director of Research from 1990 through 1998. He has managed The Oakmark Select Fund since its inception in 1996 and The Oakmark Fund since April 2000. He earned a B.S. degree in Accounting from the University of Minnesota and an M.S. degree in Finance from the University of Wisconsin-Madison. He has over 20 years of investment experience. Nygren has been an investment manager to Masters' Select Value Fund assets since its inception in June 2000.

Approximately 25% of the Fund's assets are managed by Nygren, who employs a highly-disciplined, bottom-up approach to stock-picking. When evaluating potential investments, three key factors are assessed:

- Companies trading at less than 60% of the firm's estimate of underlying business value
- Free cash flows and intelligent investment of excess cash
- High level of manager ownership

Specific "buy" and "sell" targets are set for each security. Targets are regularly adjusted to reflect changes in a company's fundamentals; but once set they determine buy and sell decisions. Nygren is flexible in his approach to determining the target price for companies in different industries. He generally views corporate restructuring, spinoffs and share repurchases as important catalysts in unlocking shareholder value.

Nygren's philosophy of buying good businesses at inexpensive prices is the cornerstone of his investment process. By purchasing securities at a discount to underlying value and by partnering with shareholder-oriented management teams, he believes successful investment results over the long term with below average risk can be achieved.

Michael Embler
Peter Langerman
Franklin Mutual Advisers, LLC
101 John F. Kennedy Parkway
Short Hills, NJ 07078

Michael Embler and Peter Langerman are the portfolio managers for the segment of the Fund's assets managed by Franklin Mutual Advisers, LLC ("Franklin Mutual"). Embler, the Chief Investment Officer of Franklin Mutual, is also the portfolio manager of the Mutual Recovery and Mutual Beacon funds. Embler has been in the securities industry since 1991. He was a vice-president at Dow Jones Federal Filings, Inc, where he was the co-founder of the Daily Bankruptcy Review. Following that he was the portfolio manager of a proprietary special situations investment fund at Nomura Holding America (10/94-5/01). Embler has been with Franklin Mutual since July of 2001. Langerman, the Chairman, Chief Executive Officer and President of Franklin Mutual, is also the portfolio manager of the Mutual

Shares Fund. He was employed by the State of New Jersey Division of Investments from December 2002-March 2005; prior to that he spent 17 years at Heine Securities Corporation, the predecessor of Franklin Mutual. Franklin Mutual has managed a portion of Masters' Select Value Fund assets since the inception of the Fund in June 2000.

Embler and Langerman manage approximately 25% of the Fund's assets. They work closely with the Franklin Mutual team of research analysts who employ a value approach to investing that seeks to invest in securities selling at a substantial discount to their intrinsic value, taking into consideration, among other factors, the ratios of price-to-cash flow, price-to-free cash flow, price-to-earnings, and price-to-book value. The firm considers companies of all sizes, although most of its investments are in mid-sized and larger companies. Franklin Mutual determines what a company would be worth if it were put up for auction and sold – and then seeks to buy at significant discounts. Consistent with this value approach, Franklin Mutual generally invests in three areas: (1) cheap stocks based on asset values, (2) arbitrage, and (3) bankruptcy situations. Investments in the latter two categories do not necessarily track broader market moves and, therefore, may tend to mitigate volatility in overall performance.

Franklin Mutual's research process is bottom-up, with new ideas often coming from news about a company such as corporate restructurings, spin-offs, tender offers, 13d filings and proxy fights. Franklin Mutual also analyzes companies whose share prices have suffered significant declines for reasons such as earnings disappointments and adverse legal judgments. After identifying a new investment possibility, Embler, Langerman and the analysts engage in intensive fundamental research of the company, which often includes meetings with company management, visits to facilities, and discussions with competitors and others knowledgeable about the business. In addition, Franklin Mutual sometimes takes an activist approach in its investments to try to influence management to create value for all shareholders.

The SAI provides additional information about the portfolio managers' method of compensation, other accounts managed by the portfolio managers, and the portfolio managers' ownership of securities in the Funds.

The Masters' Select Smaller Companies Fund in Detail

Litman/Gregory's strategy is to allocate the portfolio's assets among investment managers who, based on Litman/Gregory's research, are judged to be among the best in their respective style groups. The investment managers manage their individual portfolio segments by building a focused portfolio representing their highest-confidence stocks. Under normal conditions, each investment manager's portfolio segment includes a minimum of 8 and a maximum of 15 securities. A manager may, on a temporary basis, hold more than 15 securities. Though the overall Fund may hold more or fewer securities at any point in time, it is generally expected that the Fund will hold between 50 and 75 securities.

As used in this prospectus, we define a "Smaller Company" as one whose market-capitalization falls within the range of market capitalizations of any company in the Russell 2500 Index, as of the most recent reconstitution. Though the primary capitalization focus of the Fund is in the small-cap sector, we do not believe that small-cap investors should be forced to sell a stock that appreciates beyond the upper thresholds of the small-cap range if the stock picker continues to maintain a high level of conviction with respect to the holding. This has been a problem with many small-cap funds, as they have, at times, been forced to sell some of their most compelling holdings. Moreover, occasionally companies in the mid-cap range will be extraordinarily attractive to our investment managers. Overall, we expect the majority of the Fund's holdings at any point in time to meet the definition of a small capitalization company, but the Fund has the flexibility to hold mid-sized companies if the investment managers believe that holding these companies will lead to higher overall returns. The Fund's managers have the flexibility to invest up to 50% (measured at the time of original investment) of their respective portfolios in mid-cap companies if these stocks qualify as their "highest conviction" holdings.

Masters' Select Smaller Companies Fund Portfolio Managers

Bill D'Alonzo and Team
Friess Associates, LLC
115 E. Snow King Avenue
Jackson, WY 83001

Bill D'Alonzo is the lead manager for the segment of the Fund's assets managed by Friess Associates, LLC ("Friess"). D'Alonzo has been in the investment business for more than 20 years, is Chairman of the Brandywine Funds and is Chief Executive Officer and Chief Investment Officer of Friess. D'Alonzo has been an investment manager to Masters' Select Smaller Companies Fund since its inception in June 2003.

Approximately 28% of the Fund's assets are managed by D'Alonzo and his team. D'Alonzo invests in stocks of well-financed issuers that have proven records of profitability and strong earnings momentum. Emphasis is placed on companies with a market capitalization of less than $5 billion with a majority of holdings likely to be in companies with a market capitalization of less than $1.5 billion. These companies are likely to be lesser-known companies moving from a lower to higher market share position within their industry groups, rather than the largest and best-known companies in these groups.

D'Alonzo may, however, purchase common stocks of well-known, highly researched mid-sized companies if the team believes that those common stocks offer particular opportunity for long-term capital growth. In selecting investments, D'Alonzo considers financial characteristics of the issuer, including historical sales and net income, debt/equity and price/earnings ratios, and book value. D'Alonzo may also review research reports of broker-dealers and trade publications and, in appropriate situations, meet with management. D'Alonzo and his team give greater weight to internal factors, such as product or service development, than to external factors, such as interest rate changes, commodity price fluctuations, general stock market trends and foreign-currency exchange values.

