

# SECURITIES AND EXCHANGE COMMISSION

## FORM 485BPOS

Post-effective amendments [Rule 485(b)]

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### FILER

#### MARKMAN MULTIFUND TRUST

CIK: **931465** | IRS No.: **000000000** | State of Incorporation: **MA** | Fiscal Year End: **0930**  
Type: **485BPOS** | Act: **33** | File No.: **033-85182** | Film No.: **05789913**

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SUITE 300  
CINCINNATI OH 45202

Business Address  
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5133628000

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CIK: **931465** | IRS No.: **000000000** | State of Incorporation: **MA** | Fiscal Year End: **0930**  
Type: **485BPOS** | Act: **40** | File No.: **811-08820** | Film No.: **05789914**

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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM N-1A

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933 /X/

Pre-Effective Amendment No. \_\_\_

Post-Effective Amendment No. 16

and

REGISTRATION STATEMENT UNDER THE INVESTMENT COMPANY ACT OF 1940 /X/

Amendment No. 18

Markman MultiFund Trust

-----  
(Exact Name of Registrant as Specified in Charter)

6600 France Avenue South, Suite 565, Edina, Minnesota 55435

-----  
(Address of Principal Executive Offices)

Registrant's Telephone Number, including Area Code: (952) 920-4848

-----  
Robert J. Markman  
Markman MultiFund Trust  
6600 France Avenue South, Suite 565  
Edina, Minnesota 55435  
(Name and Address of Agent for Service)

Copies of all correspondence to:  
David M. Leahy, Esq.  
Sullivan & Worcester LLP  
1666 K Street, NW  
Washington, D.C. 20006

It is proposed that this filing will become effective:  
/\_/ immediately upon filing pursuant to Rule 485(b)  
/X/ on May 1, 2005 pursuant to Rule 485(b)  
/\_/ 75 days after filing pursuant to Rule 485(a)  
/\_/ on \_\_\_\_\_ pursuant to Rule 485(a)

The Registrant has registered an indefinite number of shares under the Securities Act of 1933, as amended, pursuant to Rule 24f-2 under the Investment Company Act of 1940, as amended. Registrant's Rule 24f-2 Notice for the fiscal year ended December 31, 2004 was filed with the Commission on February 8, 2005.

Markman  
TOTAL RETURN  
CORE FUND  
-----

-----  
Prospectus  
-----

May 1, 2005

This Prospectus has information about the Portfolio that you should know before you invest. Please read it carefully and keep it with your investment records. Although these securities have been registered with the Securities and Exchange Commission, the Commission has not approved or disapproved them and has not passed on the accuracy or adequacy of the information in this Prospectus. Anyone who informs you otherwise is committing a criminal offense.

An investment in the Portfolio:

- o is not a deposit of, or guaranteed by, any bank
- o is not insured by the FDIC, the Federal Reserve Board or any other government agency
- o is not endorsed by any bank or government agency
- o involves investment risk, including possible loss of the purchase payment of your original investment

PROSPECTUS May 1, 2005

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<TABLE>		
<CAPTION>		
<S>	<C>	<C>
Markman	Investment Adviser	Shareholder Services
TOTAL RETURN	Markman Capital Management, Inc.	c/o Integrated Fund Services
CORE FUND	6600 France Avenue South	P.O. Box 5354
-----	Minneapolis, Minnesota 55435	Cincinnati, Ohio 45201-5354
For investors too smart	Telephone: (952) 920-4848	Toll-free: 800-707-2771
to do it themselves(R)	Toll-free: 800-395-4848	
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HIGHLIGHTS

Markman MultiFund Trust (the "Trust") is an open-end diversified management investment company currently consisting of the Markman Total Return Core Fund (the "Fund") (formerly known as the Markman Total Return Portfolio), which is described in this Prospectus. The Fund seeks to achieve its investment objective of maximum total return with reduced risk by investing in individual securities, shares of other open-end investment companies, shares of exchange traded funds, and shares of closed-end investment companies. The Fund and the other open-end investment companies in which it invests are commonly called "mutual funds." The mutual funds, exchange traded funds and closed-end investment companies in which the Fund invests are collectively referred to in this Prospectus as "funds." The portion of the Fund invested in funds results in greater expenses than you would incur if you invested directly in the funds.

The Fund may invest in either load or no-load mutual funds. The Fund will not pay a sales load to buy shares of an underlying load fund. Instead the Fund will use available quantity discounts or waivers to avoid paying a sales load.

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INVESTMENT OBJECTIVE

The MARKMAN TOTAL RETURN CORE FUND seeks maximum total return with reduced risk. Returns will include capital appreciation, dividend income, and interest income.

The Board of Trustees of the Trust may change the Fund's investment objective without shareholder approval, as long as notice has been given to shareholders. Unless otherwise indicated, all investment practices and limitations of the Fund are non-fundamental policies which may be changed by the Board of Trustees without shareholder approval.

## PRINCIPAL INVESTMENT STRATEGY

The Fund invests in securities including individual securities, open-end mutual funds, closed-end funds, and exchange traded funds.

The Fund seeks to minimize risk through careful allocation among asset classes (stocks, bonds, cash), security size (large cap, mid-cap, small cap), investment style (growth, value), and through global diversification.

At least 20% of the Fund's total assets will be invested in fixed-income securities, real estate investment trusts, and money market securities.

The Fund's fixed-income allocation will be invested primarily in investments in the United States, although it may include investments in countries other than the United States. Normally, investments in fixed-income securities will be made through funds which invest in such securities. Fixed-income securities in which the Fund will invest include investment grade short- and long-term bonds, securities issued or guaranteed or insured by the U.S. Government, its agencies or instrumentalities, commercial paper, preferred stock and convertible debentures.

Under normal circumstances, the portion of the Fund's assets allocated to fixed income securities will rarely be more than 60% of the Fund's total assets. The Fund may invest up to 25% of its total assets in bonds that are not considered investment grade (bonds rated Ba or below by Moody's Investors Service, Inc. or BB or below by Standard & Poor's Corporation). Real estate investment trusts will be selected that the Fund's investment adviser believes has the potential for the greatest total return.

The remaining portion of the Fund's assets will be allocated to investments in common stock and equity funds. Under normal market conditions, at least 50% of the Fund's assets will be invested in common stock of individual companies, which will be allocated according to the Fund's investment adviser's proprietary portfolio model. Various screens used to construct this model include: 'emerging' blue chip stocks (defined as companies that have many of the traditional characteristics associated with "blue chip", such as healthy balance sheets, strong market positions, consistent financial returns, but that for reasons of size or length of history may not be considered "blue chip" by the broader investment community), under-followed high quality stocks, contrarian value stocks, international growth stocks, leaders in new market segments, and stocks with rapidly growing earnings. The Fund will normally own 20 to 30 different stocks and no single stock will usually represent more than five percent of the Fund's total assets (on a cost basis). Selections based on these screens are used to construct a model that we believe will have the greatest potential to achieve the Fund's objective.

Under normal market conditions, approximately 10% of the Fund's assets will be in mutual funds. The underlying funds invest in particular types of securities (for example, equity or debt), some concentrate in certain industries, and others may invest in a variety of securities to achieve a particular type of return or tax result.

The underlying funds that invest in countries other than the United States may invest up to 100% of their total assets in the securities of foreign issuers and may engage in foreign currency transactions with respect to such investments. In addition, the underlying funds may invest up to 25% of their total assets in the securities of one issuer.

## PRINCIPAL RISK CONSIDERATIONS

Although the Fund may invest in a number of individual securities and funds of various types in multiple countries, this investment strategy cannot eliminate investment risk. There is no assurance that the Fund will achieve its investment objectives. There is a risk that you could lose money by investing in the Fund. To the extent that it invests in other funds, the Fund incurs greater expenses than you would incur if you invested directly in mutual funds. In addition, the Fund is subject to the risk that the allocation of the Fund's assets among stocks, bonds and cash may adversely affect the Fund's value and result in losses to the Fund.

Investments primarily in issuers in one market capitalization category (large, medium or small) carry the risk that due to current market conditions that category may be out of favor; investments in medium and small capitalization companies may be subject to special risks which could cause them to experience greater price volatility and more significant declines in market downturns than securities of larger companies.

To the extent the Fund is invested in stocks and stock funds, the return on and value of an investment in the Fund will fluctuate in response to stock market movements. Stocks and other equity securities are subject to market risks (rapid increase or decrease in value or liquidity of the security) and fluctuations in

value due to earnings, economic conditions and other factors beyond our control. Not all stock prices change uniformly or at the same time and not all stock markets move in the same direction at the same time. Various factors can affect a stock's price (for example, poor earnings reports by an issuer, loss of major customers, major litigation against an issuer, or changes in general economic conditions or in government regulations affecting an industry). Not all of these factors can be predicted.

To the extent the Fund is invested in individual bonds or bond funds, the return on and value of an investment in the Fund will fluctuate with changes in interest rates. Typically a rise in interest rates causes a decline in the market value of fixed-income securities. Fluctuations in interest rates generally have a more pronounced effect on longer-term debt securities. The fixed-income securities held by the Fund are also subject to the possibility that a deterioration in the financial condition of an issuer could cause an issuer to fail to make timely payments of principal and interest. Other factors may affect the market price and yield of fixed-income securities, including investor demand and domestic and worldwide economic conditions.

The Fund's share price can fall because of weakness in the broad market, a particular industry, or specific holdings. The market as a whole can decline for many reasons, including disappointing corporate earnings, adverse political or economic developments here or abroad, changes in investor psychology, or heavy institutional selling. The prospects for an industry or a company may deteriorate. In addition, an assessment by the Fund's Adviser of particular companies may prove incorrect, resulting in losses or poor performance by those holdings, even in a rising market. The Fund could also miss attractive investment opportunities if its Adviser underweights fixed income markets or industries where there are significant returns, and could lose value if the Adviser overweights fixed income markets or industries where there are significant declines.

The Fund may invest in an underlying fund which is non-diversified. A non-diversified fund may invest a significant percentage of its assets in the securities of a single company. Because the non-diversified fund's holdings may be concentrated in a single company, the fund may be more sensitive to any single economic, business, political or regulatory occurrence than a diversified fund.

An underlying fund may concentrate its investments within one industry. The value of the shares of such a fund may be subject to greater market fluctuation than an investment in a fund that invests in a broader range of securities. An underlying closed-end or exchange traded fund may trade at prices significantly different from its net asset value. An underlying closed-end fund may be subject to liquidity risk (i.e., the potential that the Fund

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may be unable to dispose of the closed-end fund shares promptly or at a reasonable price). The Fund will invest in individual securities which normally can be expected to have greater volatility than a fund.

The Fund or an underlying fund may invest in real estate securities including securities issued by real estate investment trusts ("REITs"). Some REITs have relatively small capitalizations, which may tend to increase the volatility of the market price of securities issued by such REITs. Rising interest rates may cause investors in REITs to demand a higher annual yield from future distributions, which may in turn decrease market prices for equity securities issued by REITs. Rising interest rates also generally increase the costs of obtaining financing, which could cause the value of the Fund's investments in real estate securities to decline. In addition, mortgage REITs may be affected by the ability of borrowers to repay the debt extended by the REIT on time. Equity REITs may be similarly affected by the ability of tenants to pay rent. In addition to these risks, equity REITs may be affected by changes in the value of the underlying property owned by the REITs, while mortgage REITs may be affected by the quality of any credit extended. Further, equity and mortgage REITs are dependent upon management skills and generally may not be diversified.

The Fund or an underlying fund may invest in high yield, high-risk, lower-rated securities, commonly known as "junk bonds." Investment in such securities is subject to additional risk factors such as increased possibility of default, illiquidity of the security, and changes in value based on public perception of the issuer of the security.

The Fund or an underlying fund may invest in foreign securities. Such investments may be subject to additional risks that are not typically associated with investing in domestic securities, such as changes in currency rates and political developments. The Fund may be affected by a change in the rate of exchange from local currencies to U.S. dollars or if a counterparty to a forward currency contract was unable to meet its obligation. Changes in exchange rates could reduce or even eliminate profits made on the investments in securities. The Fund may be affected by social, political, or economic events occurring in the home countries of the issuers. Underdeveloped and developing countries may

have relatively unstable governments and economies based on only a few industries. There is the possibility that government action or a change in political control in one or more of these countries could adversely affect the value of the Fund's investments. Companies in foreign countries are generally not subjected to the same accounting, auditing, and financial standards as U.S. companies. Their financial reports may not reflect the same information on the company as would be available in the U.S. Certain countries may require payment for securities before delivery, and delays may be encountered in settling securities transactions. In certain markets there may not be protection against failure by other parties to complete transactions. Foreign stock exchanges may be less stringent in overseeing companies than those in the U.S. Additionally, the costs to buy and sell securities, including brokerage commissions, taxes, and custodian fees, are generally higher in foreign markets than for transactions in the U.S. markets.

Investment decisions by the investment advisers of the underlying funds are made independently of the Fund. At any particular time, one underlying fund may be purchasing shares of an issuer whose shares are being sold by another underlying fund or by the Fund's Adviser. As a result, the Fund would incur directly or indirectly certain transaction costs without accomplishing any investment purpose.

You could invest directly in the underlying funds. By investing in funds indirectly through the Fund, you bear not only your proportionate share of the expenses of the Fund but also, indirectly, similar expenses (including operating costs and investment advisory fees) of the underlying funds. You may indirectly bear expenses paid by underlying funds related to the distribution of such mutual funds' shares. Because of the Fund's policies of investing up to 50% of its assets in other funds, you may receive more taxable capital gains distributions than would be the case if you invested directly in the underlying funds. See "Dividends, Distributions and Taxes."

Different investment styles, such as growth or value investing, tend to shift in and out of favor depending upon market and economic conditions as well as investor sentiment. The Fund may outperform or underperform other funds that employ a different investment style. An underlying fund may also employ a combination of styles that affect its risk characteristics. Growth oriented funds will typically underperform when value investing is in favor, and conversely value oriented funds will typically underperform when growth investing is in favor.

PERFORMANCE\*

The bar chart below provides an indication of the risks of investing in the Fund by showing the changes in the performance of the Fund from year to year. The performance table below shows how the Fund's average annual total returns over time compared to a broad-based securities market index. The Fund's performance in the past is not necessarily an indication of how the Fund will perform in the future.

[The following data was depicted as a bar chart in the printed material.]

11.11%	19.38%	18.32%	35.49%	-25.38%	-23.54%	-25.63%	44.40%	14.31%
1996	1997	1998	1999	2000	2001	2002	2003	2004

During the period shown in the bar chart, the highest return for a quarter was 26.39% during the quarter ended December 31, 2001 and the lowest return for a quarter was -26.76% during the quarter ended September 30, 2001.

Average Annual Total Returns\*

For Periods Ended December 31, 2004:

	Year One	Five Years	Since Inception (January 26, 1995)
Total Return Core Fund:			
Return Before Taxes	14.31%	-6.87%	6.42%
-----			
Return After Taxes on Distributions(1)	14.14%	-7.57%	4.53%
-----			
Return After Taxes on Distributions and Sale of Fund Shares(1)	9.41%	-6.04%	4.61%
-----			
S&P 500 Index(2)	10.88%	-2.30%	11.94%
-----			

\* Effective December 30, 2002, the Markman Conservative Allocation Portfolio, the Markman Aggressive Allocation Portfolio and the Markman Moderate Allocation Portfolio each exchanged substantially all of their net assets for shares of the Markman Total Return Core Fund (formerly the Markman Total Return Portfolio). The performance and accounting history of the Moderate Allocation Portfolio is being assumed by the Total Return Core Fund. The average annual total returns of the Total Return Core Fund are therefore those of the Moderate Allocation Portfolio for the periods prior to December 30, 2002.

- (1) After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. After-tax returns shown are not relevant to investors who hold their Fund shares through arrangements such as 401(k) plans or individual retirement accounts. In certain cases the figure representing "Return After Taxes on Distributions and Sale of Fund Shares" may be higher than the other return figures for the same period. A higher after-tax return results when a capital loss occurs upon redemption and translates into an assumed tax deduction that benefits the shareholder.
- (2) The S&P 500 Index is a widely recognized, unmanaged index of common stock prices.

FEES AND EXPENSES

Shareholder Transaction Expenses

Sales Load Imposed on Purchases	None
.....	.....
Deferred Sales Load	None
.....	.....
Sales Load Imposed on Reinvested Dividends	None
.....	.....
Redemption Fee	None
.....	.....

Annual Fund Operating Expenses(1)  
(expenses that are deducted from Fund assets)

Management Fees(2)	0.85%
.....	.....
Distribution (12b-1) Fees(3)	0.00%
.....	.....
Other Expenses	0.69%
.....	.....
Total Annual Fund Operating Operating Expenses(2)	1.54%
=====	=====

- (1) By investing in funds indirectly through the Fund, you bear not only your proportionate share of the expenses of the Fund but also, indirectly, similar expenses (including operating costs and investment advisory fees) of the underlying funds. You may indirectly bear expenses paid by underlying funds related to the distribution of such mutual funds' shares.
- (2) The expense information in the table above has been restated to reflect current fees.
- (3) The underlying funds in which the Fund invests may impose 12b-1 or service fees.

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 after the first year of operations are not reduced by any waivers. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

1 Year	3 years	5 Years	10 Years
-----	-----	-----	-----
\$157	\$486	\$839	\$1,834
-----	-----	-----	-----

ADDITIONAL INFORMATION ABOUT THE FUND

The Fund or underlying funds may also invest in money market funds and money

market securities or other high quality short-term debt instruments to provide liquidity, as a temporary defensive measure and, in the case of the Fund, investing in money market funds as part of its asset allocation strategy, to achieve its investment objective. The Fund or an underlying fund may not achieve its investment objective during periods when it has taken a temporary defensive position.