John W. Rogers, Jr.
Ariel Capital Management, LLC
200 East Randolph Drive
Suite 2900
Chicago, IL 60601

John Rogers is the portfolio manager responsible for the segment of the Fund's assets that are managed by Ariel Capital Management, LLC. ("Ariel"). Rogers is Chairman, Chief Executive Officer and Chief Investment Officer of Ariel, which he founded in 1983. He has managed the Ariel Fund since its inception in 1986 and the Ariel Appreciation Fund since October 2002, and also manages small and mid-cap institutional portfolios at Ariel. Rogers has been an investment manager to Masters' Select Smaller Companies Fund since its inception in June 2003.

Approximately 22% of the Fund's assets are managed by Rogers. Rogers and his team focus on identifying quality companies with strong financial characteristics selling at a discount to fair value of at least 40%. The team has a strong contrarian bent and focuses on the long-term fundamentals of a company compared to its price. Rogers prefers well-established businesses with earnings predictability and for this reason usually stays away from technology companies or companies with highly cyclical businesses. He has tended to invest most heavily in the consumer-oriented, financial, media and industrial sectors. Though Rogers is best characterized as a value investor, his preference for quality companies also results in his holding stocks of some companies that could be characterized as growth stocks selling at a reasonable price.

At a more specific level, Rogers' preference for quality companies leads to an interest in companies that exhibit some of the following characteristics: a leadership position in their niche; a strong franchise; great products or services that are needed by their customers; barriers to competitive entry; pricing power and margins that provide for earnings consistency and growth; in an industry that is capable of consistent, fairly predictable growth; consistently high return on assets (or the ability to deliver good returns) with low reinvestment requirements; and management that is honest, smart, has strong capital allocation skills, and is able to attract and keep quality people. The requirement for strong financial characteristics is primarily focused on debt levels and the ability to service debt. Valuation is looked at in a variety of ways but the primary focus is on private market value either based on discounted cash flow analysis or a transaction-based estimate of what a private buyer would pay for the company.

Ariel's proprietary research process begins with the usual Wall Street sources – financial analysts' reports, the standard computer databases and company press releases. Digging deeper, Rogers and his team review more than 150 newspapers, trade periodicals and technical journals. In this way, they believe they can uncover outstanding opportunities that others may have missed. Once they have identified a candidate for investment they comb through the company's financial history and analyze its prospects, then develop long-range financial projections and detail the risks. The team's findings are verified by conducting on-site visits and meeting with third party sources which may include the company's suppliers and customers, competitors and former employees.

Rogers and his team also emphasize developing their own independent assessments of key executives. He believes the character and quality of a company's management weighs at least as heavily as any other factor in determining its success, especially in the smaller companies in which he invests. Rogers believes the skill of the management team will help a company overcome unforeseen obstacles. In addition, the management team's contacts and experience will alert the company to emerging opportunities.

Rogers believes ethical business practices make good investment sense. In the long run, a company that adopts environmentally sound policies will face less government intrusion. A company that fosters community involvement among its employees will inspire community support. Additionally, he believes that a company that cultivates diversity is more likely to attract and recruit the best talent and broaden its markets in profitable new directions. He does not invest in corporations whose primary source of revenue is derived from the production or sale of tobacco products, the generation of nuclear energy, or the manufacture of handguns. He believes these industries are more likely to face shrinking growth prospects, draining litigation costs and legal liability that cannot be quantified.

Robert Rodriguez
First Pacific Advisors, Inc.
11400 West Olympic Blvd., Suite 1200
Los Angeles, CA 90064

Bob Rodriguez is the portfolio manager responsible for the portion of the Fund's assets managed by First Pacific Advisors, Inc ("FPA"). Rodriguez, who joined FPA in 1983, manages equity separate accounts and the FPA Capital Fund in the small/mid-cap absolute value equity style, along with his team members Dennis Bryan, Rikard Ekstrand and Steven Romick. Rodriguez is also a portfolio manager of FPA New Income Fund, a bond fund. Rodriguez has been an investment manager to Masters' Select Smaller Companies Fund since its inception in June 2003.

Rodriguez is responsible for managing approximately 22% of the Fund's assets. The general objective of Rodriguez's stock research is to identify stocks from a variety of sources that are cheap relative to their peer group and are characterized by strong balance sheets, solid or improving fundamentals and have a strong competitive position in their industry. In addition, he focuses on companies that exhibit strong free cash flow, quality management and understandable business strategies. Rodriguez also emphasizes above-average return-on-capital though he tends not to focus on rapidly growing companies that generate very high returns on assets because these companies rarely meet his valuation criteria.

Statistical screens that generate research ideas include "new low" lists and various value-oriented measures. In addition to quantitative screens, Rodriguez also looks at insider transactions, management changes and spin-offs. Big-picture trends or developments may also lead Rodriguez and the FPA team to look at certain stocks or industries.

Specific company research is intensive and involves finding as much information as possible from as many sources as possible. The first step is an in-depth look at the financials to gain an understanding of the operating history, trends and the financial health of the company. Following that, research focuses on gaining an understanding of the company's business model, management quality, growth potential, strength and weaknesses and competitive position. Because there is a preference for out-of-favor companies there is a particular focus on assessing whether profits are down because of issues that are transitory or permanent. As part of the research process there is usually contact with management (to assess the quality of the people), competitors, customers and other potential sources of information.

The overall assessment of fundamentals is not measured against a standard set of criteria; rather, each is relative to the specific type of business or industry. In general, Rodriguez is looking for situations where certainty is high; thus, a business that has strong long-term fundamentals but is temporarily out of favor is typical of a new buy. Since there is a preference for companies with strong free cash flow, it is also important to have confidence in management's ability to add value through the deployment of excess cash.

Valuation is critical to the assessment of each stock-picking opportunity. Valuation assessments usually involve looking at a variety of valuation measures including price-to-earnings, price-to-cash flow, price-to-book value, price-to-sales and enterprise value and market capitalization to total revenue. The valuation measures that are applicable to any particular stock depend on company-specific facts and circumstances as well as broader valuation trends in the industry. In assessing valuations, the FPA team is cognizant of factoring in where the company is in its earnings cycle, its normalized earnings, and how the cycle has played out in the past. In assessing multiples they study what multiple levels were in past cycles and consider whether this information is relevant to assessing the potential for future multiples. The valuation assessment then often becomes a function of the expected profitability recovery and multiple expansion from current levels.

Rodriguez usually sells stocks for one of four reasons: (1) the stock reaches full valuation; (2) there has been a full profit recovery; (3) a superior alternative value appears; or (4) the company does not perform as expected.

Richard T. Weiss
Wells Capital Management, Inc.
100 Heritage Reserve
Menomonee Falls, WI 53051

Dick Weiss is the portfolio manager for the segment of the Fund's assets managed by Wells Capital Management, Inc. Weiss is Executive Vice President and Portfolio Manager at Wells and has been in the investment business for more than 25 years. He has been the manager or co-manager of the Wells Fargo Advantage Common Stock Fund (and its predecessor) since 1991 and has worked closely with Ann Miletti for several years. She began first as a research analyst and then as co-portfolio manager on a number of managed accounts and mutual funds, including the Wells Fargo Advantage Common Stock Fund (and its predecessor). Miletti has also made material contributions to the Masters' Select Equity Fund portfolio managed by Weiss. Weiss has been an investment manager to Masters' Select Smaller Companies Fund since its inception in June 2003.

Approximately 28% of the Fund's assets are managed by Weiss. He invests in stocks of small and mid-sized companies that are undervalued either because they are not broadly recognized, are in transition, or are out of favor based on short-term factors. In seeking attractively valued companies, Weiss focuses on companies with above-average growth potential that also exhibit some or all of the following:

- Low institutional investor ownership and low analyst coverage
- High-quality management
- Sustainable competitive advantage

Weiss evaluates the degree of under-valuation relative to his estimate of each company's private market value. This private market value approach is based on an assessment of what a private buyer would be willing to pay for the future cash flow stream of the target company. Based on his experience, Weiss believes that, except for technology and other high-growth stocks, most stocks trade at between 50% and 80% of private market value. When trading at the low end of this range, companies take steps to prevent takeover, or they are taken over. The private market value estimate is applied flexibly, based on the outlook for the industry and the company's fundamentals.

The SAI provides additional information about the portfolio managers' method of compensation, other accounts managed by the portfolio managers, and the portfolio managers' ownership of securities in the Funds.

The Masters' Select Focused Opportunities Fund in Detail

The Advisor's strategy is to allocate the Fund's assets among investment managers who, based on the Advisor's research, are judged to be among the best in their respective style categories and who can add additional value by managing an extremely concentrated portfolio of securities. The investment managers manage their individual portfolio segments by building a highly focused portfolio representing their highest-confidence stocks. Under normal conditions, each investment manager's portfolio segment includes a minimum of five and a maximum of seven securities. A manager may, on a temporary basis, hold more than seven securities. For example, the manager may be in the process of selling one security and buying a new holding. Or, for tax management purposes, the manager may temporarily retain a portion of a position in order to avoid realizing short-term capital gains.

The Focused Opportunities Fund is structured as a non-diversified fund. Litman/Gregory and the Fund's managers believe that limiting the number of holdings improves the Fund's long-term return opportunity because the portfolio contains only the managers' highest-conviction ideas. Owning fewer companies also enables each security to have a meaningful impact on the overall fund performance. As a result the Fund may own large positions in a small number of securities. Because the change in value of any one security owned by the Fund may have a significant effect on the daily NAV of the Fund, the Fund's share price may fluctuate more than that of a diversified fund. Significant fluctuations may affect the performance of the Fund. For these reasons, the Advisor believes that this Fund is appropriate only for longer term investors.

Each of the Fund's investment managers emphasizes different stock-picking styles. The Advisor believes that during any given year certain stock-picking styles will generate higher returns than others. By including a variety of stock-picking styles in this single mutual fund, the Advisor believes that the variability and volatility of returns can be lessened. The Fund will typically invest in the securities of large and mid-sized U.S. companies, although the managers may also invest in the securities of non U.S. companies. At times, securities of non U.S. companies may make up a material portion of the overall portfolio. The managers may also own securities of smaller companies, though these are expected to be a lesser portion of the overall fund portfolio.

Masters' Select Focused Opportunities Fund Portfolio Managers

Craig Blum
Stephen Burlingame
TCW Investment Management Company
865 S. Figueroa Street
Los Angeles, CA 91001

Craig Blum and Stephen Burlingame are the co-portfolio managers for the segment of the Fund's assets run by TCW Investment Management Company, a member of the TCW Group ("TCW"). Blum has been at TCW since 1999 and is a Managing Director of the Firm. Prior to then he was a financial analyst with FMAC Capital Markets. Burlingame is also a Managing Director at TCW and has been with the firm since 2000. Prior to then he was a financial analyst with Brandywine Asset Management. Burlingame and Blum have been co-managers, along with Glen Bickerstaff of the TCW Galileo Select Equities Fund since January 2004. While no longer portfolio manager, Bickerstaff remains as Senior Portfolio Advisor to the TCW team that manages their Concentrated Core growth stock portfolios.

Blum and Burlingame manage approximately one-third of the Fund's assets. In picking stocks they focus primarily on mid- and large-cap companies that are market leaders in scalable businesses. These superior businesses typically demonstrate strong sales growth, increasing market share, and high or rising profit margins. Blum and Burlingame seek to identify companies that have unique business franchise characteristics and a sustainable competitive advantage, such as a proprietary product, valuable intellectual property, low cost structure, or distribution advantage. They also seek to be aligned with management that has proven its ability to create shareholder value through skilled capital allocation. While bottom-up company research ultimately drives their stock selection, the team tries to take advantage of major secular trends, such as the baby boomers' growing demand for financial services and health care products and the proliferation of technology. They are somewhat unique among growth managers in that their investment decisions are based on their long-term assessment of each business so that they do not have a "trader" mentality.

Blum and Burlingame are growth investors, but valuation also plays a role in their investment process. In valuing a company they focus on the "cap rate," defined as the pre-tax cash flow generated by the business divided by its enterprise value (i.e., what it would cost to buy the entire business). However, they will pay up for businesses that they believe will deliver high cash flow growth rates over the long-term. Although Blum and Burlingame may trim holdings when stock prices run up, they typically will not eliminate a holding due to valuation as long as the company's fundamentals continue to be strong.

Christopher Davis
Kenneth Feinberg
Davis Selected Advisers, L.P.
2949 East Elvira Road, Suite 101
Tucson, AZ 85706

Christopher C. Davis and Kenneth Feinberg are the co-portfolio managers for the segment of the Fund's assets managed by Davis Selected Advisers, L.P. ("Davis Advisers"). Davis joined Davis Advisers in 1991, and began his tenure as a portfolio manager of the Davis New York Venture Fund in 1995. Before joining Davis Advisers, Davis was an associate at Tanaka Capital Management. Feinberg joined the firm in 1994 and was named co-manager of the Davis New York Venture Fund in 1998. Their investment approach has been strongly influenced by working closely with veteran investor Shelby Davis.

Approximately one-third of the Fund's assets are managed by Davis and Feinberg. Through their research process Davis and Feinberg seek to identify high-quality companies with sustainable business models that can be purchased at a discount to their estimate of intrinsic value. They believe the evaluation of company management is critical, and they and their research team spend considerable time visiting managers at their places of business as part of their research process. Davis and Feinberg believe that high-quality companies are evidenced by some or all of the following characteristics:

- Strong balance sheet, high quality of earnings and high after-tax returns on capital
- Proven management with a significant ownership stake in the business and a record of intelligent capital allocation
- Strong competitive positioning in a growing market with non-obsolescent products or services
- Global presence and brand name recognition with a dominant or increasing market share
- Low-cost structure and intelligent application of technology to improve operations and lower costs

Davis and Feinberg seek to buy companies exhibiting some or all of these characteristics at attractive prices and then own them for the long term. Positions are built strategically when companies can be purchased at strong discounts to intrinsic value. They consider selling a position if they believe the stock market price exceeds their estimate of the intrinsic value of the company, or if they believe the risk of continuing to own a company's stock outweighs the potential reward.