#### Portfolio holdings

The Fund's complete portfolio holdings are publicly available as of the end of a calendar month, within one to ten business days after month end, on the "Total Return Fund" page of its website, [www.markman.com](http://www.markman.com). A description of the Fund's policies and procedures with respect to the disclosure of the Fund's portfolio securities is available in the Fund's Statement of Additional Information.

#### Fund Transactions

We place orders for the purchase and sale of portfolio securities for the Fund's accounts with brokers or dealers, selected by us in our discretion, or directly with the underlying funds. The Fund is actively managed and has no restrictions upon portfolio turnover. The Fund's rate of portfolio turnover may be greater than that of many other mutual funds. A 100% annual portfolio turnover rate would be achieved if each security in the Fund's portfolio (other than securities with less than one year remaining to maturity) were replaced once during the year. A high portfolio turnover rate may result in increased trading costs to the Fund. Trading also may result in realization of capital gains that would not otherwise be realized, and shareholders are taxed on such gains when distributed from the Fund. Increased trading costs and capital gain distributions can lower the Fund's performance. See "Dividends, Distributions and Taxes." There is no limit on and we cannot control the portfolio turnover rates of the underlying funds in which the Fund may invest.

#### MANAGEMENT OF THE TRUST

##### The Trustees

The business and affairs of the Trust are managed under the direction of the Board of Trustees. Additional information about the Trustees and the executive officers of the Trust may be found in the Statement of Additional Information under "Trustees and Officers."

##### Investment Adviser

Markman Capital Management, Inc. ("Markman Capital") serves as the investment adviser to the Fund. We maintain our principal office at 6600 France Avenue South, Minneapolis, Minnesota 55435. In addition to serving as investment adviser to the Fund, we provide investment supervisory services on a continuous basis to mutual funds, individuals, pension and profit sharing plans, corporations, partnerships, trusts and estates (including charitable organizations). We specialize in the construction and management of no-load mutual funds and individual security portfolios for our clients. As of the date of this Prospectus, we provide investment management services to over 200 client accounts and to the Markman Total Return Core Fund and have assets under management in excess of \$125 million.

Pursuant to an investment management agreement with the Trust, we are responsible for the investment management of the Fund's assets, including the responsibility for making investment decisions and placing orders for the purchase and sale of the Fund's investments. As compensation for services provided to the Fund, Markman Capital is paid a base fee of 0.85% of the average daily net assets of the Fund (the "base management fee") which is accrued by the Fund daily and paid to Markman Capital monthly. The base management fee decreases in a series of breakpoints if the Fund's total assets under management increase. The breakpoints, and the corresponding base management fee, are set forth in the following table:

\$0- \$200 million	0.85%
.....	
Next \$150 million	0.80%
.....	
Next \$150 million	0.75%
.....	
Next \$150 million	0.70%
.....	
Next \$150 million	0.65%
.....	
All additional dollars	0.60%
.....	

Pursuant to the investment management agreement, after an initial one year period, ending on April 30, 2006, the base management fee may be increased, decreased, or remain the same, depending on how the Fund's performance compares to the performance of the Standard & Poor's 500 Index ("S&P") over a rolling



12-month period consisting of the most recently completed month and the previous 11 months. This performance fee adjustment will be calculated based on the Fund's average net assets during the rolling 12-month period with a 0.02% adjustment for every one percent differential between the Fund's and the S&P's performance. The Statement of Additional Information includes additional discussion regarding the management fee. The table below sets forth the performance fee adjustment assuming the Fund performs at the indicated levels relative to its benchmark.

Based on the total assets under management as of the date of this Prospectus, the base management fee is currently 0.85% of the average daily net assets of the Fund.

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Fund Performance	Performance Fee Adjustment
5.00% above the S&P or higher	+0.10
4.00% above the S&P	+0.08
3.00% above the S&P	+0.06
2.00% above the S&P	+0.04
1.00% above the S&P	+0.02
Equal to the S&P	No Adjustment
1.00% below the S&P	-0.02
2.00% below the S&P	-0.04
3.00% below the S&P	-0.06
4.00% below the S&P	-0.08
5.00% below the S&P or lower	-0.10

The total management fee, as a percentage of the Fund's average daily net assets for the fiscal year ended December 31, 2004, was 0.75%.

A discussion of the basis for the Board of Trustees approval of the management agreement with the Investment Adviser is included in the Statement of Additional Information and will also be in the Fund's June 30, 2005 Semi-annual report.

#### Portfolio Manager

Robert J. Markman, Chairman of the Board of Trustees and President of the Trust, has served as the Portfolio Manager of the Trust since inception and has been responsible for the day-to-day management of the Fund since inception. Mr. Markman has served as President of Markman Capital since its organization in September 1990. Additional information about the Portfolio Manager's management of other accounts, compensation and ownership of securities is provided in the Statement of Additional Information.

#### PRICING OF FUND SHARES

The share price (net asset value) of the shares of the Fund is determined as of the close of the regular session of trading on the New York Stock Exchange (normally at 4:00 p.m., Eastern Time). The Fund is open for business on each day the New York Stock Exchange is open for business. The net asset value ("NAV") per share of the Fund is calculated by dividing the sum of the value of the securities held by the Fund plus cash or other assets minus all liabilities (including estimated accrued expenses) by the total number of outstanding shares of the Fund, rounded to the nearest cent. The price at which a purchase or redemption of the Fund's shares is effected is based on the next calculation of NAV after the order is placed.

Shares of the underlying funds are valued at their respective NAVs under the Investment Company Act of 1940 (the "1940 Act"). The Fund, with respect to its individual securities, values securities for which market quotations are readily available at their current market value (generally the last reported sale price as of the close of the regular session of trading on the day the securities are being valued). Fixed-income securities which have available market quotations are priced according to the most recent bid price quoted by one or more of the major market makers. If market quotations are not readily available or if

available market quotations are not reliable, securities are valued at their fair value as determined in good faith in accordance with procedures established by and under the general supervision of the Board of Trustees of the Trust. The Fund may use fair value pricing if the value of a security has been materially affected by events occurring before the Fund's calculation of NAV but after the close of the primary markets on which the security is traded. The Fund may also use fair value pricing if reliable market quotations are unavailable due to infrequent trading or if trading in a particular security was halted during the day and did not resume prior to the Fund's calculation of NAV. Foreign securities are valued based on quotations from the principal market in which such securities are normally traded. If events occur after the close of the principal market in which foreign securities are traded, and before the close of business of the Fund, that are expected to materially affect the value of those securities, then they are valued at their fair value taking these events into account.

The use of fair value pricing has the effect of valuing a security based upon the price the Fund might reasonably expect to receive if it sold that security but does not guarantee that the security can be sold at the fair value price. Further, because of the inherent uncertainty of fair valuation, a fair valuation price may differ significantly from the value that would have been used had a ready market for the investment existed, and these differences could be material. With respect to any portion of a Fund's assets that is invested in other open-end investment companies, that portion of the Fund's NAV is calculated based on the NAV of that underlying fund. The prospectus for the underlying fund explains the circumstances and effects of fair value pricing for that investment company.

Underlying money market funds with portfolio securities that mature in one year or less may use the amortized cost or penny-rounding methods to value their securities. Securities having 60 days or less remaining to maturity generally are valued at their amortized cost, which approximates market value.

The NAV per share of the Fund will fluctuate with the value of the securities it holds.

The Fund may invest directly or in underlying funds which invest in foreign securities that are primarily listed on foreign exchanges that trade on weekends or other days when the Fund does not price its shares. As a result, the value of the Fund may change on days when investors will not be able to purchase or redeem the Fund's shares.

#### HOW TO PURCHASE SHARES

Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask for your name, residential address, date of birth, government identification number and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents. If we do not receive these required pieces of information, there may be a delay in processing your investment request, which could subject your investment to market risk. If we are unable to immediately verify your identity, the Fund may restrict further investment until your identity is verified. However, if we are unable to verify your identity, the Fund reserves the right to close your account without notice and return your investment to you at the price determined as of 4:00 p.m. Eastern time on the day in which your account is closed. If we close your account because we are unable to verify your identity, your investment will be subject to market fluctuation, which could result in a loss of a portion of your principal investment.

Shares of the Fund are sold without a sales charge at the next NAV calculated after receipt of an order in proper form by the Fund. Your initial investment in the Fund ordinarily must be at least \$5,000, except that the Trust reserves the right, in its sole discretion, to waive the minimum initial investment amount for certain investors, or to waive or reduce the minimum initial investment for tax-deferred retirement plans. The minimum initial investment is waived for purchases by Trustees, officers and employees of the Trust, of Integrated Fund Services, Inc. (the "Transfer Agent"), and of Markman Capital and private clients of Markman Capital, including members of such persons' immediate families. The Fund also reserves the right to waive the minimum initial investment for financial intermediaries. All purchase payments are invested in full and fractional shares. The Trust may reject any purchase order.

Shares of the Fund are sold on a continuous basis at the NAV next determined after receipt of a purchase order by the Trust. Direct purchase orders received by the Transfer Agent prior to the close of regular trading on the

New York Stock Exchange (the "NYSE") on any Business Day, are priced according to the applicable NAV determined on that date. Direct purchase orders received

after the close of regular trading on the NYSE are generally priced as of the time the NAV is next determined. The Fund has relationships with certain brokers, processing organizations, and other financial intermediaries who are authorized to accept, or designate intermediaries to accept, purchase and redemption orders for the Fund. If you purchase through such a broker, your order will be priced at the NAV next determined after your broker or its designated intermediary accepts it. Dealers or other agents may charge you a fee for effecting transactions. Contact your broker to determine whether it has an established relationship with the Fund. You may open an account and make an initial investment in the Fund by sending a check and a completed account application form to Markman Total Return Core Fund, c/o Shareholder Services, P.O. Box 5354, Cincinnati, Ohio 45201-5354. Checks must be made payable to the Markman Total Return Core Fund. Purchases by check must be through a check drawn on a U.S. bank and payable in U.S. dollars. Certain third party checks will not be accepted for initial investment.

The Trust mails you confirmations of all purchases or redemptions of shares of the Fund. Certificates representing shares are not issued. The Trust reserves the right to limit the amount of investments and to refuse to sell to any person.

The Fund's account application contains certain provisions in favor of the Trust, the Transfer Agent and certain of their affiliates, excluding such entities from certain liabilities (including, among others, losses resulting from unauthorized shareholder transactions) relating to the various services (for example, telephone redemptions and exchanges) made available to investors.

If an order to purchase shares is cancelled because your check does not clear, you will be responsible for any resulting losses or fees incurred by the Trust or the Transfer Agent in the transaction. You may also purchase shares of the Fund by bank wire. Please call the Transfer Agent (Nationwide call toll-free 800-707-2771) for instructions. You should be prepared to give the name in which the account is to be established, the address, telephone number, and taxpayer identification number for the account, and the name of the bank that will wire the money. Your investment in the Fund will be made at the Fund's NAV next determined after your wire is received together with a completed account application. If the Trust does not receive timely and complete account information, there may be a delay in the investment of money and any accrual of dividends. To make an initial wire purchase, you must mail a completed account application to the Transfer Agent. Your bank may impose a charge for sending your wire. There is presently no fee for receipt of wired funds, but the Transfer Agent reserves the right to charge shareholders for this service upon 30 days' prior notice to shareholders.

You may also purchase shares of the Fund through a "processing organization," (e.g., a mutual fund supermarket) which is a broker-dealer, bank or other financial institution that purchases shares for its customers. The Fund has authorized certain processing organizations to receive purchase and sales orders on its behalf. Before investing in the Fund through a processing organization, you should read any materials provided by the processing organization together with this Prospectus.

When shares are purchased this way, there may be various differences. The processing organization may:

- o Charge a fee for its services
- o Act as the shareholder of record of the shares
- o Set different minimum initial and additional investment requirements
- o Impose other charges and restrictions
- o Designate intermediaries to accept purchase and sales orders on the Fund's behalf

The Fund considers a purchase or sales order as received when an authorized processing organization, or its authorized designee, receives the order in proper form. These orders will be priced based on the Fund's NAV next computed after such order is received in proper form.

You may purchase and add shares to your account by mail or by bank wire. Checks should be sent to Markman Total Return Core Fund, c/o Shareholder Services, P.O. Box 5354, Cincinnati, Ohio 45201-5354. Checks should be made payable to the Markman Total Return Core Fund. Bank wires should be sent as outlined above. Each additional purchase request must contain the account name and number to permit proper crediting.

#### HOW TO REDEEM SHARES

You may redeem shares of the Fund on each day that the Trust is open for business. You will receive the NAV per share next determined after receipt by the Transfer Agent, or an authorized agent of the Trust, of your redemption

request in the form described below. Payment is normally made within 3 business days after tender in such form, provided that payment in redemption of shares purchased by check will be effected only after the check has been collected, which may take up to 15 days from the purchase date. To eliminate this delay, you may purchase shares of the Fund by wire.

With respect to any redemption request for an amount that is \$100,000 or more, your request must be accompanied by an original Medallion Signature Guarantee. Signature guarantees are described more fully below.

#### By Telephone

You may redeem shares by telephone if the amount is less than \$25,000. The proceeds will be sent by mail to the address designated on your account or wired directly to your existing account in any commercial bank or brokerage firm in the United States as designated on the application. To redeem by telephone, call the Transfer Agent (Nationwide call toll-free 800-707-2771). The redemption proceeds will usually be sent by mail or by wire within 3 business days after receipt of your telephone instructions. IRA accounts are not redeemable by telephone.

Unless you have specifically notified the Transfer Agent not to honor redemption requests by telephone, the telephone redemption privilege is automatically available to you. You may change the bank or brokerage account designated under this procedure at any time by writing to the Transfer Agent with the Medallion Signature Guaranteed by any eligible guarantor institution (including banks, brokers and dealers, credit unions, national securities exchanges, registered securities associations, clearing agencies and savings associations) Further documentation will be required to change the designated account if shares are held by a corporation, fiduciary or other organization.

The Transfer Agent reserves the right to suspend the telephone redemption privilege with respect to any account if the name(s) or the address on the account has been changed within the previous 30 days.

Neither the Trust, the Transfer Agent, nor their respective affiliates will be liable for complying with telephone instructions they reasonably believe to be genuine or for any loss, damage, cost or expense in acting on such telephone instructions. The affected shareholders will bear the risk of any such loss. The Trust or the Transfer Agent, or both, will employ reasonable procedures to determine that telephone instructions are genuine. If the Trust and/or the Transfer Agent do not employ such procedures, they may be liable for losses due to unauthorized or fraudulent instructions. Such procedures may include, among others, requiring forms of personal identification before acting upon telephone instructions, providing written confirmation of the transactions and/or tape recording telephone instructions.

#### By Mail

You may redeem any number of shares from your account by sending a written request to the Transfer Agent. The request must state the number of

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shares or the dollar amount to be redeemed and your account number. The request must be signed exactly as your name appears on the Trust's account records. If the shares to be redeemed have a value of \$100,000 or more, your request must be accompanied by a Medallion Signature Guarantee as outlined below. If the name(s) or the address on your account has been changed within 30 days of your redemption request, you will be required to request the redemption in writing with your Medallion Signature Guarantee, regardless of the value of the shares being redeemed.

Written redemption requests may also direct that the proceeds be deposited directly in a domestic bank or brokerage account designated on your account application for telephone redemptions. Proceeds of redemptions requested by mail are mailed within 3 business days following receipt of instructions in proper form.

#### Through Broker-Dealers

You may also redeem shares of the Fund by placing a wire redemption request through a securities broker or dealer. Broker-dealers or other agents may charge you a fee for this service. You will receive the NAV per share next determined after receipt by the Trust or its agent of your wire redemption request. It is the responsibility of broker-dealers to promptly transmit wire redemption orders.

#### Market Timing Policy

Market timing or excessive trading in accounts that you own or control may

disrupt portfolio investment strategies, may increase brokerage and administrative costs, and may negatively impact investment returns for all shareholders, including long-term shareholders who do not generate these costs. The Fund will take reasonable steps to discourage excessive short-term trading and the Fund's Board of Trustees has adopted policies and procedures with respect to market timing.

The Fund monitors cash flows in and out of the Fund daily. If the Fund has reason to believe that a shareholder has engaged in excessive trading or market timing, the Fund may ask the shareholder to stop such activities or restrict or refuse to process purchases in the shareholder's accounts. While the Fund cannot assure the prevention of all excessive trading and market timing, by making these judgments the Fund believes it is acting in a manner that is in the best interests of its shareholders.

The Fund's excessive trading policies generally do not apply to systematic purchases and redemptions. Financial intermediaries (such as investment advisers and broker-dealers) often establish omnibus accounts in the Fund for their customers in which transactions are placed. If the Fund identifies excessive trading in such an account, the Fund may instruct the intermediary to restrict the investor responsible for the excessive trading from further trading in the Fund. However, some omnibus accounts submit daily aggregate purchase and redemption orders reflecting the trade orders of multiple unidentified investors. In these situations, the Fund cannot monitor trading activity by individual shareholders who may be engaged in market timing.

The Fund applies these policies and procedures to all shareholders believed to be engaged in market timing or excessive trading. The Fund has no arrangements to permit any investor to trade frequently in shares of the Fund, nor will it enter into any such arrangements in the future.

#### Additional Redemption Information

If your instructions request a redemption by wire, the proceeds will be wired directly to your existing account in any commercial bank or brokerage firm in the United States as designated on your application and you will be charged an \$8 processing fee. The Trust reserves the right, upon 30 days' written notice, to change the processing fee. All charges will be deducted from your account by redemption of shares in your account. Your bank or brokerage firm may also impose a charge for processing the wire.

In the event that wire transfer of funds is impossible or impracticable, the redemption proceeds will be sent by mail to the address designated on the account.