Michael Embler
Peter Langerman
Franklin Mutual Advisers, LLC
101 John F. Kennedy Parkway
Short Hills, NJ 07078

Michael Embler and Peter Langerman are the portfolio managers for the segment of the Fund's assets managed by Franklin Mutual Advisers, LLC ("Franklin Mutual"). Embler, the Chief Investment Officer of Franklin Mutual, is also the portfolio manager of the Mutual Recovery and Mutual Beacon funds. Embler has been in the securities industry since 1991. He was a vice-president at Dow Jones Federal Filings, Inc, where he was the co-founder of the Daily Bankruptcy Review. Following that he was the portfolio manager of a proprietary special situations investment fund at Nomura Holding America (10/94-5/01). Embler has been with Franklin Mutual since July of 2001. Langerman, the Chairman, Chief Executive Officer and President of Franklin Mutual, is also the portfolio manager of the Mutual Shares Fund. He was employed by the State of New Jersey Division of Investments from December 2002-March 2005; prior to that he spent 17 years at Heine Securities Corporation, the predecessor of Franklin Mutual. Franklin Mutual has managed a portion of Masters' Select Value Fund assets since the inception of the Fund in June 2000.

Embler and Langerman manage approximately one-third of the Fund's assets. Embler works closely with the Franklin Mutual team of research analysts who employ a value approach to investing that seeks to invest in securities selling at a substantial discount to their intrinsic value, taking into consideration, among other factors, the ratios of price-to-cash flow, price-to-free cash flow, price-to-earnings, and price-to-book value. The firm considers companies of all sizes, although most of its investments are in mid-sized and larger companies. Franklin Mutual determines what a company would be worth if it were put up for auction and sold – and then seeks to buy at significant discounts. Consistent with this value approach, Franklin Mutual generally invests in three areas: (1) cheap stocks based on asset values, (2) arbitrage, and (3) bankruptcy situations. Investments in the latter two categories do not necessarily track broader market moves and, therefore, may tend to mitigate volatility in overall performance.

Franklin Mutual's research process is bottom-up, with new ideas often coming from news about a company such as corporate restructurings, spinoffs, tender offers, 13d filings and proxy fights. Franklin Mutual also analyzes companies whose share prices have suffered significant declines for reasons such as earnings disappointments and adverse legal judgments. After identifying a new investment possibility, Embler, Langerman and the analysts engage in intensive fundamental research of the company, which often includes meetings with company management, visits to facilities, and discussions with competitors and others knowledgeable about the business. In addition, Franklin Mutual sometimes takes an activist approach in its investments to try to influence management to create value for all shareholders.

The SAI provides additional information about the portfolio managers' method of compensation, other accounts managed by the portfolio managers, and the portfolio managers' ownership of securities in the Funds.

Shareholder Services

Each Fund is a no-load fund, which means you pay no sales commissions of any kind. Each business day that the New York Stock Exchange ("NYSE") is open, each Fund calculates its share price, which is also called the Fund's NAV. Shares are purchased at the next share price calculated after your investment is received and accepted. Share price is calculated as of the close of the NYSE, normally 4:00 p.m. Eastern Time.

Eligibility
The Masters' Select Funds are not registered for sale outside of the United States and are available for purchase only by residents of the United States of America, the District of Columbia, Puerto Rico, Guam and the U.S. Virgin Islands.

Closed Funds
The Fund's Board and Litman/Gregory believe that it is in the best interest of the Masters' Select International Fund's shareholders to slow the flow of assets moving into the Fund. It is believed that doing so will help preserve the ability of the Fund's individual investment managers to effectively manage the Fund's assets. Accordingly, the Masters' Select International Fund is closed to new investors except as described below.

Shareholders will not be permitted to exchange shares of other Masters' Select Funds for shares of the International Fund unless the exchanging shareholder was invested in the closed Fund as of the Fund's closing date (October 27, 2004) or the shareholder meets one of the criteria listed below.

You may continue to purchase shares of the closed Fund (or any other Fund that becomes closed) if:

- You have an existing account in the closed Fund (either directly with the closed Fund or through a financial intermediary) and you:
  - Add to your account through the purchase of additional closed Fund shares; or
  - Add to your account through the reinvestment of dividends and cash distributions from any shares owned in the closed Fund; or
  - Open a new account that is registered in your name or has the same taxpayer identification number or social security number assigned to it, (includes UGMA/UTMA accounts with you as custodian and retirement accounts)..
- You purchase shares through a qualified employee retirement plan whose records are maintained by a trust company, financial intermediary or plan administrator and whose investment alternatives included shares of the closed Fund as of its closing date. IRA rollovers and transfers from these plans can be used to open new accounts.
- You have an existing business relationship with Litman/Gregory or its affiliates, and, in the judgment of Litman/Gregory, your investment in the closed Fund would not adversely affect Litman/Gregory's or the investment managers' ability to manage the closed Fund effectively.
- You are an employee (or a member of an employee's family) of Litman/Gregory or an affiliated Litman/Gregory company, or you are a client of Litman/Gregory Asset Management, LLC or, in the judgment of Litman/Gregory, your investment in the closed Fund would not adversely affect Litman/Gregory's or the investment managers' ability to manage the closed Fund effectively.
- You are the client of a financial advisor or planner who had client assets invested with the International Fund as of its closing date.

Once an account is closed, additional investments will not be accepted unless you meet one of the specified criteria above. Management reserves the right to:

- Make additional exceptions that, in its judgment, do not adversely affect its ability to manage the closed Fund;
- Reject any investment or refuse any exception, including those detailed above, that it believes will adversely affect its ability to manage the closed Fund; and
- Close and re-open the closed Fund to new or existing shareholders at any time or modify the criteria for accepting new or additional investments in the closed Fund at any time. You may be required to demonstrate your eligibility to buy shares in the closed Fund before your investment is approved.

The Masters' Select Equity, Smaller Companies, Value and Focused Opportunities Funds are open to all investors and you may purchase shares of those Funds at any time.

How to Buy Shares

Step 1

The first step is to determine the type of account you wish to open. The following types of accounts are available to investors:

Individual or Joint Accounts
For your general investment needs:
Individual accounts are owned by one person. Joint accounts can have two or more owners (tenants).

Retirement Accounts
Allow individuals to shelter investment income and capital gains from current taxes. In addition, contributions to these accounts may be tax deductible. Retirement accounts (such as IRAs, Rollover IRAs, Simplified Employee Pension Plans ("SEP IRAs") and Roth IRAs) require specific applications and typically have lower minimums.

Other retirement plans, such as Keogh or corporate profit-sharing plans, 403(b) plans and 401(k) plans, may invest in the Funds. All of these accounts need to be established by the plan's trustee. The Funds do not offer versions of these plans.

If you are investing through a tax-sheltered retirement plan, such as an IRA, for the first time, you will need an IRA Application and Adoption Agreement. Retirement investing also involves separate investment procedures.