If you select to receive redemption proceeds in cash and the U.S. Postal Service cannot deliver your check or if your check remains uncashed for 90 days, your redemption proceeds may be reinvested in your account at the then current NAV. No interest will accrue on an amount represented by uncashed redemption proceed checks.

Redemption requests may direct that the proceeds be deposited directly in your account with a commercial bank or other depository institution by way of an Automated Clearing House (ACH) transaction. There is currently no charge for ACH transactions. Contact the Transfer Agent for more information about ACH transactions.

At the discretion of the Trust or the Transfer Agent, corporate investors and other associations may be required to furnish an appropriate certification authorizing redemptions to ensure proper authorization. The Trust reserves the right to require you to close your account if at any time the value of your shares is less than \$5,000 (based on actual amounts invested, unaffected by market fluctuations) or such other minimum amount as the Trust may determine from time to time. After notification to you of the Trust's intention to close your account, you will be given 60 days to increase the value of your account to the minimum amount.

The Trust reserves the right to suspend the right of redemption or to postpone the date of payment for more than 3 business days under unusual circumstances as determined by the Securities and Exchange Commission. Under unusual circumstances, when the Board of Trustees deems it appropriate, the Fund may make payment for shares redeemed in portfolio securities of the Fund taken at current value. The Fund will not make payment for shares redeemed by using shares of an underlying fund.

#### Medallion Signature Guarantees

Some circumstances require that your request to sell shares be made in writing accompanied by an original Medallion Signature Guarantee. We accept original signature guarantees from domestic banks, brokers and dealers, municipal securities brokers and dealers, government securities brokers and dealers,

credit unions, national securities exchanges, registered securities associations, clearing agencies and savings associations participating in a Medallion program. Whenever a Medallion Signature Guarantee is required, each person required to sign for the account must have their signature guaranteed. Notary stamps are not acceptable.

Some of the circumstances that require an original Medallion Signature Guarantee are as follows:

- o Redemption proceeds that have a value of \$25,000 or more
- o Proceeds that are not being paid to the owner of record
- o Proceeds that are being sent to an address other than the address of record
- o Proceeds to be paid by check to an address of record that has been changed within 30 days
- o Proceeds are being wired or sent through ACH when the bank instructions have been added or changed within 30 days of your redemption request
- o Proceeds or shares that have a value of \$5,000 or more that are being transferred between accounts with different account registrations

Medallion Signature Guarantees may be provided by any bank, broker-dealer, national securities exchange, credit union, or savings association that is authorized to guarantee signatures and which is acceptable to the Transfer Agent. Whenever a Medallion Signature Guarantee is required, each person required to sign for the account must have his signature guaranteed. Signature guarantees by notaries public are not acceptable.

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#### SHAREHOLDER SERVICES

Contact the Transfer Agent (Nationwide call toll-free 1-800-707-2771) for additional information about the shareholder services described below.

##### Automatic Withdrawal Plan

If the shares in your account have a value of at least \$5,000, you may elect to receive, or may designate another person to receive, monthly or quarterly payments in a specified amount. There is no charge for this service.

##### Tax-Deferred Retirement Plans

Shares of the Fund are available for purchase in connection with the following tax-deferred retirement plans:

- o Individual retirement account (IRA) plans for individuals and their non-employed spouses, including Roth IRAs
- o Qualified pension and profit-sharing plans for employees, including Keogh Plans for self-employed individuals and those profit-sharing plans with a 401(k) provision
- o 403(b)(7) custodial accounts for employees of public school systems, hospitals, colleges and other non-profit organizations meeting certain requirements of the Internal Revenue Code.

We will make reasonable charges for providing these services. For a current schedule of charges, please contact us.

##### Direct Deposit Plans

Shares of the Fund may be purchased through direct deposit plans offered by certain employers and government agencies. These plans enable you to have all or a portion of your payroll or social security checks transferred automatically to purchase shares of the Fund.

##### Automatic Investment Plan

You may make automatic monthly investments in the Fund from your bank, savings and loan or other depository institution account. The minimum initial investment must be \$5,000 under the plan. The Transfer Agent pays the costs associated with these transfers, but reserves the right, upon 30 days' written notice, to make reasonable charges for this service. A depository institution may impose its own charge for debiting your account, which would reduce the return from an investment in the Fund.

## DIVIDENDS, DISTRIBUTIONS AND TAXES

The Fund intends to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986 (the "Code"). In any year in which the Fund qualifies as a regulated investment company and distributes substantially all of its investment company taxable income (which includes, among other items, the excess of net short-term capital gains over net long-term capital losses) and its net capital gains (the excess of net long-term capital gains over net short-term capital losses) the Fund will not be subject to federal income tax to the extent it distributes such income and capital gains in the manner required under the Code.

Income received by the Fund from a mutual fund or individual security owned by the Fund (including dividends and distributions of short-term capital gains) will be distributed by the Fund (after deductions for expenses) and will be taxable to you as ordinary income. Because the Fund is actively managed and may realize taxable net short-term capital gains by selling shares of a mutual fund with unrealized portfolio appreciation or an individual security in its portfolio, investing in the Fund rather than directly in the underlying funds or individual securities may result in increased tax liability to you since the Fund must distribute its gains in accordance with certain rules under the Code.

Distributions of net capital gains (the excess of net long-term capital gains over net short-term capital losses) received by the Fund from the underlying funds, as well as net long-term capital gains realized by a Fund from the purchase and sale (or redemption) of mutual fund shares or other securities held by the Fund for more than one year, will be distributed by the Fund and will be taxable to you as long-term capital gains (even if you have held the shares for less than one year).

If you select to receive distributions in cash and the U.S. Postal Service cannot deliver your checks or if your checks remain uncashed for 90 days, your dividends may be reinvested in your account at the then current NAV and your account will be converted to the reinvest option. No interest will accrue on an amount represented by uncashed distribution checks.

The sale of individual securities held less than one year may result in short-term capital gains and the sale of individual securities held for more than one year may result in long-term capital gains (even if you have held the shares for less than one year) which will be distributed by the Fund and will be taxable to you.

If a shareholder who has received a capital gains distribution suffers a loss on the sale of his or her shares not more than six months after purchase, the loss will be treated as a long-term capital loss to the extent of the capital gains distribution received. Long-term capital gains distributed to you are taxable as long-term capital gains for federal income tax purposes regardless of how long you have held your Fund shares. The maximum individual tax rate on net long-term capital gains is 15%.

For purposes of determining the character of income received by the Fund when an underlying fund distributes net capital gains to the Fund, the Fund will treat the distribution as a long-term capital gain, even if the Fund has held shares of the underlying fund for less than one year. Any loss incurred by the Fund on the sale of such fund's shares held for 6 six months or less, however, will be treated as a long-term capital loss to the extent of the gain distribution.

The tax treatment of distributions from the Fund is the same whether the distributions are received in additional shares or in cash. Shareholders receiving distributions in the form of additional shares will have a cost basis for federal income tax purposes in each share received equal to the NAV of a share of the Fund on the reinvestment date.

The Fund may invest in funds with capital loss carryforwards. If such a fund realizes capital gains, it will be able to offset the gains to the extent of its loss carry forwards in determining the amount of capital gains which must be distributed to shareholders. To the extent that gains are offset in this manner, distributions to the Fund and its shareholders will not be characterized as capital gain dividends but may be ordinary income.

A redemption of shares of the Fund is a taxable event on which you may realize a gain or loss. Each year the Trust will notify you of the tax status of dividends and distributions. All dividends and distributions will be reinvested automatically at NAV in additional shares of the Fund, unless you notify the Fund in writing of your election to receive distributions in cash. The Fund may be required to withhold U.S. federal income tax on all taxable distributions and sales payable to a shareholder who fails to provide his or her correct taxpayer identification number or to make required certifications, or who has been notified by the Internal Revenue Service that he or she is subject to backup withholding. The current backup withholding rate is 28%. An individual's taxpayer identification number is his or her Social Security Number.

## FINANCIAL HIGHLIGHTS\*

The financial highlights table is intended to help you understand the Fund's financial performance. 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). Information for the years ended December 31, 2004, 2003 and 2002, has been audited by Ernst & Young LLP, whose report, along with the Fund's financial statements, are included in the Statement of Additional Information, which is available upon request. The information for years ended December 31, 2000 through December 31, 2001, has been audited by another independent auditor.

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 MARKMAN MULTIFUND TRUST  
 MARKMAN TOTAL RETURN CORE FUND - FINANCIAL HIGHLIGHTS

Per Share Data for a Share Outstanding Throughout Each Year

<TABLE>  
<CAPTION>

	Year ended December 31, 2004	Year ended December 31, 2003	Year ended December 31, 2002	Year ended December 31, 2001	Year ended December 31, 2000
<S>	<C>	<C>	<C>	<C>	<C>
Net asset value at beginning of year	\$ 9.02	\$ 6.30	\$ 8.69	\$ 11.67	\$ 16.69
Income from investment operations:					
Net investment income	0.07	0.08	0.18	0.24	0.11
Net realized and unrealized gains (losses) on investment	1.22	2.72	(2.40)	(2.98)	(4.35)
Total from investment operations	1.29	2.80	(2.22)	(2.74)	(4.24)
Less distributions:					
Dividends from net investment income	(0.07)	(0.08)	(0.17)	(0.24)	(0.10)
Distributions from net realized gains	--	--	--	--	(0.68)
Total distributions	(0.07)	(0.08)	(0.17)	(0.24)	(0.78)
Net asset value at end of year	\$ 10.24	\$ 9.02	\$ 6.30	\$ 8.69	\$ 11.67
Total return	14.31%	44.40%	(25.63%)	(23.54%)	(25.38%)
Net assets at end of year (000's)	\$ 60,132	\$ 59,614	\$ 52,296	\$ 37,546	\$ 64,572
Ratio of expenses to average net assets	1.44%	1.50%	0.96%	0.95%	0.95%
Ratio of net investment income to Average net assets	0.71%	0.97%	1.89%	2.32%	0.64%
Portfolio turnover rate	472%	228%	145%*	162%	142%

</TABLE>

\* This calculation does not include securities acquired in the acquisitions.

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 Markman  
 TOTAL RETURN  
 CORE FUND  
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 For investors too smart  
 to do it themselves(R)  
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Investment forms may be ordered by calling 1-800-707-2771. The minimum direct investment is \$5,000.

For additional forms or answers to any questions, call the Markman MultiFund at 1-800-707-2771 between the hours of 8:30 AM and 7:00 PM EST.



For a current update on our views on the market call the Hotline at 1-800-975-5463.

For updated Fund pricing as of the close of the previous day and access to your account balance, call 1-800-536-8679.

To order additional prospectuses call 1-800-395-4848.

Investment Adviser                    Markman Capital Management, Inc.  
6600 France Avenue South  
Minneapolis, Minnesota 55435

Custodian                              Fifth Third Bank  
38 Fountain Square Plaza  
Cincinnati, Ohio 45263

Independent Registered                Ernst & Young LLP  
Public Accounting Firm                1900 Scripps Center  
312 Walnut Street  
Cincinnati, Ohio 45202

Legal Counsel                         Sullivan & Worcester LLP  
1666 K Street, NW  
Washington, D.C. 20006

Additional information about the Fund and its investments is included in the Statement of Additional Information ("SAI"), which is incorporated by reference in its entirety and is therefore legally a part of this prospectus and in the Fund's annual and semi-annual reports to shareholders. In the Fund's annual report, you will find a discussion of the market conditions and investment strategies that significantly affected the Fund's performance during its last fiscal year.

The Fund's SAI, annual and semi-annual reports to shareholders are available, free of charge, on the Fund's internet site at [www.markman.com](http://www.markman.com) or by calling 1-800-707-2771.

Information about the Fund (including the SAI) can also be reviewed and copied at the Securities and Exchange Commission's public reference room in Washington, D.C. Information about the operation of the public reference room can be obtained by calling the Commission at 1-202-942-8090. Reports and other information about the Fund are available on the EDGAR Database on the Commission's Internet site at <http://www.sec.gov>. Copies of information on the Commission's Internet site may be obtained, upon payment of a duplicating fee, by electronic request at [http://www.publicinfo@sec.gov](mailto:publicinfo@sec.gov), or by writing to: Securities and Exchange Commission, Public Reference Section, Washington, D.C. 20549-0102.

File No. 811-8820

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Markman  
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6600 France Avenue South  
Minneapolis, Minnesota 55435

May 1, 2005

STATEMENT OF ADDITIONAL INFORMATION

MARKMAN TOTAL RETURN CORE FUND  
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MARKMAN MULTIFUND TRUST  
6600 France Avenue South, Edina, MN 55435

This Statement of Additional Information is not a prospectus, but expands upon and supplements the information contained in the Prospectus of Markman MultiFund Trust (the "Trust") dated May 1, 2005, as supplemented from time to time, with

respect to the Markman Total Return Core Fund (the "Fund"). The Fund's financial statements as of December 31, 2004 are incorporated herein by reference. The Statement of Additional Information should be read in conjunction with the Prospectus. The Trust's Prospectus may be obtained by writing to the Trust at the above address or by telephoning the Trust nationwide toll-free at 1-800-707-2771.

INVESTMENT ADVISER  
 Markman Capital Management, Inc.  
 c/o Markman MultiFund Trust  
 6600 France Avenue South  
 Edina, MN 55435  
 Toll-free: 1-800-395-4848  
 Telephone: (952) 920-4848

SHAREHOLDER SERVICES  
 P.O. Box 5354  
 Cincinnati, OH 45201-5354  
 Toll-free: 1-800-707-2771

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DESCRIPTION OF THE TRUST

Markman MultiFund Trust (the "Trust") is an open-end, diversified management investment company, registered as such under the Investment Company Act of 1940 (the "1940 Act"). The Trust was established as an unincorporated business trust under the laws of the Commonwealth of Massachusetts pursuant to a Declaration of Trust dated September 7, 1994.

The Trustees of the Trust have authority to issue an unlimited number of shares of beneficial interest in an unlimited number of series or funds, each share without par value. Currently, the Trust offers one fund, the Markman Total Return Core Fund (formerly known as the Markman Total Return Portfolio) (the "Fund"), which is described in this Statement of Additional Information. When issued, shares of the Fund are fully paid, non-assessable and freely transferable. Each share in the Fund represents an equal proportionate interest in the Fund with each other share of the Fund and is entitled to such dividends and distributions as are declared by the Trustees of the Trust. Upon any liquidation of the Fund, shareholders of the Fund are entitled to share pro rata in the net assets of the Fund available for distribution. Shares of the Trust entitle their holders to one vote per share (with proportionate voting for fractional shares.)

Under the terms of an Agreement and Plan of Reorganization, on December 30, 2002, three series of the Trust, the Aggressive Allocation Portfolio, the Conservative Allocation Portfolio and the Moderate Allocation Portfolio (the "Allocation Portfolios"), were reorganized into the Total Return Core Fund (formerly known as the Total Return Portfolio), a newly formed series of the Markman MultiFund Trust (the "Reorganization"). The Fund assumed the assets and liabilities of each of the Allocation Portfolios. The financial and performance data and information prior to December 30, 2002 in this Statement of Additional

Information are for the Markman Moderate Allocation Portfolio, the accounting survivor of the Reorganization.

Shareholders of the Fund have the right to vote for the election of Trustees and on any matters that by law or the provisions of the Declaration of Trust they may be entitled to vote upon. The Trust will normally not hold annual meetings of shareholders to elect Trustees. If less than a majority of the Trustees of the Trust holding office have been elected by shareholders, a meeting of shareholders of the Trust will be called to elect Trustees. Under the Declaration of Trust of the Trust and the 1940 Act, the record holders of not less than two-thirds of the outstanding shares of the Trust may remove a Trustee by votes cast in person or by proxy at a meeting called for the purpose or by a written declaration filed with the Trust's custodian bank. The Trustees are required to call a meeting for the purpose of considering the removal of any person serving as Trustee if requested in writing to do so by the holders of not less than 10% of the outstanding shares of the Trust. Except as described above, the Trustees will continue to hold office and may appoint successor Trustees. In compliance with applicable provisions of the 1940 Act, shares of the mutual funds owned by the Trust will be voted in the same proportion as the vote of all other holders of shares of such funds.

Under Massachusetts law, shareholders could, under certain circumstances, be held personally liable for the obligations of the Trust. However, the Declaration of Trust of the Trust disclaims shareholder liability for acts or obligations of the Trust and requires that notice of this disclaimer be given in each agreement, obligation or instrument entered into or executed by the Fund or the Trustees. The Declaration of Trust of the Trust provides for indemnification out of the Trust's property for all loss and expense of any shareholder held personally liable for obligations of the Trust and its Fund. Accordingly, the risk of a shareholder of the Trust incurring a financial loss on account of shareholder liability is limited to circumstances in which the Trust itself would be unable to meet its obligations. The likelihood of such circumstances is remote.

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#### INVESTMENT OBJECTIVE AND POLICIES

The Fund seeks maximum total return with reduced risk. Returns will include capital appreciation, dividend income, and interest income. The Fund seeks to achieve its investment objective by investing in individual securities, shares of other open-end investment companies, shares of exchange-traded funds, and shares of closed-end investment companies.

The Fund intends to purchase shares of individual securities, exchange traded funds, closed-end and other open-end mutual funds in compliance with the requirements of federal law or any applicable exemptive relief received from the Securities and Exchange Commission (the "SEC"). With respect to investments in other open-end mutual funds, the SEC has granted the Trust an exemption from the limitations of the 1940 Act restricting the amount of securities of underlying open-end mutual funds that the Fund may hold, provided that certain conditions are met. The conditions requested by the SEC were designed to address certain abuses perceived to be associated with funds of funds, including unnecessary costs (such as sales loads, advisory fee and administrative costs), and undue influence by a fund of funds over its underlying funds. The conditions apply only when the Fund and its affiliates in the aggregate own more than 3% of the outstanding shares of any one open-end underlying fund.

At times, the Fund may invest all or a portion of its assets in money market mutual funds. The Fund may not achieve its investment objective during periods when it has taken such a temporary defensive position.

Set forth below is additional information with respect to the types of securities and investment techniques of the Fund and underlying funds.

#### FOREIGN SECURITIES

Most of the Fund's investments in foreign securities will be through underlying funds. An underlying fund may invest up to 100% of its assets in securities of foreign issuers. Investments in foreign securities involve risks and considerations that are not present when the Fund invests in domestic securities.

#### Exchange Rates

Since an underlying fund may purchase securities denominated in foreign currencies, changes in foreign currency exchange rates will affect the value of the underlying fund's (and accordingly the Fund's) assets from the perspective of U.S. investors. Changes in foreign currency exchange rates may also affect the value of dividends and interest earned, gains and losses realized on the sale of securities and net investment income and gains, if any, to be distributed by a mutual fund.

An underlying fund may seek to protect itself against the adverse effects of currency exchange rate fluctuations by entering into currency-forward, futures or options contracts. Hedging transactions will not, however, always be fully effective in protecting against adverse exchange rate fluctuations. Furthermore, hedging transactions involve transaction costs and the risk that the underlying fund will lose money, either because exchange rates move in an unexpected direction, because another party to a hedging contract defaults, or for other reasons.

#### Exchange Controls

The value of foreign investments and the investment income derived from them may also be affected by exchange control regulations. Although it is expected that underlying funds will invest only in securities denominated in foreign currencies that are fully exchangeable into U.S. dollars without legal restriction at the time of investment, there is no assurance that currency controls will not be imposed after the time of investment. In addition, the value of foreign fixed-income investments will fluctuate in response to changes in U.S. and foreign interest rates.

#### Limitations of Foreign Markets

There is often less information publicly available about a foreign issuer than about a U.S. issuer. Foreign issuers are not generally subject to accounting, auditing, and financial reporting standards and practices comparable to those in the United States. The securities of some foreign issuers are less liquid and at times more volatile than securities of comparable U.S. issuers. Foreign brokerage commissions, custodial expenses, and other fees are also generally higher than for securities traded in the United States. Foreign settlement procedures and trade regulations may involve certain risks (such as delay in payment or delivery of securities or in the recovery of an underlying fund's assets held abroad) and expenses not present in the settlement of domestic investments. A delay in settlement could hinder the ability of an underlying fund to take advantage of changing market conditions, with a possible adverse effect on net asset value. There may also be difficulties in enforcing legal rights outside the United States.

#### Foreign Laws, Regulations and Economies

There may be a possibility of nationalization or expropriation of assets, imposition of currency exchange controls, confiscatory taxation, political or financial instability, and diplomatic developments that could affect the value of an underlying fund's investments in certain foreign countries. Legal remedies available to investors in certain foreign countries may be more limited than those available with respect to investments in the United States or in other foreign countries. The laws of some foreign countries may limit an underlying fund's ability to invest in securities of certain issuers located in those countries. Moreover, individual foreign economies may differ favorably or unfavorably from the U.S. economy in such respects as growth or gross national product, inflation rate, capital reinvestment, resource self-sufficiency and balance of payment positions.

#### Foreign Tax Considerations

Income received by the Fund or an underlying fund from sources within foreign countries may be reduced by withholding and other taxes imposed by such countries. Tax conventions between certain countries and the United States may reduce or eliminate such taxes. Any such taxes paid by the Fund or an underlying fund will reduce the net income of the Fund or the underlying fund available for distribution to the Fund.

#### Emerging Markets

Risks may be intensified in the case of investments by an underlying fund in emerging markets or countries with limited or developing capital markets. Security prices in emerging markets can be significantly more volatile than in more developed nations. Countries with emerging markets may have relatively unstable governments, present the risk of nationalization of businesses, restrictions on foreign ownership, or prohibitions on repatriation of assets, and may have less protection of property rights than more developed countries. The economies of countries with emerging markets may be predominantly based on only a few industries, may be highly vulnerable to changes in local or global trade conditions, and may suffer from extreme and volatile debt or inflation rates. Local securities markets may trade a small number of securities and may be unable to respond effectively to increases in trading volume, potentially making prompt liquidation of substantial holdings difficult or impossible at times. Securities of issuers located in countries with emerging markets may have

limited marketability and may be subject to more abrupt or erratic price movements. Debt obligations of developing countries may involve a high degree of risk, and may be in default or present the risk of default. Governmental entities responsible for repayment of the debt may be unwilling to repay principal and interest when due, and may require renegotiation or rescheduling of debt payments.

#### Calculation of Net Asset Value

Foreign securities in which the underlying funds may invest may be listed primarily on foreign stock exchanges that may trade on days when the New York Stock Exchange is not open for business. Accordingly, the net asset value of an underlying fund may be significantly affected by such trading on days when neither Markman Capital Management, Inc. ("Markman Capital") nor you have access to the underlying funds and the Fund.

#### FOREIGN CURRENCY TRANSACTIONS

An underlying fund may enter into forward contracts to purchase or sell an agreed-upon amount of a specific currency at a future date that may be any fixed number of days from the date of the contract agreed upon by the parties at a price set at the time of the contract. Under such an arrangement, an underlying fund would, at the time it enters into a contract to acquire a foreign security for a specified amount of currency, purchase with U.S. dollars the required amount of foreign currency for delivery at the settlement date of the purchase; the underlying fund would enter into similar forward currency transactions in connection with the sale of foreign securities. The effect of such transactions would be to fix a U.S. dollar price for the security to protect against a possible loss resulting from an adverse change in the relationship between the U.S. dollar and the particular foreign currency during the period between the date the security is purchased or sold and the date on which payment is made or received (usually 3 to 14 days). While forward contracts tend to minimize the risk of loss due to a decline in the value of the currency involved, they also tend to limit any potential gain that might result if the value of such currency were to increase during the contract period.

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#### TEMPORARY DEFENSIVE POSITION

The Fund or an underlying fund may temporarily hold all or a portion of its assets in short-term obligations such as bank debt instruments (certificates of deposit, bankers' acceptances and time deposits), money market mutual funds, commercial paper, U.S. Government obligations having a maturity of less than one year or repurchase agreements. The Fund or an underlying fund may not achieve its investment objective during periods when it has taken such a temporary defensive position.

#### REPURCHASE AGREEMENTS

The Fund or an underlying fund may enter into repurchase agreements with banks and broker-dealers under which it acquires securities, subject to an agreement with the seller to repurchase the securities at an agreed-upon time and an agreed-upon price. Repurchase agreements involve certain risks, such as default by, or insolvency of, the other party to the repurchase agreement. The Fund's or an underlying fund's right to liquidate its collateral in the event of a default could involve certain costs, losses or delays. To the extent that proceeds from any sale upon default of the obligation to repurchase are less than the repurchase price, the Fund or an underlying fund could suffer a loss.

#### ILLIQUID AND RESTRICTED SECURITIES

The Fund or an underlying open end investment company (mutual fund) may invest up to 15% (10% for money market funds) of its net assets in securities for which there is no readily available market ("illiquid securities"). Closed-end investment companies are not subject to any SEC prescribed limitations on illiquid and restricted securities. This figure includes securities whose disposition would be subject to legal restrictions ("restricted securities") and repurchase agreements having more than seven days to maturity. Illiquid and restricted securities are not readily marketable without some time delay. This could result in the Fund or an underlying fund being unable to realize a favorable price upon disposition of such securities, and in some cases might make disposition of such securities at the time desired impossible.

The 1940 Act provides that a mutual fund whose shares are purchased by the Fund is obliged to redeem shares held by the Fund only in an amount up to 1% of the underlying mutual fund's outstanding securities during any period of less than 30 days. Accordingly, shares held by the Fund in excess of 1% of an underlying mutual fund's outstanding securities will be considered not readily marketable securities that, together with other such securities, may not exceed 15% of that Fund's net assets.

## LOANS OF PORTFOLIO SECURITIES

The Fund or an underlying fund may lend its portfolio securities as long as: (1) the loan is continuously secured by collateral consisting of U.S. Government securities or cash or cash equivalents maintained on a daily mark-to-market basis in an amount at least equal to the current market value of the securities loaned; (2) the Fund or the underlying fund may at any time call the loan and obtain the securities loaned; (3) the Fund or the underlying fund will receive any interest or dividends paid on the loaned securities; and (4) the aggregate market value of the securities loaned will not at any time exceed one-third of the total assets of the Fund or the underlying fund. Lending portfolio securities involves risk of delay in the recovery of the loaned securities and in some cases, the loss of rights in the collateral if the borrower fails.

## SHORT SALES

The Fund or an underlying fund may sell securities short. In a short sale the Fund or the underlying fund sells stock it does not own and makes delivery with securities "borrowed" from a broker. The Fund or the underlying fund then becomes obligated to replace the security borrowed by purchasing it at the market price at the time of replacement. This price may be more or less than the price at which the security was sold by the Fund or the underlying fund. Until the security is replaced, the Fund or the underlying fund is obligated to pay to the lender any dividends or interest accruing during the period of the loan. In order to borrow the security, the Fund or an underlying fund may be required to pay a premium that would increase the cost of the security sold. The proceeds of the short sale will be retained by the broker, to the extent necessary to meet margin requirements, until the short position is closed out.

When it engages in short sales, the Fund or an underlying fund must also deposit in a segregated account an amount of cash or U.S. Government securities equal to the difference between (1) the market value of the securities sold short at the time they were sold short and (2) the value of the collateral deposited with the broker in connection with the short sale (not including the proceeds from the short sale). The Fund or an underlying fund will incur a loss as a result of a short sale if the price of the security increases between the date of the short sale and the date on which the Fund or the underlying fund replaces the borrowed security. The Fund or an underlying fund will realize a gain if the security declines in price between such dates. The amount of any gain will be decreased and the amount of any loss increased by the amount of any premium, dividends or interest the Fund or an underlying fund may be required to pay in connection with a short sale.

## SHORT SALES "AGAINST THE BOX"

A short sale is "against the box" if at all times when the short position is open the Fund or the underlying fund owns an equal amount of the securities or securities convertible into, or exchangeable without further consideration for, securities of the same issue as the securities sold short. Such a transaction serves to defer a gain or loss for federal income tax purposes.

## INDUSTRY CONCENTRATION

An underlying fund may concentrate its investments within one industry. The value of the underlying fund may be subject to greater market fluctuation than an investment in a fund that invests in a broader range of securities.

## MASTER DEMAND NOTES

An underlying fund (particularly an underlying money market fund) may invest up to 100% of its assets in master demand notes. These are unsecured obligations of U.S. corporations redeemable upon notice that permit investment by a mutual fund of fluctuating amounts at varying rates of interest pursuant to direct arrangements between the mutual fund and the issuing corporation. Because master demand notes are direct arrangements between the mutual fund and the issuing corporation, there is no secondary market for the notes. The notes are, however, redeemable at face value plus accrued interest at any time.

## OPTIONS

The Fund or an underlying fund may write (sell) listed call options ("calls") if the calls are covered through the life of the option. A call is covered if the Fund or an underlying fund owns the optioned securities. When the Fund or an underlying fund writes a call, it receives a premium and gives the purchaser the right to buy the underlying security at any time during the call period (usually not more than nine months in the case of common stock) at a fixed exercise price regardless of market price changes during the call period. If the call is

exercised, the Fund or underlying fund will forgo any gain from an increase in the market price of the underlying security over the exercise price.

The Fund or an underlying fund may purchase a call on securities to effect a "closing purchase transaction." This is the purchase of a call covering the same underlying security and having the same exercise price and expiration date as a call previously written by the Fund or an underlying fund on which it wishes to terminate its obligation. If the Fund or an underlying fund is unable to effect a closing purchase transaction, it will not be able to sell the underlying security until the call previously written by the fund expires (or until the call is exercised and the Fund or an underlying fund delivers the underlying security).

The Fund or an underlying fund may write and purchase put options ("puts"). When the Fund or an underlying fund writes a put, it receives a premium and gives the purchaser of the put the right to sell the underlying security to the Fund or underlying fund at the exercise price at any time during the option period. When the Fund or an underlying fund purchases a put, it pays a premium in return for the right to sell the underlying security at the exercise price at any time during the option period. The Fund or an underlying fund also may purchase stock index puts, which differ from puts on individual securities in that they are settled in cash based upon values of the securities in the underlying index rather than by delivery of the underlying securities. Purchase of a stock index put is designed to protect against a decline in the value of the portfolio generally rather than an individual security in the portfolio. If any put is not exercised or sold, it will become worthless on its expiration date. A mutual fund's option positions may be closed out only on an exchange which provides a secondary market for options of the same series, but there can be no assurance that a liquid secondary market will exist at any given time for any particular option.

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A custodian, or a securities depository acting for it, generally acts as escrow agent for the securities upon which the Fund or an underlying fund has written puts or calls, or as to other securities acceptable for such escrow so that no margin deposit is required of the Fund or an underlying fund. Until the underlying securities are released from escrow, they cannot be sold by the Fund or an underlying fund. In the event of a shortage of the underlying securities deliverable in the exercise of an option, the Options Clearing Corporation has the authority to permit other generally comparable securities to be delivered in fulfillment of option exercise obligations. If the Options Clearing Corporation exercises its discretionary authority to allow such other securities to be delivered, it may also adjust the exercise prices of the affected options by setting different prices at which otherwise ineligible securities may be delivered. As an alternative to permitting such substitute deliveries, the Options Clearing Corporation may impose special exercise settlement procedures.

#### Options Trading Markets

Options in which the Fund or underlying funds will invest are generally listed on an exchange ("Exchange"). Options on some securities may not, however, be listed on any Exchange but traded in the over-the-counter market. Options traded in the over-the-counter market involve the additional risk that securities dealers participating in such transactions would fail to meet their obligations to the Fund or underlying fund.

#### FUTURES CONTRACTS

The Fund or an underlying fund may enter into futures contracts for the purchase or sale of debt securities and stock indexes. A futures contract is an agreement between two parties to buy and sell a security or an index for a set price on a future date. Futures contracts are traded on designated "contract markets" which, through their clearing corporations, guarantee performance of the contracts. A financial futures contract sale creates an obligation by the seller to deliver the type of financial instrument called for in the contract in a specified delivery month for a stated price. A financial futures contract purchase creates an obligation by the purchaser to take delivery of the type of financial instrument called for in the contract in a specified delivery month at a stated price. The specific instruments delivered or taken, respectively, at settlement date are not determined until on or near such date. The determination is made in accordance with the rules of the exchange on which the futures contract sale or purchase was made. Futures contracts are traded in the United States only on commodity exchanges or boards of trade (known as "contract markets") approved for such trading by the Commodity Futures Trading Commission, and must be executed through a futures commission merchant or brokerage firm that is a member of the relevant contract market.

Closing out a futures contract sale is effected by purchasing a futures contract for the same aggregate amount of the specific type of financial instrument or commodity with the same delivery date. If the price of the initial sale of the futures contract exceeds the price of the offsetting purchase, the seller is paid the difference and realizes a gain. On the other hand, if the price of the

offsetting purchase exceeds the price of the initial sale, the seller realizes a loss. The closing out of a futures contract purchase is effected by the purchaser entering into a futures contract sale. If the offsetting sale price exceeds the purchase price, the purchaser realizes a gain, and if the purchase price exceeds the offsetting sale price, the purchaser realizes a loss.

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The Fund or an underlying fund may sell financial futures contracts in anticipation of an increase in the general level of interest rates. Generally, as interest rates rise, the market value of the securities held by the Fund or an underlying fund will fall, thus reducing its net asset value. This interest rate risk may be reduced without the use of futures as a hedge by selling such securities and either reinvesting the proceeds in securities with shorter maturities or by holding assets in cash. This strategy, however, entails increased transaction costs in the form of dealer spreads and brokerage commissions and would typically reduce the fund's average yield as a result of the shortening of maturities.

The sale of financial futures contracts serves as a means of hedging against rising interest rates. As interest rates increase, the value of the Fund or an underlying fund's short position in the futures contracts will also tend to increase, thus offsetting all or a portion of the depreciation in the market value of the fund's investments being hedged.

The Fund or an underlying fund may purchase interest rate futures contracts in anticipation of a decline in interest rates when it is not fully invested. As such purchases are made, the Fund or an underlying fund would probably expect that an equivalent amount of futures contracts will be closed out.

Unlike when the Fund or an underlying fund purchases or sells a security, no price is paid or received by the fund upon the purchase or sale of a futures contract. Upon entering into a contract, the underlying fund is required to deposit with its custodian in a segregated account in the name of the futures broker an amount of cash and/or U.S. Government securities. This is known as "initial margin." Initial margin is similar to a performance bond or good faith deposit which is returned to the Fund or an underlying fund upon termination of the futures contract, assuming all contractual obligations have been satisfied. Futures contracts also involve brokerage costs.

Subsequent payments, called "variation margin" or "maintenance margin," to and from the broker (or the custodian) are made on a daily basis as the price of the underlying security or commodity fluctuates, making the long and short positions in the futures contract more or less valuable. This is known as "marking to the market."

The Fund or an underlying fund may elect to close some or all of its futures positions at any time prior to their expiration in order to reduce or eliminate a hedge position then currently held by the fund. The Fund or an underlying fund may close its positions by taking opposite positions that will operate to terminate the Fund's or the underlying fund's position in the futures contracts. Final determinations of variation margin are then made, additional cash is required to be paid by or released to the Fund or an underlying fund, and the Fund or an fund realizes a loss or a gain. Such closing transactions involve additional commission costs.