Gifts or Transfers to Minors (UGMA, UTMA)

To invest for a child's education or other future needs:
These custodial accounts provide a way to give money to a child and obtain tax benefits. An individual can give up to $12,000 per year per child without paying a federal gift tax. Depending on state laws, you can set up a custodial account under the Uniform Gifts to Minors Act ("UGMA") or the Uniform Transfers to Minors Act ("UTMA").

Trust

For money being invested by a trust:
The trust must be established before an account can be opened. The Funds may require additional documentation regarding the formation of the trust prior to establishing an account.

Business or Organization

For investment needs of corporations, associations, partnerships or other groups:
The Funds do not require a special application. However, the Funds may require additional information prior to establishing an account.

Step 2

The second step involves determining the amount of your investment. The Masters' Select Funds have established the following minimum investment levels for your initial investment, additional investments and ongoing account balances:

Type of Account	Minimum Initial Investment	Minimum Additional Investment	Minimum Account Balance
Regular	**$5,000**	**$250**	**$2,500**
Retirement Account	**$1,000**	**$100**	**$250**
Automatic Investment Account	**$2,500**	**$250**	**$2,500**

The Distributor may waive the minimum investment from time to time.

Step 3

The third step involves completing your application to open your account. All shareholders must complete and sign an application in order to establish their account. The type of application depends on the type of account you chose to open. Regular investment accounts, including individual, joint tenant, UGMA, UTMA, business, or trust accounts, must complete the Funds' standard New Account Application. Shareholders who wish to establish retirement accounts must complete the IRA Application and Adoption Agreement. Shareholders who wish to transfer retirement holdings from another custodian must also complete the IRA Transfer of Assets Form. Be sure to complete the section of the application indicating the amount you are investing in each of the Masters' Select Funds.

Step 4

The final step in opening your account is to mail the completed application, along with your check payable to the Masters' Select Funds. **The Funds do not accept third-party checks, money orders, cashiers checks, starter checks, official bank checks, credit cards, cash or checks or wires from foreign financial institutions.** If you send any of these instruments, your purchase order will be rejected and your investment in the Funds will be delayed.

The mailing addresses for the Funds are:

For Regular Delivery:
Masters' Select Funds
c/o Boston Financial Data Services
P.O. Box 219922
Kansas City, MO 64121-9922

For Overnight Delivery:
Masters' Select Funds
c/o Boston Financial Data Services
330 West Ninth Street
Kansas City, MO 64105

In compliance with the USA PATRIOT Act of 2001, please note that the Funds' transfer agent will verify certain information on your account application as part of the Funds' Anti-Money Laundering Compliance Program. Until such verification is made, the Funds may temporarily limit share purchases. As requested on the application, you should supply your full name, date of birth, social security number and permanent street address. Mailing addresses containing a P.O. Box will not be accepted. Your information will be handled by us as discussed in our privacy notice. Please contact the Funds' transfer agent at 1-800-960-0188 if you need additional assistance when completing your application.

If you wish to open or add to your account by wire, please call 1-800-960-0188 for instructions.

After your account is open, you may add to it by:

- Mailing a check to the above addresses along with a letter or the form at the bottom of your account statement. Be sure to put your account number on your check and in your letter, and please refer to Step 4 on page 37 for a list of instruments that will not be accepted for investment.
- Wiring money from your bank. Call 1-800-960-0188 for instructions.
- Making automatic investments if you signed up for the Automatic Investment Plan when you opened your account.

How to Sell Shares

You can arrange to take money out of your account at any time by selling (redeeming) some or all of your shares. Your shares will be sold at the next net asset value per share (share price) calculated after your order is received and accepted.

To sell shares in a non-retirement account, you may use any of the methods described in this section. To sell shares in a retirement account, your request must be made in writing.

Certain requests must include a medallion guarantee. This is designed to protect you and each Fund from fraud. Your request must be made in writing and include a medallion guarantee if any of the following situations apply:

- You wish to redeem more than $25,000 worth of shares.
- Your account registration information has changed within the past 30 days.
- The redemption check is being mailed to a different address from the one on your account (address of record).
- The check is being made payable to someone other than the account owner.

Each signature must be guaranteed by an eligible signature guarantor, which must participate in the Securities Transfer Agents Medallion Program (STAMP), the leading signature guarantee program recognized by all major financial service associations throughout the United States and Canada. You should be able to obtain a medallion guarantee from a bank, broker-dealer, credit union (if authorized under state law), securities exchange or association, clearing agency or savings association. A notary public cannot provide a medallion guarantee.

Selling Shares by Letter
Write and sign a "letter of instruction" with:
Your Name
Your Fund's account number
The dollar amount or number of shares to be redeemed

Please note the following special requirements for redeeming shares for different types of accounts:

- **Individual, Joint Tenant, Sole Proprietorship, UGMA or UTMA Accounts:** The letter of instruction must be signed by all persons required to sign for transactions, exactly as their names appear on the account.
- **Retirement Account:** The account owner should complete a Retirement Distribution Form. Call 1-800-960-0188 to request one.
- **Trust Account:** The trustee must sign the letter indicating capacity as trustee. If a trustee's name is not in the account registration, provide a copy of the trust document certified within the past 60 days.
- **Business or Organization:** At least one person authorized by corporate resolutions to act on the account must sign the letter. Include a corporate resolution with corporate seal or medallion guarantee.
- **Executor, Administrator, Conservator or Guardian:** Call 1-800-960-0188 for instructions.

Unless otherwise instructed, the Funds will send a check to the address of record.

Mail your letter to:

For Regular Delivery:	For Overnight Delivery:
Masters' Select Funds	Masters' Select Funds
c/o Boston Financial Data Services	c/o Boston Financial Data Services
P.O. Box 219922	330 West Ninth Street
Kansas City, MO 64121-9922	Kansas City, MO 64105

Selling Shares by Telephone
You must select this option on your New Account Application if you wish to use telephone redemption; it is not automatically available. If you selected the telephone redemption option on your New Account Application, you can sell shares simply by calling 1-800-960-0188. The amount you wish to redeem (up to $25,000) will be wired to your bank account. This option is not available for retirement accounts.

Selling Shares by Wire
You must sign up for the wire feature before using it. To verify that it is in place, please call 1-800-960-0188. The minimum wire amount is $5,000. Your wire redemption request must be received by the Funds before 4:00 p.m. Eastern time for money to be wired the next business day. This option is not available for retirement accounts.

Shareholder and Account Policies

Statements, Reports, and Inquiries
Statements and reports that each Fund sends you include the following:

- Confirmation statements (after every transaction that affects your account balance or your account registration)
- Financial reports (every six months)
- Account Statements (every six months)

Boston Financial Data Services, the Funds' transfer agent, is located at 330 West Ninth Street, Kansas City, Missouri, 64105. You may call the Transfer Agent at 1-800-960-0188 if you have questions about your account.

Quasar Distributors, LLC, the Funds' principal underwriter, is located at 615 East Michigan Street, Milwaukee, Wisconsin 53202.

Exchange Privilege
Shareholders may exchange shares among the Masters' Select Equity Fund, the Masters' Select International Fund, the Masters' Select Value Fund, the Masters' Select Smaller Companies Fund and the Masters' Select Focused Opportunities Fund by mailing or delivering written instructions to the Transfer Agent. Please specify the names of the applicable Funds, the number of shares or dollar amount to be exchanged, and your name and account number. You may not utilize an exchange to establish an account into a closed fund.