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A stock index futures contract may be used to hedge the Fund's or an underlying fund's portfolio with regard to market risk as distinguished from risk related to a specific security. A stock index futures contract is a contract to buy or sell units of an index at a specified future date at a price agreed upon when the contract is made. A stock index futures contract does not require the physical delivery of securities, but merely provides for profits and losses resulting from changes in the market value of the contract to be credited or debited at the close of each trading day to the respective accounts of the parties to the contract. On the contract's expiration date, a final cash settlement occurs. Changes in the market value of a particular stock index futures contract reflect changes in the specified index of equity securities on which the future is based.

In the event of an imperfect correlation between the futures contract and the portfolio position that is intended to be protected, the desired protection may not be obtained and the Fund or an underlying fund may be exposed to risk of loss. Further, unanticipated changes in interest rates or stock price movements may result in a poorer overall performance for the Fund or an underlying fund than if it had not entered into futures contracts on debt securities or stock indexes.

The market prices of futures contracts may also be affected by certain factors. First, all participants in the futures market are subject to margin deposit and



maintenance requirements. Rather than meeting additional margin deposit requirements, you may close futures contracts through offsetting transactions, which could distort the normal relationship between the securities and futures markets. Second, the deposit requirements in the futures market are less stringent than margin requirements in the securities market. Accordingly, increased participation by speculators in the futures market may also cause temporary price distortions.

Positions in futures contracts may be closed out only on an exchange or board of trade providing a secondary market for such futures. There is no assurance that a liquid secondary market on an exchange or board of trade will exist for any particular contract or at any particular time.

In order to assure that sufficient assets are available to satisfy their obligations under their futures contracts, the Fund and the underlying funds are required to establish segregated accounts with their custodians. Such segregated accounts are required to contain an amount of cash, U.S. Government securities and other liquid securities equal in value to the current value of the underlying instrument less the margin deposit.

The risk to the Fund or an underlying fund from investing in futures is potentially unlimited. Gains and losses on investments in options and futures depend upon the Fund's or an underlying fund's investment adviser's ability to predict correctly the direction of stock prices, interest rates and other economic factors.

#### OPTIONS ON FUTURES CONTRACTS

The Fund or an underlying fund may also purchase and sell listed put and call options on futures contracts. An option on a futures contract gives the purchaser the right in return for the premium paid, to assume a position in a futures contract (a long position if the option is a call and a short position if the option is a put), at a specified exercise price at any time during the option period. When an option on a futures contract is exercised, delivery of the futures position is accompanied by cash representing the difference between the current market price of the futures contract and the exercise price of the option. The Fund or an underlying fund may also purchase put options on futures contracts in lieu of, and for the same purpose as, a sale of a futures contract. The Fund or an underlying fund may also purchase such put options in order to hedge a long position in the underlying futures contract in the same manner as it purchases "protective puts" on securities.

The holder of an option may terminate the position by selling an option of the same series. There is, however, no guarantee that such a closing transaction can be effected. The Fund or an underlying fund is required to deposit initial and maintenance margin with respect to put and call options on futures contracts written by it pursuant to brokers' requirements similar to those applicable to futures contracts described above and, in addition, net option premiums received will be included as initial margin deposits.

In addition to the risks which apply to all options transactions, there are several risks relating to options on futures contracts. The ability to establish and close out positions on such options is subject to the development and maintenance of a liquid secondary market. It is not certain that this market will develop. In comparison with the use of futures contracts, the purchase of options on futures contracts involves less potential risk to a fund because the maximum amount of risk is the premium paid for the option (plus transaction costs). There may, however, be circumstances when the use of an option on a futures contract would result in a loss to the Fund or an underlying fund when the use of a futures contract would not, such as when there is no movement in the prices of the underlying securities. Writing an option on a futures contract involves risks similar to those arising in the sale of futures contracts, as described above.

#### HEDGING

The Fund or an underlying fund may employ many of the investment techniques described above for investment and hedging purposes. Although hedging techniques generally tend to minimize the risk of loss that is hedged against, they also may limit the potential gain that might have resulted had the hedging transaction not occurred. Also, the desired protection generally resulting from hedging transactions may not always be achieved.

#### WARRANTS

The Fund or an underlying fund may invest in warrants. Warrants are options to purchase equity securities at specific prices valid for a specified period of time. The prices do not necessarily move in parallel to the prices of the underlying securities. Warrants have no voting rights, receive no dividends and have no rights with respect to the assets of the issuer. If a warrant is not exercised within the specified time period, it becomes worthless and the mutual

fund loses the purchase price and the right to purchase the underlying security.

#### LEVERAGE

The Fund or an underlying fund may borrow on an unsecured basis from banks to increase its holdings of portfolio securities. Under the 1940 Act, the Fund or such underlying fund generally is required to maintain continuous asset coverage of 300% with respect to such borrowings and to sell (within three days) sufficient portfolio holdings in order to restore such coverage if it should decline to less than 300% due to market fluctuation or otherwise. Such sale must occur even if disadvantageous from an investment point of view. Leveraging aggregates the effect of any increase or decrease in the value of portfolio securities on the Fund's or underlying fund's net asset value. In addition, money borrowed is subject to interest costs (which may include commitment fees and/or the cost of maintaining minimum average balances) which may or may not exceed the interest and option premiums received from the securities purchased with borrowed funds. The Fund intends to borrow directly only for temporary emergency purposes. The Fund may leverage assets indirectly by purchasing underlying funds that have leveraged assets. The Fund will not invest more than 15% of its assets in underlying funds with leveraged assets.

#### HIGH YIELD SECURITIES AND THEIR RISKS

The Fund or an underlying fund may invest in high yield, high-risk, lower-rated securities, commonly known as "junk bonds." Investment in such securities is subject to the risk factors outlined below.

##### Sensitivity of Interest Rate and Economic Changes

The high yield, high-risk market has at times been subject to substantial volatility. An economic downturn or increase in interest rates may have a more significant effect on such securities as well as on the ability of securities' issuers to repay principal and interest. Issuers of such securities may be of low creditworthiness and the securities may be subordinated to the claims of senior lenders. During periods of economic downturn or rising interest rates, the issuers of high yield, high-risk securities may have greater potential for insolvency.

The prices of high yield, high-risk securities have been found to be less sensitive to interest rate changes than higher-rated investments but are more sensitive to adverse economic changes or individual corporate developments. Yields on high yield, high-risk securities will fluctuate over time. Furthermore, in the case of high yield, high risk securities structured as zero coupon or pay-in-kind securities, their market prices are affected to a greater extent by interest rate changes and thereby tend to be more volatile than market prices of securities which pay interest periodically and in cash.

##### Payment Expectations

Certain securities held by the Fund or an underlying fund, including high yield, high risk securities, may contain redemption or call provisions. If an issuer exercises these provisions in a declining interest rate market, the Fund or such underlying fund would have to replace the security with a lower yielding security, resulting in a decreased return for the investor. Conversely, a high yield, high-risk security's value will decrease in a rising interest rate market, as will the value of the Fund's or the underlying fund's assets.

##### Liquidity and Valuation

The secondary market may at times become less liquid or respond to adverse publicity or investor perceptions, making it more difficult for the Fund or an underlying fund to accurately value high yield, high risk securities or dispose of them. To the extent the Fund or such underlying fund owns or may acquire illiquid or restricted high yield, high risk securities, these securities may involve special registration responsibilities, liabilities and costs, and liquidity difficulties, and judgment will play a greater role in valuation because there is less reliable and objective data available.

##### Taxation

Special tax considerations are associated with investing in high yield bonds structured as zero coupon or pay-in-kind securities. The Fund or an underlying fund will report the interest on these securities as income even though it receives no cash interest until the security's maturity or payment date.

##### Credit Ratings

Credit ratings evaluate the safety of principal and interest payments, not the market value risk of high yield, high-risk securities. Since credit rating agencies may fail to change the credit ratings in a timely manner to reflect subsequent events, Markman Capital and underlying funds should monitor the issuers of high yield, high risk securities in the Fund's or underlying fund's portfolio to determine if the issuers will have sufficient cash flow and profits to meet required principal and interest payments, and to attempt to assure the securities' liquidity so the Fund or the underlying fund can meet redemption requests. To the extent that the Fund or an underlying fund invests in high yield, high risk securities, the achievement of the Fund's or underlying fund's investment objective may be more dependent on the Fund's or the underlying fund's own credit analysis than is the case for higher quality bonds.

#### ASSET-BACKED SECURITIES

The Fund or an underlying fund may invest in mortgage pass-through securities, which are securities representing interests in pools of mortgage loans secured by residential or commercial real property in which payments of both interest and principal on the securities are generally made monthly, in effect passing through monthly payments made by individual borrowers on mortgage loans which underlie the securities (net of fees paid to the issuer or guarantor of the securities). Early repayment of principal on some mortgage-related securities (arising from prepayments of principal due to sale of the underlying property, refinancing, or foreclosure, net of fees and costs which may be incurred) may expose the Fund or an underlying fund to a lower rate of return upon reinvestment of principal. In addition, if a security subject to prepayment has been purchased at a premium, the value of the premium would be lost in the event of prepayment.

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Like other fixed-income securities, when interest rates rise, the value of a mortgage-related security generally will decline; however, when interest rates are declining, the value of mortgage-related securities with prepayment features may not increase as much as other fixed income securities.

The Fund or an underlying fund may invest in collateralized mortgage obligations ("CMOs"), which are hybrid mortgage-related instruments. Similar to a bond, interest and pre-paid principal on a CMO are paid, in most cases, semiannually. CMOs are collateralized by portfolios of mortgage pass-through securities and are structured into multiple classes with different stated maturities. Monthly payments of principal, including prepayments, are first returned to investors holding the shortest maturity class; investors holding the longer maturity classes receive principal only after the first class has been retired.

Other mortgage-related securities in which the Fund or an underlying fund may invest include other securities that directly or indirectly represent a participation in, or are secured by and payable from, mortgage loans on real property, such as CMO residuals or stripped mortgage-backed securities, and may be structured in classes with rights to receive varying proportions of principal and interest. In addition, the Fund and underlying funds may invest in other asset-backed securities that have been offered to investors or will be offered to investors in the future. Several types of asset-backed securities have already been offered to investors, including certificates for automobile receivables, which represent undivided fractional interests in a trust whose assets consist of a pool of motor vehicle retail installment sales contracts and security interest in the vehicles securing the contracts.

#### INVESTMENT RESTRICTIONS

Fundamental Investment Policies. The Fund has adopted certain fundamental investment policies. These fundamental investment policies cannot be changed unless the change is approved by the lesser of (1) 67% of more of the voting securities present at a meeting, if the holders of more than 50% of the outstanding voting securities of the Fund are present or represented by proxy, or (2) more than 50% of the outstanding voting securities of the Fund. These fundamental policies provide that the Fund may not:

1. Engage in borrowing except as permitted by the 1940 Act, any rule, regulation or order under the Act or any SEC staff interpretation of the Act.
2. Underwrite securities issued by other persons, except to the extent that, in connection with the sale or disposition of portfolio securities, the Fund may be deemed to be an underwriter under certain federal securities laws or in connection with investments in other investment companies.

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3. Make loans to other persons except that the Fund may (1) engage in

repurchase agreements, (2) lend portfolio securities, (3) purchase debt securities, (4) purchase commercial paper, and (5) enter into any other lending arrangement permitted by the 1940 Act, any rule, regulation or order under the Act or any SEC staff interpretation of the Act.

4. Purchase or sell real estate except that the Fund may (1) hold and sell real estate acquired as a result of the Fund's ownership of securities or other instruments (2) purchase or sell securities or other instruments backed by real estate or interests in real estate and (3) purchase or sell securities of entities or investment vehicles, including real estate investment trusts, that invest, deal or otherwise engage in transactions in real estate or interests in real estate.

5. Purchase or sell physical commodities except that the Fund may (1) hold and sell physical commodities acquired as a result of the Fund's ownership of securities or other instruments, (2) purchase or sell securities or other instruments backed by physical commodities, (3) purchase or sell options, and (4) purchase or sell futures contracts.

6. Purchase the securities of an issuer (other than securities issued or guaranteed by the U.S. Government, its agencies or its instrumentalities) if, as a result, more than 25% of the Fund's total assets would be invested in the securities of companies whose principal business activities are in the same industry.

7. Issue senior securities except as permitted by the 1940 Act, any rule, regulation or order under the Act or any SEC staff interpretation of the Act.

The following investment limitations for the Fund are not fundamental and may be changed without shareholder approval:

1. Senior Securities. The following activities will not be considered to be issuing senior securities with respect to the Fund:

1. Collateral arrangements in connection with any type of option, futures contract, forward contract or swap.
2. Collateral arrangements in connection with initial and variation margin.
3. A pledge, mortgage or hypothecation of the Fund's assets to secure its borrowings.

The underlying funds in which the Fund may invest may, but need not, have the same investment policies as the Fund.

#### DISCLOSURE OF PORTFOLIO HOLDINGS

The Fund's complete portfolio holdings are publicly available as of the end of a calendar month, within one to ten business days after month end, on the "Total Return Core Fund" page of its website, [www.markman.com](http://www.markman.com). Other disclosure of the Fund's portfolio holdings is generally prohibited except under the following conditions:

- 1) A request by executive officers of Markman Capital for routine oversight and management purposes;
- 2) For use in preparing and distributing routine shareholder reports, including disclosure to Ernst & Young LLP (the Trust's public accounting firm) and Studio Arts (typesetter and printer).

No compensation will be accepted by the Fund, Markman Capital, or any other party in connection with the disclosure of information about portfolio securities.

Employees of Markman Capital Management, Inc. are access persons under the Fund's Code of Ethics and have access to Fund holdings on a regular basis, but are subject to confidentiality requirements and trading prohibitions in the Code of Ethics.

The Chief Compliance Officer is authorized to determine whether disclosure of the Fund's portfolio securities is for a legitimate business purpose and is in the best interests of the Fund and its shareholders, and is the person who will approve or disapprove requests for disclosure of the Fund's portfolio holdings. Any conflict between the interests of shareholders and the interests of Markman Capital, or any affiliates, will be reported to the Board of Trustees, which will make a determination that is in the best interests of shareholders. These

policies and procedures are monitored on an on-going basis by the Board of Trustees through periodic reporting by the Fund's Chief Compliance Officer.

#### QUALITY RATINGS OF DEBT SECURITIES

##### STANDARD & POOR'S RATINGS GROUP (S&P) BOND RATINGS

An S&P corporate bond rating is a current assessment of the credit worthiness of an obligor, with respect to a specific obligation. This assessment may take into consideration obligors such as guarantors, insurers or lessees. The debt rating is not a recommendation to purchase, sell or hold a security inasmuch as it does not comment as to market price or suitability for a particular investor. The ratings are based on current information furnished by the issuer or obtained by S&P from other sources it considers reliable. S&P does not perform any audit in connection with the ratings and may, on occasion, rely on unaudited financial information.

The ratings are based, in varying degrees, on the following considerations: (a) likelihood of default capacity and willingness of the obligor as to the timely payment of interest and repayment of principal in accordance with the terms of the obligation; (b) nature of and provisions of the obligation; and (c) protection afforded by and relative position of the obligation in the event of bankruptcy reorganization or other arrangement under the laws of bankruptcy and other laws affecting creditors' rights. To provide more detailed indications of credit quality, ratings from "AA" to "CCC" may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

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A provisional rating is sometimes used by S&P. It assumes the successful completion of the project being financed by the debt being rated and indicates that payment of debt service requirements is largely or entirely dependent upon the successful and timely completion of the project. This rating, however, while addressing credit quality subsequent to completion of the project, makes no comment on the likelihood of, or the risk of default upon failure of, such completion.

S&P's bond ratings are as follows:

AAA - Bonds rated AAA has the highest rating assigned by S&P to a debt obligation. Capacity to pay interest and repay principal is extremely strong.

AA - Bonds rated AA have a very strong capacity to pay interest and repay principal and differs from the highest rated issues only in small degree.

A - Bonds rated A have strong capacity to pay interest and repay principal although it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than debt in higher rated categories.

BBB - Bonds rated BBB are regarded as having adequate capacity to pay interest and repay principal. Whereas it normally exhibits adequate protection parameters, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity to pay interest and repay principal for debt in this category than in higher rated categories.

BB, B, CCC, CC - Bonds rated BB, B, CCC or CC are regarded on balance, as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligation. BB indicates the lowest degree of speculation and CC the highest degree of speculation. While such bonds will likely have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposures to adverse conditions.

C - The rating C is reserved for income bonds on which no interest is being paid.

D - Debt rated D is in default, and payment of interest and/or repayment of principal is in arrears.

S&P's NOTE RATINGS

An S&P note rating reflects the liquidity concerns and market access risks unique to notes. Notes due in three years or less will likely receive a note rating. Notes maturing beyond three years will most likely receive a long-term debt rating. The following criteria are used in making that assessment: (a) Amortization schedule (the larger the final maturity relative to other maturities, the more likely it will be treated as a note), and (b) Source of payment (the more dependent the issue is on the market for its refinancing, the more likely it will be treated as a note).

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S&P's Note ratings are as follows:

SP-1 - Very strong or strong capacity to pay principal and interest. Those issues determined to possess overwhelming safety characteristics will be given a plus (+) designation.

SP-2 - Satisfactory capacity to pay principal and interest.

SP-3 - Speculative capacity to pay principal and interest.

Demand Bonds: S&P assigns "Dual" ratings to all long-term debt issues that have as part of their provisions a demand or double feature. The first rating addresses the likelihood of repayment of principal and interest as due, and the second rating addresses only the demand feature. The long-term debt rating symbols are used for bonds to denote the long-term maturity and the commercial paper ratings symbols are used to denote the put options (for example, "AAA/A-1+"). For the newer "Demand Notes," S&P note rating symbols, combined with the commercial paper symbols, are used (for example, SP-1+/A-1+").