Exchanging Shares by Telephone
You must select this option on your New Account Application if you wish to use telephone exchange; it is not automatically available. If you selected the telephone exchange option on your new account application, you may also exchange shares (maximum $25,000 worth) by calling the Transfer Agent at 1-800-960-0188 between 9:00 a.m. and 4:00 p.m. Eastern time on a day that the NYSE is open for normal trading. A Fund will suspend, without notice, the exchange privilege on any accounts it reasonably believes are being used by "market timers".

Automatic Investment/Withdrawal Plans
One easy way to pursue your financial goals is to invest money regularly. The Funds offer a convenient service that lets you transfer money into your Fund account automatically. Although Automatic Investment Plans do not guarantee a profit and will not protect you against loss in a declining market, they can be an excellent way to invest for retirement, a home, educational expenses and other long-term financial goals. The investment will automatically be processed through the Automated Clearing House (ACH) system. Shares will be issued at the net asset value per share after the Fund accepts your order, which will typically be the day after you provide proper instructions to the Transfer Agent (assuming you do so prior to the close of the NYSE).

A systematic withdrawal plan permits you to receive a fixed sum on a monthly, quarterly or annual basis from accounts with a value of $5,000 or more. Payments may be sent electronically to your bank of record or to you in check form. Certain restrictions apply for retirement accounts. Call 1-800-960-0188 for more information.

Share Price
Each Fund is open for business each day the NYSE is open. Each Fund calculates its NAV as of the close of business of the NYSE, normally 4:00 p.m. Eastern time.

Each Fund's NAV is the value of a single share. The NAV is computed by adding the value of each Fund's investments, cash and other assets, subtracting its liabilities and then dividing the result by the number of shares outstanding. The NAV is also the redemption price (price to sell one share).

Each Fund's assets are valued primarily on the basis of market quotations. Securities and other assets for which reliable market quotations are not readily available will be valued at their fair value as determined under the guidelines established by, and under the general supervision and responsibility of, the Funds' Board of Trustees. Fair value pricing is intended to be used as necessary in order to accurately value the Funds' portfolio securities and their respective net asset values. The Funds' Statement of Additional Information further describes the Funds' valuation procedures. Since securities that are primarily listed on foreign exchanges may trade on weekends or other days when a Fund does not price its shares, the value of a Fund's securities (and thereby its NAV) may change on days when shareholders will not be able to purchase or redeem the Fund's shares.

Purchases

- All of your purchases must be made in U.S. dollars, and checks must be drawn on U.S. banks.
- The Funds do not accept cash, money orders, cashiers checks, starter checks, official bank checks, credit cards or third-party checks. If you send any of these instruments, your purchase order will be rejected and your investment in the Funds will be delayed.
- If your check does not clear, your purchase will be canceled and you will be liable for any losses or fees the Funds or the Transfer Agent incur.
- Your ability to make automatic investments may be immediately terminated if any item is unpaid by your financial institution.
- Each Fund reserves the right to reject any purchase order. For example, a purchase order may be refused if, in Litman/Gregory's opinion, it is so large that it would disrupt management of the Funds. Orders will also be rejected from persons believed by the Fund to be "market timers."

Buying and Selling Shares through Financial Intermediaries
You may buy and sell shares of the Funds through certain financial intermediaries (and their agents) that have made arrangements with the Funds to sell its shares. When you place your order with such a financial intermediary or its authorized agent, your order is treated as if you had placed it directly with the Funds' Transfer Agent, and you will pay or receive the next price calculated by the Funds. The financial intermediary (or agent) may hold your shares in an omnibus account in the financial intermediary's (or agent's) name, and the financial intermediary (or agent) maintains your individual ownership records. The Funds may pay the financial intermediary (or agent) a fee for performing this account maintenance service. The financial intermediary (or agent) may charge you a fee for handling your order. The financial intermediary (or agent) is responsible for processing your order correctly and promptly, keeping you advised regarding the status of your individual account, confirming your transactions and ensuring that you receive copies of the Funds' prospectus.

Redemptions

- Normally, redemption proceeds will be mailed to you on the next business day, but if making immediate payment could adversely affect the Funds, it may take up to seven days to pay you.
- Redemptions may be suspended or payment dates postponed when the NYSE is closed (other than weekends or holidays), when trading on the NYSE is restricted or as permitted by the SEC.
- If the amount you are redeeming from a Fund exceeds 1% of the Fund's net assets or $250,000 during any 90-day period, each Fund reserves the right to honor your redemption request by distributing to you readily marketable securities instead of cash. You may incur brokerage and other costs in converting to cash any securities distributed.

Fee Imposed on Certain Redemptions of Shares.
Each Fund imposes a short-term redemption fee on redemptions or exchange of shares held for less than 180 days. The fee is 2% of the redemption value and is deducted from the redemption proceeds.

The fee is retained by the Fund for the benefit of its long-term shareholders. It is applied to discourage short-term trading of the Fund by market timers or other investors who do not share the long-term strategy of the Fund, and to reduce the expenses of long-term shareholders for the trading costs and other costs associated with short-term investment in the Fund.

The "first in, first out" ("FIFO") method is used to determine the holding period; this means that if you bought shares on different days, the shares purchased first will be redeemed first for the purpose of determining whether the fee applies.

Redemption fees will not be charged on shares acquired by reinvestment of dividends or distributions from a Fund, or on shares held in an account of a qualified retirement plan, such as a 401(k) plan or IRA account.

Policy Regarding Excessive Trading and Market Timing.
The Funds' Board of Trustees has adopted policies and procedures with respect to frequent purchases and redemptions of Fund shares by Fund shareholders. These policies are summarized below and are implemented in part, through the Funds' redemption fee which is described above.

Purchases and exchanges of shares of the Funds should be made for long-term investment purposes only. The Funds, as a matter of policy, actively discourage market timing and excessive short term trading and may block accounts or take other action to prevent this type of activity.

Investors seeking to engage in excessive trading or market timing practices may deploy a variety of strategies to avoid detection and, despite the efforts of the Funds to prevent such trading, there is no guarantee that the Funds or their agents will be able to identify such investors or curtail their practices. The ability of the Funds and their agents to detect and curtail excessive trading or short term trading practices may also be limited by operational systems and technological limitations. In addition, the Funds receive purchase, exchange and redemption orders through financial intermediaries and cannot always know or reasonably detect excessive trading which may be facilitated by these intermediaries or by the use of omnibus account arrangements. Omnibus accounts are common forms of holding Fund shares. Entities utilizing such omnibus account arrangements may not identify customers' trading activity in shares of a Fund on an individual basis. Consequently, the Funds may not be able to detect frequent or excessive trading in Fund shares attributable to a particular investor who affects purchase and/or exchange activity in Fund shares through a broker, dealer or other financial intermediary acting in an omnibus capacity. Also, there may exist multiple tiers of these entities, each utilizing an omnibus account arrangement, which may further compound the difficulty to the Funds of detecting excessive or short duration trading activity in Fund shares. In seeking to prevent disruptive trading practices in the Funds, the Funds and their agents consider the information actually available to them at the time.

Each Fund reserves the right in its discretion to reject any purchase, in whole or in part (including, without limitation, purchases by persons whose trading activity in Fund shares Litman/Gregory believes could be harmful to a Fund). The Trust may decide to restrict purchase and sale activity in its shares based on various factors, including whether frequent purchase and sale activity will disrupt portfolio management strategies and adversely affect Fund performance.

Frequent purchases and redemptions of a Fund's shares may present certain risks for the Fund and its shareholders. These risks may include, among other things, dilution in the value of Fund shares held by long-term shareholders, interference with the efficient management of the Fund's portfolios and increased brokerage and administrative costs. A Fund may have difficulty implementing long-term investment strategies if it is unable to anticipate what portion of its assets it should retain in cash to provide liquidity to its shareholders. The Funds may, and the International Fund will, invest in non-U.S. securities; accordingly, there is an additional risk of undetected frequent trading in Fund shares by investors who attempt to engage in time zone arbitrage. There can be no assurance that the Funds or Litman/Gregory will identify all frequent purchase and sale activity affecting a Fund.

Each Fund May Close Small Accounts. Due to the relatively high cost of maintaining smaller accounts, the shares in your account (unless it is a retirement plan or custodial account) may be redeemed by a Fund if, due to redemptions you have made, the total value of your account is reduced to less than $2,500. If a Fund decides to make such an involuntary redemption, you will first be notified that the value of your account is less than $2,500, and you will be allowed 30 days to make an additional investment to bring the value of your account to at least $2,500 before a Fund takes any action.

Dividends, Capital Gains and Taxes

The Funds distribute substantially all of their net income and capital gains, if any, to shareholders each year. Normally, dividends and capital gains are distributed in November or December.

Distribution Options

When you open an account, specify on your application how you want to receive your distributions. If the option you prefer is not listed on the application, call 1-800-960-0188 for instructions. The Funds offer three options:

- **Reinvestment Option.** Your dividend and capital gains distributions will be reinvested automatically in additional shares of the Funds. If you do not indicate a choice on your application, you will be assigned this option.
- **Income-Earned Option.** Your capital gains distributions will be reinvested automatically, but you will be sent a check for each dividend distribution.
- **Cash Option.** You will be sent a check for your dividend and capital gains distributions ($10 minimum check amount). The Funds will automatically reinvest all distributions under $10 in additional shares of the Funds, even if you have elected the cash option. If the U.S. Postal Service cannot deliver your check or if your check remains uncashed for six months, the Fund reserves the right to reinvest the distribution check in your account at the Fund's then current net asset value and to reinvest all subsequent distributions.

For retirement accounts, all distributions are automatically reinvested. When you are over 59-1/2 years old, you can receive distributions in cash.

When a Fund deducts a distribution from its NAV, the reinvestment price is the Fund's NAV at the close of business that day. Cash distribution checks will be mailed within seven days.

Understanding Distributions

As a Fund shareholder, you are entitled to your share of the Fund's net income and gains on its investments. The Funds pass their earnings along to investors as distributions. Each Fund earns dividends from stocks and interest from short-term investments. These are passed along as dividend distributions. Each Fund realizes capital gains whenever it sells securities for a higher price than it paid for them. These are passed along as capital gains distributions.

Taxes

As with any investment, you should consider how your investment in each Fund will be taxed. If your account is not a tax-deferred retirement account, you should be aware of these tax implications.

Taxes on Distributions. Distributions are subject to federal income tax and may also be subject to state and local taxes. If you live outside of the United States, your distributions could also be taxed by the country in which you reside. Your distributions are taxable when they are paid, whether you take them in cash or reinvest them. Distributions declared in December and paid in January, however, are taxable as if they were paid on December 31.

For federal tax purposes, each Fund's income and short-term capital gains distributions are taxed as dividends; long-term capital gains distributions are taxed as long-term capital gains. Every January, each Fund will send you and the Internal Revenue Service ("IRS") a statement showing the taxable distributions.

Taxes on Transactions. Your redemptions, including transfers between Funds, are subject to capital gains tax. A capital gain or loss is the difference between the cost of your shares and the price you receive when you sell them. Whenever you sell shares of a Fund, the Fund will send you a confirmation statement showing how many shares you sold and at what price. You will also receive a consolidated transaction statement every January. It is up to you or your tax preparer, however, to determine whether the sales resulted in a capital gain and, if so, the amount of the tax to be paid. Be sure to keep your regular account statements; the information they contain will be essential in calculating the amount of your capital gains.

"Buying a Dividend." If you buy shares just before a Fund deducts a distribution from its NAV, you will pay the full price for the shares and then receive a portion of the price back in the form of a taxable distribution.

There are tax requirements that all funds must follow in order to avoid federal taxation. In their efforts to adhere to these requirements, the Funds may have to limit their investment activity in some types of instruments.

When you sign your New Account Application, you will be asked to certify that your Social Security or Taxpayer Identification number is correct and that you are not subject to 30% withholding for failing to report income to the IRS. If you violate IRS regulations, the IRS can require a Fund to withhold 30% of your taxable distributions and redemptions.

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Financial Highlights

The financial highlights table is intended to help you understand the Funds' financial performance since their inception. Certain information reflects financial results for a single Fund share. The total returns in the table represent the rate that an investor would have earned or lost on an investment in the Fund (assuming reinvestment of all dividends and distributions). This information for the years ended December 31, 2005, 2004, 2003, 2002 and 2001, has been audited by PricewaterhouseCoopers LLP, whose report, along with the Funds' financial statements, is included in the annual report, which is available upon request.

Since the Focused Opportunities Fund recently commenced operations, no financial highlights are available for the Focused Opportunities Fund.

For a capital share outstanding throughout each year:

	MASTERS' SELECT EQUITY FUND Year Ended December 31,				
	2005	2004	2003	2002	2001
Net asset value, beginning of year	$15.26	$13.44	$10.19	$12.59	$12.98
Income from investment operations:					
Net investment loss	(0.02)	(0.06)	(0.04)	(0.03)	(0.04)
Net realized and unrealized gain (loss) on investments and foreign currency	0.75	1.88	3.29	(2.37)	(0.29)
Total from investment operations	0.73	1.82	3.25	(2.40)	(0.33)
Less distributions:					
From net realized gain	(0.75)	—	—	—	(0.06)
Total distributions	(0.75)	—	—	—	(0.06)
Redemption fee proceeds	—^	—^	—^	—^	—^
Net asset value, end of year	$15.24	$15.26	$13.44	$10.19	$12.59
Total return	4.96%	13.54%	31.89%	(19.06)%	(2.55)%
Ratios/supplemental data:					
Net assets, end of year (millions)	$892.6	$855.3	$609.9	$431.2	$508.9
Ratio of total expenses to average net assets:					
Before fees waived	1.19%	1.22%	1.25%	1.27%	1.28%
After fees waived	1.19%	1.22%	1.23%	1.25%	1.26%
Ratio of net investment loss to average net assets:	(0.14)%	(0.46)%	(0.39)%	(0.30)%	(0.36)%
Portfolio turnover rate	46.05%	39.34%	84.28%	93.76%	94.98%

^ Amount represents less than $0.01 per share.