#### MOODY'S CORPORATE BOND RATINGS ("Moody's")

Moody's bond ratings are as follows:

Aaa - Bonds that are rated Aaa are judged to be of the best quality. They carry the smallest degree of investment risk and are generally referred to as "gilt edge." Interest payments are protected by a large or by an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues.

Aa - Bonds that are rated Aa are judged to be of high quality by all standards. Together with the Aaa group they comprise what are generally known as high grade bonds. They are rated lower than the best bonds because margins of protection may not be as large as in Aaa securities or fluctuation of protective elements may be of greater amplitude or there may be other elements present which make the long-term risks appear somewhat larger than in Aaa securities.

A - Bonds that are rated A possess many favorable investment attributes and are considered as upper medium grade obligations. Factors giving security to principal and interest are considered adequate, but elements may be present which suggest a susceptibility to impairment sometime in the future.

Baa - Bonds that are rated Baa are considered as medium grade obligations, i.e., they are neither highly protected nor poorly secured. Interest payments and principal security appear adequate for the present, but certain protective elements may be lacking or may be characteristically unreliable over any great length of time. Such bonds lack outstanding investment characteristics and in fact have speculative characteristics as well.

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Moody's applies numerical modifiers, 1, 2 and 3, in each generic rating classification from Aa through Baa in its corporate bond rating system. The modifier 1 indicates that the security ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates that the issue ranks in the lower end of its generic rating category.

Ba - Bonds that are rated Ba are judged to have speculative elements; their future cannot be considered as well assured. Often the protection of interest and principal payments may be very moderate and thereby not well safeguarded during good and bad times over the future. Uncertainty of position characterizes bonds in this class.

B - Bonds that are rated B generally lack characteristics of the desirable investment. Assurance of interest and principal payments or of maintenance of other terms of the contract over any long period of time, may be small.

Caa - Bonds rated Caa are of poor standing. Such issues may be in default or there may be present elements of danger with respect to principal or interest.

Ca - Bonds rated Ca represent obligations which are speculative in a high degree. Such issues are often in default or have other marked shortcomings.

C - Bonds rated C are the lowest rated class of bonds and issues so rated can be regarded as having extremely poor prospects of ever attaining any real investment standing.

#### MOODY'S NOTE RATINGS

Moody's ratings for short-term obligations will be designated Moody's

Investment Grade (MIG). This distinction is in recognition of the differences between short-term credit risk and long-term risk. Factors affecting the liquidity of the borrower are uppermost in importance in short-term borrowing, while various factors of major importance in bond risk are of lesser importance over the short run.

Rating symbols and their meanings follow:

MIG 1 - This designation denotes best quality. There is present strong protection by established cash flows, superior liquidity support, or demonstrated broad-based access to the market for refinancing.

MIG 2 - This designation denotes high quality. Margins of protection are ample, although not so large as in the preceding group.

MIG 3 - This designation denotes acceptable quality. Liquidity and cash flow protection may be narrow and market access for refinancing is likely to be less well established.

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SG - This designation denotes speculative-grade credit quality. Debt instruments in this category may lack sufficient margins of protection.

#### TRUSTEES AND OFFICERS

The name, address, age, position with the Trust, term of office and length of time served, principal occupation(s) for the last 5 years of each Trustee and other directorships held outside of the Fund complex are set forth below. The Board of Trustees is responsible for managing the business affairs of the Trust.

<TABLE>

<CAPTION>

Interested Trustees and Officers:

Name/Address Age	Position With Fund/ Time Served(1)	Principal Occupation During Last 5 Years	Number of Funds in Complex Overseen By Trustee	Other Directorships Held by Trustee Outside the Fund Complex
<S> Robert J. Markman(2) 6600 France Avenue South Edina, MN 55435	<C> Chairman of the Board and President Since Inception	<C> President, Treasurer and Secretary of Markman Capital Management, Inc.	<C> 1	<C> N/A
Age 54				
Judith E. Fansler 6600 France Avenue South Edina, MN 55435	Secretary Since November 2000, Treasurer Since May 2003	Chief Operating Officer Markman Capital Management, Inc.		N/A
Age 54	Officer Chief Compliance since October 2004			

Disinterested (Independent) Trustees:

Susan Gale-Levy 6600 France Avenue South Edina, MN 55435	Trustee Since Inception	Real Estate Advisor, Sandra Wilken Luxury Properties, Phoenix, Arizona. Formerly a Real Estate Advisor, . Edina Realty, Edina Minnesota.	1	N/A
Age 52				
Melinda S. Machones 6600 France Avenue South Edina, MN 55435	Trustee Since Inception	Self-employed management and technology consultant. Formerly, Director of Technology and Strategy, Duluth News Tribune. Director of Information Technologies, The College of St. Scholastica.	1	Director of St. Luke's Hospital and St. Luke's Foundation
Age 50				
Michael J. Monahan 6600 France Avenue South Edina, MN 55435	Trustee Since Inception	Vice President, External Relations, Ecolab (a provider of institutional cleaning and sanitation products and services).	1	N/A
Age 54				

</TABLE>

- (1) Each Trustee is elected to serve in accordance with the Declaration of Trust and Bylaws of the Trust until his or her successor is duly elected and qualified.
- (2) Mr. Markman is an "interested person" of the Trust as defined in the 1940 Act, as amended, because of his relationship to Markman Capital

Trustees' Ownership in Fund:

Dollar Range of Equity Securities in the Fund

Susan Gale-Levy	None
Melinda S. Machones	over \$100,000
Robert J. Markman	\$50,001 - \$100,000
Michael J. Monahan	\$1 - \$10,000

Ms. Gale-Levy and Mr. Monahan are members of the Trust's Audit Committee. The Audit Committee is responsible for overseeing the Trust's accounting and financial reporting policies, practices and internal controls. There were two Audit Committee meetings in the fiscal year ended December 31, 2004.

Trustees' Compensation:

Name	Total Compensation from Trust*
Susan Gale	\$6,500
Melinda S. Machones	\$6,000
Robert J. Markman	0
Michael J. Monahan	\$6,500

\* Amounts shown include planned payments per annum. The Trust does not pay any retirement benefits to the Trustees for their service.

The Trust's Declaration of Trust provides that the Trust will indemnify its Trustees and officers against liabilities and expenses incurred in connection with litigation in which they may be involved as a result of their positions with the Trust, unless, as to liability to the Trust or its shareholders, it is finally adjudicated that they engaged in willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in their offices, or unless with respect to any other matter it is finally adjudicated that they did not act in good faith in the reasonable belief that their actions were in the best interests of the Trust and its Fund. In the case of settlement, such indemnification will not be provided unless it has been determined by a court or other body approving the settlement or other disposition, or by a reasonable determination, based upon a review of readily available facts, by vote of a majority of the Independent Trustees or in a written opinion of independent counsel, that such officers or Trustees have not engaged in willful misfeasance, bad faith, gross negligence or reckless disregard of their duties.

Factors considered by the Independent Trustees in Approving the Investment Management Agreement. The 1940 Act requires that the Trust's investment management agreement be approved initially and thereafter annually by both the Board of Trustees and a majority of the Independent Trustees voting separately. At a meeting held on February 1, 2005, the Board of Trustees, including a majority of the Independent Trustees, approved the Investment Management Agreement, subject to the required shareholder approval described herein. In considering approval of the Investment Management Agreement, the Board of Trustees carefully evaluated information furnished by Markman Capital that the Board deemed necessary to determine whether the Investment Management Agreement would be in the best interests of the Fund and its shareholders. In making the recommendation to approve the Investment Management Agreement, the Trustees gave careful consideration to all factors deemed to be relevant to the Fund, including, but not limited to: (1) the nature, extent and the quality of the services expected to be rendered to the Fund by Markman Capital, including the history, reputation, qualification and background of Markman Capital as well as the qualifications of its key personnel; (2) the performance of the Fund as compared to similar mutual funds and relevant indices; (3) the level of fees paid to Markman Capital as compared to similar mutual funds; (4) the financial condition of Markman Capital; and (5) economies of scale.

The Board's analysis of these factors is set forth below. The Independent Trustees were advised by separate independent legal counsel throughout the process.

Nature, Extent and Quality of Advisor Services. The Board considered the level and depth of knowledge of Markman Capital. In evaluating the quality of services provided by Markman Capital, the Board took into account its familiarity with Markman Capital's management through Board meetings, conversations and reports during the preceding year. The Board took into account Markman Capital's willingness to consider and implement organizational and operational changes designed to improve investment results and lower fees and expenses. The Board



also took into account Markman Capital's compliance policies and procedures and its policies and procedures regarding the prevention of market timing. The Board of Trustees noted that it had previously concluded that the Adviser has implemented a compliance program reasonably designed to prevent material violations of the federal securities laws. The Board also considered Markman Capital's efforts in marketing the Fund and Markman Capital's role in coordinating the activities of the Funds' other service providers, as well as the services that Markman Capital provides to the Fund's shareholders.

Expenses and Performance. The Board compared the advisory fees and total expense ratios for the Fund with various comparative data, including the industry median and average advisory fees and expense ratios in the Fund's Morningstar and Lipper categories for the calendar year ended December 31, 2004. The Board of Trustees concluded that the Fund's advisory fee and expense ratio were below both the average and the median fees of other mutual funds in the Fund's Morningstar and Lipper categories. The Board considered the Fund's recent performance results and noted that the Board reviews on a quarterly basis information about the Fund's performance results, portfolio composition and investment strategies.

Advisor's Compensation and Profitability. The Board also took into consideration the financial condition and profitability of Markman Capital and any indirect benefits derived by Markman Capital from Markman Capital's relationship with the Fund. The Board of Trustees concluded that the Adviser has the financial wherewithal to perform the services under the investment management agreement. The Board of Trustees concluded further that any indirect benefits the Adviser derives from its relationship with the Fund are incidental to the management fee the Adviser earns.

Economies of Scale. The Board considered the effective fees under the Investment Management Agreement as a percentage of assets at different asset levels and possible economies of scale that could be achieved in the future. The Board of Trustees concluded that the schedule of breakpoints in the base management fee under the investment advisory agreement would benefit the Fund shareholders as the Fund realizes economies of scale.

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Conclusion. In considering the approval of the Investment Management Agreement, the Board, including the Independent Trustees, did not identify any single factor as controlling. The Board reached the following conclusions regarding the Investment Management Agreement, among others: (a) Markman Capital has demonstrated that it possesses the capability and resources to perform the duties required of it under the Investment Management Agreement; (b) Markman Capital maintains an appropriate compliance program; (c) performance of the Fund is reasonable in relation to the performance of funds with similar investment objectives and to relevant indices; and (d) the new management fee is reasonable in relation to those of similar funds and to the services to be provided by Markman Capital. Based on their conclusions, the Board determined that approval of the Investment Management Agreement would be in the best interests of the Fund and its shareholders.

#### CODE OF ETHICS

The Trust and Markman Capital have adopted a Code of Ethics under Rule 17j-1 of the 1940 Act that permits Fund personnel to invest in securities for their own accounts, including securities that may be purchased or held by the Fund. The Codes of Ethics adopted by the Trust and Markman Capital are on public file with, and are available from, the SEC.

#### Proxy Voting Policies and Procedures

##### General Policy

Markman Capital has adopted written proxy voting policies and procedures ("Proxy Policy") as required by Rule 206(4)-6 under the Investment Advisers Act of 1940, as amended, consistent with its fiduciary obligations. The Trust has delegated proxy voting responsibilities with respect to the Fund to Markman Capital, subject to the general oversight of the Board and the Proxy Policy has been approved by the Trustees of the Trust as the policies and procedures that Markman Capital will use when voting proxies on behalf of the Fund. The Proxy Policy is designed and implemented in a manner reasonably expected to ensure that voting and consent rights are exercised prudently and solely in the best economic interests of the Fund and its shareholders considering all relevant factors and without undue influence from individuals or groups who may have an economic interest in the outcome of a proxy vote. Any conflict between the best economic interests of the Fund and Markman Capital's interests will be resolved in the Fund's favor pursuant to the Proxy Policy.

The Proxy Policy sets forth Markman Capital's voting guidelines. The guidelines indicate Markman Capital's willingness to vote with management on matters of a routine administrative nature. Regarding non-routine proposals, Markman Capital is generally opposed to such proposals if they involve an economic cost to the

company or restrict management's freedom to operate in the best interests of its shareholders. Accordingly, Markman Capital will generally vote with management on non-routine proposals. Each vote is ultimately determined on a case-by-case basis, taking into consideration all relevant facts and circumstances at the time of the vote.

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#### How to Obtain More Information

Information about how the Fund voted proxies relating to portfolio securities held during the one year period ended June 30th has been filed with the SEC on Form N-PX and is available without charge, upon request, by calling the Trust at 1-800-707-2771 and on the SEC's website at <http://www.sec.gov>. Investors may obtain a copy of the Proxy Policy by writing to the Registrant at 6600 France Avenue South, Edina, MN 55435 or by calling the Trust at 1-800-707-2771.

#### PRINCIPAL SECURITY HOLDERS

As of April 4, 2005, Charles Schwab & Co., Inc., 101 Montgomery Street, San Francisco, California 94104, owned of record 13.45% of the outstanding shares of the Portfolio.

As of April 4, 2005, the Trustees and officers of the Trust as a group owned of record and beneficially less than 1% of the outstanding shares of the Trust and the Portfolio.

#### INVESTMENT MANAGER

Markman Capital serves as investment manager to the Trust and its Fund pursuant to a written investment management agreement. Markman Capital is a Minnesota corporation organized in 1990, and is a registered investment adviser under the Investment Advisers Act of 1940, as amended. Robert J. Markman, Chairman of the Board of Trustees and President of the Trust, is the controlling shareholder of Markman Capital and its President, Treasurer and Secretary. Judith E. Fansler, an employee of Markman Capital, also serves as an Officer of the Trust.

Mr. Markman is responsible for the day-to-day management of the Fund's investments. Mr. Markman is paid a single, fixed salary by Markman Capital for investment management services provided to the Fund and other accounts managed. Mr. Markman's salary is not based on performance. As of December 31, 2004, Mr. Markman beneficially owned \$50,001 - \$100,000 of the Fund's outstanding equity securities.

In addition to serving as investment adviser to the Fund, Mr. Markman and Markman Capital also provide investment supervisory services on a continuous basis to individuals, pension and profit sharing plans, corporations, partnerships, trusts and estates (including charitable organizations). Mr. Markman, through Markman Capital, serves as investment adviser to 240 other client accounts with a total asset value of \$70 million as of December 31, 2004. Potential conflicts of interest may arise when the investment manager has management responsibilities to more than one account (including the Fund), such as devotion of unequal time and attention to the management of the accounts and incentive to allocate opportunities to an account where the investment manager has a greater financial incentive.

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Certain services provided by Markman Capital under the investment management agreement ("Management Agreement") are described in the Prospectus. The terms of the Management Agreement will be voted on by shareholders of record as of February 22, 2005 at a shareholder meeting to be held April 15, 2005. In addition to those services, Markman Capital may, from time to time, provide the Fund with office space for managing their affairs, with the services of required executive personnel, and with certain clerical services and facilities. These services are provided without reimbursement by the Fund for any costs incurred. As compensation for its services, the Fund pays Markman Capital a base management fee of 0.85% of average daily net assets.

The base management fee will be decreased in a series of breakpoints as the total assets under management for the Fund increase. The breakpoints, and the corresponding base management fee, are set forth in the following table.

\$0- \$200 million	0.85%
Next \$150 million	0.80% (on assets from \$200 - \$350 million)
Next \$150 million	0.75% (on assets from \$350 - \$500 million)
Next \$150 million	0.70% (on assets from \$500 - \$650 million)

Next \$150 million 0.65% (on assets from \$650 - \$800 million)  
 All additional dollars 0.60% (on assets over \$800 million)

Pending shareholder approval, the base management fee is subject to adjustment by a factor referred to as the "Performance Fee Adjustment." The base management fee may be increased, decreased or remain the same depending on how the Fund performs in comparison to its benchmark for the previous 12 months. The benchmark for the Fund is the S&P 500 Index.

Under the investment management agreement, the Performance Fee Adjustment to the base management fee is calculated by comparing the Fund's performance to that of the S&P 500 over a rolling 12-month period (referred to in the investment management agreement as the Performance Period). A rolling period is the specific duration of time over which the performance of the Fund and the performance of the benchmark index are compared. Until Markman Capital and the Fund have established performance records for 12 months under the investment management agreement, Markman Capital will earn the base management fee of 0.85% of the Fund's average daily net assets. During the initial 12 months of the investment management agreement the Fund will not adjust Markman Capital's fee for Fund performance. After the initial 12-month Performance Period has been established, the Performance Period will be a rolling 12-month period consisting of the most recently completed month and the previous 11 months. The Performance Fee Adjustment will be calculated based on the Fund's average net assets during the Performance Period. The Performance Fee Adjustment calculation will be done in accordance with Rule 205-2 or any other applicable rules under the Investment Advisers Act of 1940 (the "Investment Advisers Act"), as the same from time to time may be amended.

Using the S&P 500 as the benchmark, a "band" ranging from 5% below the benchmark to 5% above the benchmark would be established. Within that band, the Performance Fee Adjustment will be calculated on a rolling 12-month basis with a 2 basis point adjustment for every one percent differential in comparative performance. For example, if the Fund gained 1% or more, but less than 2%, than the S&P 500, the base management fee would be adjusted positively two basis points (0.02%). If the Fund underperformed the S&P 500 by 2% or more, but less than 3%, the Performance Fee Adjustment would be negative four basis points (0.04%). Using this formula, the maximum yearly performance adjustment would be 10 basis points, or one-tenth of a percent, up or down.

The Fund's investment performance will be measured by comparing (i) the opening net asset value of one share of the Fund on the first business day of the performance period with (ii) the closing net asset value of one share of the Fund as of the last business day of such period. In computing the investment performance of the Fund and the investment record of the Fund's benchmark, distributions of realized capital gains, the value of capital gains taxes per share paid or payable on undistributed realized long-term capital gains accumulated to the end of such period and dividends paid out of investment income on the part of the Fund, and all cash distributions of the securities included in the Fund's benchmark index, will be treated as reinvested in accordance with Rule 205-1 or any other applicable rules under the Investment Advisers Act.

Any calculations of the investment performance of the Fund and the investment performance of the Fund's benchmark shall be in accordance with any then applicable rules of the SEC.

The table below sets forth the Performance Fee Adjustment to the base management fee, assuming that the Fund performs at the indicated levels relative to its benchmark.

Return -----	Performance Fee Adjustment -----
5.00% above the S&P or higher	+0.10%
4.00% above the S&P	+0.08%
3.00 % above the S&P	+0.06%
2.00% above the S&P	+0.04%
1.00% above the S&P	+0.02%
Equal to the S&P	no adjustment
1.00% below the S&P	-0.02%
2.00 % below the S&P	-0.04%
3.00% below the S&P	-0.06%
4.00% below the S&P	-0.08%
5.00% below the S&P or lower	-0.10%

Effect of the Performance Fee Adjustment:

As indicated above, the Advisory fee payable to Markman Capital for the 12 months following the implementation of the investment management agreement would be the base management fee rate and would not be increased or decreased to reflect the performance of the Fund. For each month following the first 12

months, however, Markman Capital would be entitled to receive the base management fee and the Performance Fee Adjustment based on the performance of the Fund for the immediately preceding 12 months.

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By its terms, the Trust's Management Agreement with respect to the Fund remains in effect for an initial term of two years and thereafter from year to year, subject to annual approval by (a) the Board of Trustees or (b) a vote of the majority of the Fund's outstanding voting securities; provided that in either event continuance is also approved by a majority of the Trustees who are not interested persons of the Trust, by a vote cast in person at a meeting called for the purpose of voting such approval. The Trust's Management Agreement may be terminated at any time, on sixty days' written notice, without the payment of any penalty, by the Board of Trustees, by a vote of the majority of the Fund's outstanding voting securities, or by Markman Capital. The Management Agreement automatically terminates in the event of its assignment, as defined by the 1940 Act and the rules thereunder.

#### TRANSFER AGENT, FUND ACCOUNTANT AND ADMINISTRATOR

Pursuant to an Administration, Accounting and Transfer Agency Agreement among the Trust, Integrated Fund Services, Inc. ("Integrated") and Markman Capital, Integrated serves as the Trust's transfer and dividend paying agent and performs shareholder service activities. Integrated also calculates daily net asset value per share and maintains such books and records as are necessary to enable it to perform its duties. The administrative services necessary for the operation of the Trust and its Fund provided by Integrated include among other things (i) preparation of shareholder reports and communications, (ii) regulatory compliance, such as reports to and filings with the SEC and state securities commissions and (iii) general supervision of the operation of the Trust and its Fund, including coordination of the services performed by Markman Capital, the custodian, independent accountants, legal counsel and others. In addition, Integrated furnishes office space and facilities required for conducting the business of the Trust and pays the compensation of the Trust's officers and employees affiliated with Integrated. Prior to December 27, 2002, Integrated received fees from Markman Capital for these services. For the fiscal year ended December 31, 2002, Integrated received fees from Markman Capital, Inc. of \$204,324 with respect to the Trust's other investment portfolios. As of December 27, 2002, Integrated receives from the Fund, a base fee and an additional fee based upon the aggregate average daily net assets of the Fund for these services. For the fiscal years ended December 31, 2004 and 2003 and for the period from December 27, 2002 through December 31, 2002, Integrated received fees from the Fund of \$125,000 and \$105,000, respectively. Integrated also receives reimbursement for certain out-of-pocket expenses incurred in rendering such services.

Integrated is a wholly-owned indirect subsidiary of IFS Holdings, Inc., which in turn is a wholly-owned indirect subsidiary of The Western and Southern Life Insurance Company. Integrated and its affiliates currently provide administrative and distribution services for certain other registered investment companies. The principal business address of Integrated is 221 East Fourth Street, Suite 300, Cincinnati, Ohio 45202.

#### CUSTODIAN

Pursuant to a Custodian Agreement between the Trust and The Fifth Third Bank ("Fifth Third"), Fifth Third provides custodial services to the Trust and the Fund. The principal business address of Fifth Third is 38 Fountain Square Plaza, Cincinnati, Ohio 45263.

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#### INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The firm of Ernst & Young LLP, 1900 Scripps Center, 312 Walnut Street, Cincinnati, Ohio 45202, has been selected as Independent Registered Public Accounting Firm for the Trust for the fiscal year ended December 31, 2005. Ernst & Young, performs an annual audit of the Trust's financial statements and advises the Fund as to certain accounting matters.

#### LEGAL COUNSEL

Sullivan & Worcester LLP, 1666 K Street, N.W., Washington, D.C. 20006, is legal counsel to the Trust and the Independent Trustees.

#### CALCULATION OF SHARE PRICE

The share price (net asset value or "NAV") of the shares of the Fund is

determined as of the close of the regular session of trading on the New York Stock Exchange (currently 4:00 p.m., Eastern Time) on each day the Trust is open for business. The Trust is open for business on every day except Saturdays, Sundays and the following holidays: New Year's Day, Martin Luther King, Jr. Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas. The Trust may also be open for business on other days in which there is sufficient trading in the Fund's securities that its NAV might be materially affected. For a description of the methods used to determine the NAV, see "Determination of Net Asset Value" in the Prospectus.

#### TAXES

The Prospectus describes generally the tax treatment of distributions by the Fund. This section of the Statement of Additional Information includes additional information concerning federal taxes.

The Fund intends to qualify annually for the special tax treatment afforded a "regulated investment company" under Subchapter M of the Internal Revenue Code so that it does not pay federal taxes on income and capital gains distributed to shareholders. To so qualify the Fund must, among other things, (i) derive at least 90% of its gross income in each taxable year from dividends, interest, payments with respect to securities loans, gains from the sale or other disposition of stock, securities or foreign currency, or certain other income (including but not limited to gains from options, futures and forward contracts) derived with respect to its business of investing in stock, securities or currencies; and (ii) diversify its holdings so that at the end of each quarter of its taxable year the following two conditions are met: (a) at least 50% of the value of the Fund's total assets is represented by cash, U.S. Government securities, securities of other regulated investment companies and other securities (for this purpose such other securities will qualify only if the Fund's investment is limited in respect to any issuer to an amount not greater than 5% of the Fund's assets and 10% of the outstanding voting securities of such issuer) and (b) not more than 25% of the value of the Fund's assets is invested in securities of any one issuer (other than U.S. Government securities or securities of other regulated investment companies).

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The Fund's net realized capital gains from securities transactions will be distributed only after reducing such gains by the amount of any available capital loss carryforwards. Capital losses may be carried forward to offset any capital gains for eight years, after which any undeducted capital loss remaining is lost as a deduction. As of December 31, 2004, the Fund had a net capital loss carryforward of \$50,435,670, of which \$12,148,952 will expire in 2008, \$22,338,168 will expire in 2009, \$15,948,550 will expire in 2010. To the extent future capital gains are offset by capital loss carryforwards, such gains will not be distributed. Based on certain provisions in the Internal Revenue Code, various limitations regarding the future utilization of these carryforwards, brought forward as a result of the Fund's acquisition on December 30, 2002, of all of the net assets of the Allocation Portfolios pursuant to a Plan of Reorganization approved by their respective shareholders on December 27, 2002, may not apply. Based on such limitations, unless tax law changes, approximately \$18,039,838 of these losses will expire unutilized.

A federal excise tax at the rate of 4% will be imposed on the excess, if any, of the Fund's "required distribution" over actual distributions in any calendar year. Generally, the "required distribution" is 98% of the Fund's ordinary income for the calendar year plus 98% of its net capital gains recognized during the one year period ending on October 31 of the calendar year plus undistributed amounts from prior years. The Fund intends to make distributions sufficient to avoid imposition of the excise tax. The Trust is required to withhold and remit to the U.S. Treasury a portion (28% for amounts paid in calendar year 2004) of dividend income on any account unless the shareholder provides a taxpayer identification number and certifies that such number is correct and that the shareholder is not subject to backup withholding.

#### PURCHASE AND REDEMPTION OF SHARES

Detailed information on the purchase and the redemption of shares is included in the Prospectus. The Trust may suspend the right to redeem its shares or postpone the date of payment upon redemption for more than three business days (i) for any period during which the New York Stock Exchange is closed (other than customary weekend or holiday closings) or trading on the exchange is restricted; (ii) for any period during which an emergency exists as a result of which disposal by the Fund of securities owned by it is not reasonably practicable or it is not reasonably practicable for the Fund fairly to determine the value of its net assets; or (iii) for such other periods as the SEC may permit for the protection of shareholders of the Trust.

#### SPECIAL REDEMPTIONS

If the Board of Trustees of the Trust determines that it would be detrimental to the best interests of the remaining shareholders of the Fund to make payment

wholly or partly in cash, the Fund may pay the redemption price in whole or in part by a distribution in kind of securities (excluding underlying fund shares) from the portfolio of the Fund, instead of in cash, in conformity with applicable rules of the SEC. The Trust will, however, redeem shares solely in cash up to the lesser of \$250,000 or 1% of its net assets during any 90-day period for any one shareholder. The proceeds of redemption may be more or less than the amount invested and, therefore, a redemption may result in a gain or loss for federal income tax purposes.

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#### BROKERAGE ALLOCATION AND OTHER PRACTICES

Markman Capital is responsible for decisions to buy and sell securities for the Fund and for the placement of the Fund's portfolio business and negotiation of commissions, if any, paid on these transactions. It is our intention to place brokerage orders with the objective of obtaining the best execution, which includes such factors as best price, research and available data. Domestic brokerage commissions are negotiated, as there are no standard rates. All brokerage firms provide the service of execution of the order made; some brokerage firms also provide research and statistical data, and research reports on particular companies and industries are customarily provided by brokerage firms to large investors. In negotiating commissions, we consider the quality of execution provided and the use and value of the data. We may judge such data with reference to a particular order or, alternatively, in terms of its value to the overall management of the Fund. We may place orders with brokers providing research and statistical data services even if lower commissions may be available from brokers not providing such services. When doing so, we will determine in good faith that the commissions negotiated are reasonable in relation to the value of the brokerage and research provided by the broker viewed in terms of either that particular transaction or of our overall responsibilities to the Fund. In reaching this determination, we will not necessarily place a specific dollar value on the brokerage or research services provided nor determine what portion of the broker's compensation should be related to those services.

The Fund will arrange to be included within a class of investors entitled not to pay sales charges by purchasing load fund shares under letters of intent, rights of accumulation, cumulative purchase privileges and other quantity discount programs.

The Fund may purchase shares of underlying funds which charge a redemption fee. A redemption fee is a fee imposed on an underlying fund upon shareholders (such as the Fund) redeeming shares of such fund within a certain period of time (such as one year). The fee is payable to the underlying fund. Accordingly, if the Fund were to invest in an underlying fund and, as a result of redeeming shares in such underlying fund, incur a redemption fee, the Fund would bear such redemption fee. The Fund will not, however, invest in shares of a mutual fund that is sold with a contingent deferred sales load.

For the fiscal years ended December 31, 2002, 2003 and 2004, the Fund paid brokerage commissions of \$2,342, \$74,078 and \$53,447, respectively.

For the fiscal year ended December 31, 2002, Charles Schwab, an affiliated broker-dealer, executed 100% of the Fund's portfolio transactions for which it received aggregate commissions of \$2,342.

For the fiscal year ended December 31, 2003, Charles Schwab, an affiliated broker-dealer, executed 100% of the Fund's portfolio transactions for which it received aggregate commissions of \$74,048.

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For the fiscal year ended December 31, 2004, Charles Schwab, an affiliated broker-dealer, executed 100% of the Fund's portfolio transactions for which it received aggregate commissions of \$53,447.

#### PERFORMANCE INFORMATION

Effective December 30, 2002, the Markman Conservative Allocation Fund, the Markman Aggressive Allocation Portfolio and the Markman Moderate Allocation Portfolio each exchanged substantially all of its net assets for shares of the Markman Total Return Core Fund. The performance and accounting history of the Moderate Allocation Portfolio is being assumed by the Total Return Core Fund. The average annual total returns of the Total Return Core Fund prior to December 31, 2002 are therefore those of the Moderate Allocation Portfolio.

##### A. STANDARDIZED AVERAGE ANNUAL TOTAL RETURN

From time to time, quotations of the Fund's performance may be included in advertisements, sales literature or reports to shareholders or prospective

investors. These performance figures may be calculated in the following manner:

Average annual total return is computed by finding the average annual compounded rates of return over 1, 5 and 10 year periods that would equate the initial amount invested to the ending redeemable value, according to the following formula:

$$P(1+T)^n = ERV$$

Where:

P = hypothetical initial payment of \$1,000  
T = average annual total return  
n = number of years  
ERV = ending redeemable value at the end of the designated period assuming a hypothetical \$1,000 payment made at the beginning of the 1, 5 and 10 year periods at the end of the 1, 5 or 10 year periods (or fractional portion thereof)

The average annual total return quotations for the Fund for the one year and five year periods ended December 31, 2004 and for the period since inception (January 26, 1995) to December 31, 2004 are 14.31%, -6.87% and 6.42%, respectively.

The calculation set forth above is based on the further assumptions that: (i) all dividends and distributions of the Fund during the period were reinvested at the net asset value on the reinvestment dates; and (ii) all recurring expenses that were charged to all shareholder accounts during the applicable period were deducted.

Total returns quoted in advertising reflect all aspects of the Fund's return, including the effect of reinvesting dividends and capital gain distributions, and any change in the Fund's NAV per share over the period. Average annual returns are calculated by determining the growth or decline in value of a hypothetical historical investment in the Fund over a stated period, and then calculating the annually compounded percentage rate that would have produced the same result if the rate of growth or decline in value had been constant over the period. For example, a cumulative return of 100% over ten years would produce an average annual return of 7.18%, which is the steady annual return rate that would equal 100% growth on a compounded basis in ten years. While average annual returns are a convenient means of comparing investment alternatives, investors should realize that the Fund's performance is not constant over time, but changes from year to year, and that average annual returns represent averaged figures as opposed to the actual year-to-year performance of the Fund.

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#### B. STANDARDIZED AVERAGE ANNUAL TOTAL RETURN (AFTER TAXES ON DISTRIBUTIONS)

Average annual total return quotations (after taxes on distributions) are computed by find the average annual compounded rate of return (after taxes on distributions) that would cause a hypothetical investment in the class made on the first day of the period (assuming all dividends and distributions are reinvested) to equal the ending redeemable value of such hypothetical investment on the last day of the designated period in accordance with the following formula:

$$P (1 + T)^n = \frac{ATV}{D}$$

Where:

P = a hypothetical initial payment of \$1,000, less the maximum sales load  
T = average annual total return (after taxes on distribution)  
n = number of years  
ATV = ending redeemable value of a hypothetical \$1,000 payment made at the beginning of the 1, 5 and 10 year periods at the end of the 1, 5 or 10 year periods (or fractional portion thereof), after taxes on Fund distributions but not after taxes on redemption

The average annual total return quotations (after taxes on distributions) for the Fund for the one year and five year periods ended December 31, 2004 and for the period since inception (January 26, 1995) to December 31, 2004 are 14.14%, -7.57% and 4.53%, respectively. The average annual total return quotations (after taxes on distributions and redemptions) for the Fund for the one year and five year periods ended December 31, 2004 and for the period since inception (January 26, 1995) to December 31, 2004 are 9.41%, -6.04% and 4.61%, respectively.

The taxes due on any distributions by the Fund are calculated by applying the highest historical individual federal income tax rates and do not reflect the impact of state or local taxes. Actual after-tax returns depend upon an investor's tax situation and may differ from those used to compute the quotations. The taxable amount and tax character of each distribution specified by the Fund on the dividend declaration date are generally used in these calculations but may be adjusted to reflect subsequent re-characterizations of



distributions. The distributions are adjusted to reflect the federal tax impact the distribution would have on an individual taxpayer on the reinvestment date. The calculation disregards any potential tax liabilities other than federal tax liabilities (e.g., state and local taxes); the effect of phaseouts of certain exemptions, deductions and credits at various income levels; and the impact of the federal alternative minimum tax. The amount and character (e.g., short-term or long-term) of capital gain or loss upon redemption are separately determined for shares acquired through the \$1,000 initial investment and each subsequent purchase through reinvested distributions. The calculations do not assume that shares acquired through reinvestment of distributions have the same holding period as the initial \$1,000 investment. The tax character is determined by the length of the measurement period in the case of the initial \$1,000 investment and the length of the period between reinvestment and the end of the measurement period in the case of reinvested distributions. Capital gains taxes (or the benefit resulting from tax losses) are calculated using the highest federal individual capital gains tax rate for gains of the appropriate character in effect on the redemption date and in accordance with federal tax law applicable on the redemption date. For example, applicable federal tax laws are used to determine whether and how gains and losses from the sale of shares with different holding periods should be netted, as well as the tax character (e.g., short-term or long-term) of any resulting gains or losses. The calculations assume that a shareholder has sufficient capital gains of the same character from other investments to offset any capital losses from the redemption so that the taxpayer may deduct the capital losses in full. For purposes of the above computations, it is assumed that all dividends and distributions made by the Fund are reinvested at NAV during the designated period. The average annual total return quotation is determined to the nearest 1/100th of 1%.