	MASTERS' SELECT INTERNATIONAL FUND Year Ended December 31,				
	2005	2004	2003	2002	2001
Net asset value, beginning of year	$16.88	$14.83	$10.70	$12.53	$15.31
Income from investment operations:					
Net investment income	0.17	0.10	0.07	0.05	0.06
Net realized and unrealized gain (loss) on investments and foreign currency	3.64	2.01	4.09	(1.85)	(2.83)
Total from investment operations	3.81	2.11	4.16	(1.80)	(2.77)
Less distributions:					
From net investment income	(0.29)	(0.07)	(0.03)	(0.03)	(0.03)
From net realized gain	(2.92)	—	—	—	—
Return of capital	—	—	—	—^	—^
Total distributions	(3.21)	(0.07)	(0.03)	(0.03)	(0.03)
Redemption fee proceeds	—^	0.01	—^	—^	0.02
Net asset value, end of year	$17.48	$16.88	$14.83	$10.70	$12.53
Total return	23.78%	14.30%	38.86%	(14.34)%	(17.94)%
Ratios/supplemental data:					
Net assets, end of year (millions)	$1,429.1	$1,137.7	$733.5	$336.0	$278.9
Ratio of total expenses to average net assets:					
Before fees waived	1.24%	1.28%	1.30%	1.32%	1.37%
After fees waived	1.08%	1.09%	1.10%	1.13%	1.19%
Ratio of net investment income to average net assets:	1.17%	0.76%	0.69%	0.47%	0.52%
Portfolio turnover rate	160.12%	87.88%	110.19%	141.07%	174.19%

^ Amount represents less than $0.01 per share.

Financial Highlights – (Continued)

For a capital share outstanding throughout each period.

	MASTERS' SELECT VALUE FUND Year Ended December 31,				
	2005	2004	2003	2002	2001
Net asset value, beginning of period	$14.90	$12.99	$9.82	$11.43	$10.45
Income from investment operations:					
Net investment income	0.05	0.02	0.04	0.06	—^
Net realized and unrealized gain (loss) on investments and foreign currency	0.55	1.89	3.13	(1.67)	1.00
Total from investment operations	0.60	1.91	3.17	(1.61)	1.00
Less distributions:					
From net investment income	(0.06)	—	—	—	—^
From net realized gain	(0.84)	—	—	—	(0.03)
Total distributions	(0.90)	—	—	—	(0.03)
Redemption fee proceeds	—^	—^	—^	—^	0.01
Net asset value, end of period	$14.60	$14.90	$12.99	$9.82	$11.43
Total return	4.13%	14.70%	32.28%	(14.09)%	9.64%
Ratios/supplemental data:					
Net assets, end of period (millions)	$338.2	$306.5	$181.0	$137.9	$160.5
Ratio of total expenses to average net assets:					
Before fees waived	1.24%	1.25%	1.30%	1.31%	1.37%
After fees waived	1.21%	1.23%	1.28%	1.29%	1.35%
Ratio of net investment income (loss) to average net assets:	0.26%	0.20%	0.35%	0.55%	(0.04)%
Portfolio turnover rate	30.21%	29.14%	21.54%	54.08%	32.67%

^ Amount represents less than $0.01 per share.

	MASTERS' SELECT SMALLER COMPANIES FUND		
	Year Ended December 31, 2005	Year Ended December 31, 2004	Period Ended ** December 31, 2003
Net asset value, beginning of period	$13.84	$11.79	$10.00
Income from investment operations:			
Net investment loss	(0.07)	(0.08)	(0.06)
Net realized and unrealized gain on investments	0.80	2.56	1.98
Total from investment operations	0.73	2.48	1.92
Less distributions:			
From net realized gain	(0.47)	(0.43)	(0.13)
Total distributions	(0.47)	(0.43)	(0.13)
Redemption fee proceeds	—^	—^	—^
Net asset value, end of year	$14.10	$13.84	$11.79
Total return	5.29%	21.01%	19.17%+
Ratios/supplemental data:			
Net assets, end of period (millions)	$273.2	$162.6	$51.2
Ratio of total expenses to average net assets:			
Before fees waived	1.33%	1.43%	1.67%*
After fees waived	1.30%	1.40%	1.65%*
Ratio of net investment loss to average net assets:	(0.64)%	(1.07)%	(1.33)%*
Portfolio turnover rate	118.76%	148.81%	43.49%+

* Annualized.
** Commenced operations on June 30, 2003.
+ Not annualized.
^ Amount represents less than $0.01 per share.

Privacy Notice

The Funds may collect non-public personal information about you from the following sources:

- Information we receive about you on applications or other forms;
- Information you give us orally; and
- Information about your transactions with us.

We do not disclose any non-public personal information about our shareholders or former shareholders without the shareholder's authorization, except as required by law or in response to inquiries from governmental authorities. We restrict access to your personal and account information to those employees who need to know that information to provide products and services to you. We also may disclose that information to non-affiliated third parties (such as to brokers or custodians) only as permitted by law and only as needed for us to provide agreed services to you. We maintain physical, electronic and procedural safeguards to guard your non-public personal information.

If you hold shares of the Funds through a financial intermediary, such as a broker-dealer, bank, or trust company, the privacy policy of your financial intermediary would govern how your non-public personal information would be shared with non-affiliated third parties.

For More Information

Statement of Additional Information:

The Statement of Additional Information ("SAI") contains additional information about the Funds. Further additional information about the Funds' investments is available in the Funds' Annual and Semi-Annual Reports to Shareholders.

Annual and Semi-Annual Reports:

In the Funds' Annual Report you will find a discussion of the market conditions and investment strategies that significantly affected the Funds' performance during their last fiscal year.

The SAI, Annual Report to Shareholders and Semi-Annual Report to Shareholders are available, without charge, upon request. To request an SAI, Annual Report to Shareholders or Semi-Annual Report to Shareholders, or to ask questions about your account or obtain other information about the Funds, please call 1-800-960-0188. You may also obtain a copy of our SAI or shareholder reports, free of charge, by accessing our web site (http://www.mastersfunds.com), or by writing to us.

SEC Contact Information:

If you have access to the Internet, you can view the SAI at the Securities and Exchange Commission ("SEC") Web site at www.sec.gov. You may also visit the SEC public reference room. Information on the operation of the public reference room can be obtained by calling 1-202-551-8090. To obtain copies of these publications, you may also request a copy by writing to the Public Reference Section of the SEC, Washington, D.C. 20549-0102. You may also make an electronic request at: publicinfo@sec.gov. The SEC charges a duplicating fee for this service.

Investment Company Act File No: 811-07763.

Fund Information:

Fund	Abbreviation	Symbol	CUSIP	Fund Number
Equity Fund	Equity	MSEFX	576417109	305
International Fund	Intl	MSILX	576417208	306
Value Fund	Value	MSVFX	576417406	307
Smaller Companies Fund	Smaller	MSSFX	576417307	308
Focused Opportunities Fund	Focused	MSFOX	57641T101	314

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