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In determining the average annual total return (calculated as provided here), recurring fees, if any, that are charged to all shareholder accounts are taken into consideration. For any account fees that vary with the size of the account, the account fee used for purposes of the above computation is assumed to be the fee that would be charged to a mean account size.

#### C. NONSTANDARDIZED TOTAL RETURN

In addition to the performance information described above, the Fund may provide total return information for designated periods, such as for the most recent rolling six months or most recent rolling twelve months. The Fund may quote unaveraged or cumulative total returns reflecting the simple change in value of an investment over a stated period. Average annual and cumulative total returns may be quoted as a percentage or as a dollar amount, and may be calculated for a single investment, a series of investments, and/or a series of redemptions over any time period. Total returns may be broken down into their components of income and capital (including capital gains and changes in share price) in order to illustrate the relationship of these factors and their contributions to total return. Total returns and other performance information may be quoted numerically or in a table, graph or similar illustration.

The Fund's total return quotation for the year ended December 31, 2004 and for the period since inception (January 26, 1995) to December 31, 2004 are 14.31% and 85.45%, respectively.

#### ANNUAL REPORT

The Fund's financial statements as of December 31, 2004 appear in the Trust's annual report, which is incorporated by reference into this Statement of Additional Information.

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#### MARKMAN MULTIFUND TRUST

#### PART C OTHER INFORMATION

##### Item 23. Exhibits

- (a) Declaration of Trust\*
- (b) Bylaws\*
- (c) Incorporated by reference to Declaration of Trust and Bylaws
- (d) Investment Management Agreement dated May 1, 2005, between Registrant and Markman Capital Management, Inc. ("Markman Capital") is filed herewith.
- (e) Inapplicable



- (f) Inapplicable
- (g) (i) Custodian Agreement among Registrant, Markman Capital and State Street Bank and Trust Company\*
- (g) (ii) Custody Agreement between Markman MultiFund Trust and Fifth Third Bank\*
- (h) (i) Administration, Accounting and Transfer Agency Agreement among Registrant, Markman Capital and Integrated Fund Services, Inc. (formerly Countrywide Fund Services, Inc.) \*
- (h) (ii) Amendment to Administration, Accounting and Transfer Agency Agreement among Registrant, Markman Capital and Integrated Fund Services, Inc. (formerly Countrywide Fund Services, Inc.)\*
- (h) (iii) Consent to Use of Name\*
- (h) (iv) i Compliance Services Agreement with Integrated Fund Services, Inc. is filed herewith.
- (h) (v) Compliance Service Agreement with Markman Capital Management, Inc. is filed herewith.
- (i) Opinion and Consent of Counsel\*
- (j) Consent of Independent Public Accountants is filed herewith.
- (k) Inapplicable
- (l) Subscription Agreement between Registrant and Markman Capital\*
- (m) Inapplicable
- (n) Inapplicable
- (o) Inapplicable
- (p) Code of Ethics of Markman MultiFund Trust and Markman Capital Management, Inc. is filed herewith.

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\* Incorporated herein by reference to this Registration Statement as originally filed with the Securities and Exchange Commission or as subsequently amended.

Item 24. Persons Controlled by or Under Common Control with Registrant

The Registrant is not directly or indirectly controlled by or under common control with any person other than the Trustees. The Registrant does not have any subsidiaries.

Item 25. Indemnification

Under the Registrant's Declaration of Trust and Bylaws, any past or present Trustee or Officer of the Registrant is indemnified to the fullest extent permitted by law against liability and all expenses reasonably incurred by him or her in connection with any action, suit or proceeding to which he or she may be a party or is otherwise involved by reason of his or her being or having been a Trustee or Officer of the Registrant. The Declaration of Trust and Bylaws of the Registrant do not authorize indemnification where it is determined, in the manner specified in the Declaration of Trust and the Bylaws of the Registrant, that such Trustee or Officer has not acted in good faith in the reasonable belief that his or her actions were in the best interest of the Registrant. Moreover, the Declaration of Trust and Bylaws of the Registrant do not authorize indemnification where such Trustee or Officer is liable to the Registrant or its shareholders by reason of willful misfeasance, bad faith, gross negligence or reckless disregard of his duties.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to Trustees, Officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a Trustee, Officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such Trustee, Officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the questions whether such indemnification is against public policy

as expressed in the Act and will be governed by the final adjudication of such issue.

The Registrant, its Trustees and Officers, its investment adviser, and persons affiliated with them are insured under a policy of insurance maintained by the Registrant and its investment adviser, within the limits and subject to the limitations of the policy, against certain expenses in connection with the defense of actions, suits or proceedings, and certain liabilities that might be imposed as a result of such actions, suits or proceedings, to which they are parties by reason of being or having been such Trustees or officers. The policy expressly excludes coverage for any Trustee or officer whose personal dishonesty, fraudulent breach of trust, lack of good faith, or intention to deceive or defraud has been adjudicated or may be established or who willfully fails to act prudently.

The Advisory Agreement with Markman Capital Management, Inc. (the "Adviser") provides that the Adviser shall not be liable for any error of judgment or mistake of law or for any loss suffered by the Registrant in connection with the matters to which the Agreement relates, except a loss resulting from willful misfeasance, bad faith or gross negligence of the Adviser in the performance of its duties or from the reckless disregard by the Adviser of its obligations under the Agreement.

Item 26. Business and Other Connections of The Investment Adviser

Markman Capital Management, Inc. (the "Adviser") is a registered investment adviser providing investment advice to individuals, employee benefit plans, charitable and other nonprofit organizations, and corporations.

Set forth below is a list of the Officers and Directors of the Adviser together with information as to any other business, profession, vocation or employment of a substantial nature engaged in by such officers and directors during the past two years.

Name	Position with The Adviser	Other Businesses, etc.
Robert J. Markman	Chairman of the Board, President, Treasurer and Secretary	None
Judith E. Fansler	Chief Operations Officer, Chief Compliance Officer and Chief Financial Officer	None

Item 27. Principal Underwriters

- (a) Inapplicable
- (b) Inapplicable
- (c) Inapplicable

Item 28. Location of Accounts and Records

The Registrant maintains the records required by Section 31(a) of the Investment Company Act of 1940, as amended and Rules 31a-1 to 31a-3 inclusive thereunder at its office located at 6600 France Avenue South, Suite 565, Edina, Minnesota 55435 or at its office located at 221 East Fourth Street, Suite 300, Cincinnati, Ohio 45202. Certain records, including records relating to the Registrant's shareholders and the physical possession of its securities, may be maintained pursuant to Rule 31a-3 at the main offices of the Registrant's transfer agent, dividend disbursing agent and custodian located, as to the custodian, at 225 Franklin Street, Boston, Massachusetts 02110, and, as to the transfer and dividend disbursing agent functions, at 221 East Fourth Street, Suite 300, Cincinnati, Ohio 45202.

Item 29. Management Services Not Discussed in Parts A Or B

Inapplicable

Item 30. Undertakings

Inapplicable

NOTICE

The names "Markman MultiFund Trust" and "Markman Total Return Portfolio" are the designations of the Trustees under the Declaration of Trust of the Trust dated September 7, 1994, as amended from time to time. The Declaration of Trust has been filed with the Secretary of State of The Commonwealth of Massachusetts and the Clerk of the City of Boston, Massachusetts. The obligations of the Registrant are not personally binding upon, nor shall resort be had to the private property of, any of the Trustees, shareholders, officers, employees or agents of the Registrant, but only the Registrant's property shall be bound.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933 and the Investment Company Act of 1940, the Registrant certifies that it meets all of the requirements for effectiveness of the Registration Statement pursuant to Rule 485(b) under the Securities Act of 1933 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Edina and the State of Minnesota on this 29th day of April, 2005.

MARKMAN MULTIFUND TRUST

By: /s/ Robert J. Markman  
-----  
Robert J. Markman,  
Chairman of the Board and President

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities and on the 29th day of April, 2005.

Signature	Title
/s/ Robert J. Markman ----- Robert J. Markman	Chairman of the Board of Trustees and President (Principal executive officer)
/s/ Judith E. Fansler ----- Judith E. Fansler	Treasurer (Principal financial and accounting officer) and Secretary
* ----- Susan Gale-Levy	Trustee
* ----- Melinda S. Machones	Trustee
* ----- Michael J. Monahan	Trustee

/s/ David M. Leahy  
-----  
David M. Leahy  
Attorney-in-Fact

INVESTMENT MANAGEMENT AGREEMENT

AGREEMENT made this 1st day of May 2005, by and between MARKMAN MULTIFUND TRUST, an unincorporated business trust organized under the laws of The Commonwealth of Massachusetts (the "Trust"), and MARKMAN CAPITAL MANAGEMENT, INC., a corporation organized under the laws of the State of Minnesota, (the "Adviser").

WITNESSETH:

WHEREAS, the Trust is engaged in business as an open-end management investment company and is so registered under the Investment Company Act of 1940, as amended (the "1940 Act"); and

WHEREAS, shares of beneficial interest in the Trust currently consist of one separate series portfolio - the Markman Total Return Core Fund, and the Trustees have the power to create additional series (each a "Fund" and together, the "Funds"); and

WHEREAS, the Adviser is engaged in the business of rendering investment advisory and management services and is registered as an investment adviser under the Investment Advisers Act of 1940, as amended; and

WHEREAS, the Trust desires to retain the Adviser to furnish investment management services to the Trust and the Adviser is willing to furnish such to the Trust;

NOW, THEREFORE, it is hereby agreed between the parties hereto as follows:

1. Appointment of Adviser. The Trust hereby appoints the Adviser to act as investment manager of the Trust for the period and on the terms herein set forth. The Adviser accepts such appointment and agrees to render the services herein set forth, for the compensation herein provided.

2. Investment Management Services. The Adviser shall supervise the investments of the Funds contemplated as of the date hereof, and such subsequent series of shares of the Trust as the Trustees of the Trust shall select the Adviser to manage. In such capacity, the Adviser shall maintain a continuous investment program for each such Fund, determine what securities shall be purchased or sold by each Fund, secure and evaluate such information as it deems proper and take whatever action is necessary or convenient to perform its functions, including the placing of purchase and sale orders.

In executing portfolio transactions and selecting brokers or dealers, the Adviser will use its best efforts to seek on behalf of the Funds the best overall terms available. In assessing the best overall terms available for any transaction, the Adviser shall consider all factors it deems relevant, including the breadth of the market in the security, the financial condition and execution

capability of the broker or dealer, and the reasonableness of the commission, if any, (as those terms are defined in Section 28(e) of the Securities Exchange Act of 1934, as amended)

provided by such broker or dealer to the Funds or other accounts over which the Adviser or any affiliate of the Adviser exercises investment discretion. The Adviser is authorized to pay to a broker or dealer who provides such brokerage and research services a commission for executing a portfolio transaction for the Fund which is in excess of the amount of commission another broker or dealer would have charged for effecting that transaction, if, but only if, the Adviser determines in good faith that such commission is reasonable in relation to the value of the brokerage and research services provided by such broker or dealer, viewed in terms of either that particular transaction or in terms of all of the accounts over which the Adviser or any affiliate of the Adviser exercises investment discretion.

3. Compliance with Laws. All functions undertaken by the Adviser hereunder shall at all times conform to, and be in accordance with, any requirements imposed by: (1) the 1940 Act, and any rules and regulations promulgated thereunder; (2) any other applicable provisions of law; (3) the Declaration of Trust of the Trust as amended from time to time; (4) the By-laws of the Trust as amended from time to time; and (5) the registration statements of the Trust as amended from time to time, filed under the Securities Act of 1933, as amended and the 1940 Act.

4. Board Supervision. All of the functions undertaken by the Adviser hereunder shall at all times be subject to the direction of the Board of Trustees of the Trust, or any committee or officers of the Trust acting under the authority of the Board of Trustees.

5. Payment of Expenses.

(a) The Adviser shall employ or provide and compensate the executive, administrative, secretarial and clerical personnel necessary to provide the services set forth herein, and shall bear the expense thereof. Adviser shall compensate all Trustees, officers and employees of the Trust who are also partners or employees of the Adviser.

(b) The Funds will be responsible for the payment of all operating expenses of the Trust, including fees and expenses incurred by the Trust in connection with membership in investment company organizations, brokerage fees and commissions, legal, auditing and accounting expenses, expenses of registering shares under federal and state securities laws, insurance expenses, taxes or governmental fees, fees and expenses of the custodian, the transfer, shareholder service and dividend disbursing agent and the accounting and pricing agent of the Funds, expenses including clerical expenses of issue, sale, redemption or repurchase of shares of the Funds, the fees and expenses of Trustees of the Trust who are not interested persons of the Trust, the cost of

preparing, printing and distributing prospectuses, statements, reports and other documents to shareholders, expenses of shareholders' meetings and proxy solicitations, and such extraordinary or non-recurring expenses as may arise, including litigation to which the Trust may be a party and indemnification of the Trust's officers and Trustees with respect thereto, or any other expense not specifically described above incurred in the performance of the Trust's obligations. All other expenses not expressly assumed by Adviser herein incurred in connection with the organization, registration of shares and operations of the Funds will be borne by the Funds

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6. Account Fees. The Trust, by resolution of the Board of Trustees, including a majority of the Independent Trustees, may from time to time authorize the imposition of a fee as a direct charge against shareholder accounts of the Funds, such fee to be retained by the Trust or to be paid to the Adviser to defray expenses which would otherwise be paid by the Adviser in accordance with the provisions of paragraph 5 of this Agreement. At least sixty (60) days' prior written notice of the intent to impose such fee must be given to the shareholders of the affected Fund.

7. Compensation of Adviser.

(a) As full compensation for the services and such facilities as may from time to time be furnished by the Adviser under this Agreement, the Funds agree to pay to the Adviser a fee at the annual rate listed in Appendix A of the Fund's average daily net asset value. Such fee shall be accrued daily and payable monthly. For purposes of calculating such fee, such net asset value shall be determined by taking the average of all determinations of net asset value made in the manner provided in the Funds' current Prospectus and Statement of Additional Information.

(b) For any period less than a full month during which this Agreement is in effect the compensation payable to the Adviser hereunder shall be prorated according to the proportion which such period bears to a full month.

(c) Each Fund is responsible for its own operating expenses. Any fees withheld or voluntarily reduced and any Fund expenses absorbed by the Adviser voluntarily or pursuant to an agreed upon expense cap which are a Fund's obligation are subject to reimbursement by the Fund to the Adviser, if so requested by the Adviser, in subsequent fiscal years if the aggregate amount actually paid by a Fund toward the operating expenses for such fiscal year (taking into account the reimbursement) does not exceed the applicable limitation on the Fund's expenses. The Adviser is permitted to be reimbursed only for fee reductions and expense payments made in the previous three fiscal years. Any such reimbursement is also contingent upon the Board of Trustees' review and approval all reimbursements. Such reimbursement may not be paid prior to a Fund's payment of current ordinary operating expenses.

8. Limitation of Liability of Adviser. The Adviser shall not be liable for any error of judgment or mistake of law or for any loss suffered by a Fund in connection with any investment policy or the purchase, sale, or retention of any investment on the recommendation of the Adviser; provided, however, that nothing herein contained shall be construed to protect the Adviser against any liability to the Fund by reason of willful misfeasance, bad faith or gross negligence in the performance of its duties, or by reason of reckless disregard of its obligations and duties under this Agreement.

9. Term and Termination.

(a) This Agreement shall become effective on the date hereof. Unless terminated as herein provided, this Agreement shall remain in full force and effect for an initial

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period of two years from the date hereof and shall continue in full force and effect for successive periods of one year thereafter, but only so long as each such continuance is approved (i) by either the Trustees of the Trust or by vote of a majority of the outstanding voting securities (as defined in the 1940 Act) of the Funds, and, in either event, (ii) by vote of a majority of the Trustees of the Trust who are not parties to this Agreement or interested persons (as defined in the 1940 Act) of any such party, cast in person at a meeting called for the purpose of voting on such approval.

(b) This Agreement may be terminated at any time as to the Trust or a particular series of the Trust without the payment of any penalty by vote of the Trustees of the Trust or by vote of the holders of a majority of the outstanding voting securities (as defined in the 1940 Act) of a Fund or by the Adviser, on sixty days' written notice to the other party.

(c) This Agreement shall automatically and immediately terminate in the event of its assignment (as defined in the 1940 Act).

10. Separate Agreement. The parties hereto acknowledge that certain provisions of the 1940 Act, in effect, treat each series of shares of an investment company as a separate investment company. Accordingly, the parties hereto hereby acknowledge and agree that, to the extent deemed appropriate and consistent with the 1940 Act, this Agreement shall be deemed to constitute a separate agreement between the Adviser and each Fund.

11. Limitation of Liability of Trustees and Shareholders. A copy of the Declaration of Trust of the Trust is on file with the Secretary of State of The Commonwealth of Massachusetts and notice is hereby given that this Agreement is executed on behalf of the Trustees of the Trust as trustees are not binding upon the Trustees or holders of shares of the Trust individually but are binding only upon the assets and property of the Trust.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be duly executed as of the date first written above.

MARKMAN MULTIFUND TRUST

By: /s/ Robert J. Markman

-----  
Robert J. Markman  
Chairman of the Board of  
Trustees and President

MARKMAN CAPITAL MANAGEMENT, INC.

By: /s/ Robert J. Markman

-----  
Robert J. Markman  
President

APPENDIX A

Compensation of the Adviser. The Markman Total Return Core Fund (the "Fund") will pay to the Adviser, for all of the services to be rendered and payments made as provided in this Agreement, a base fee, computed and accrued daily and paid monthly, at an annual rate of 0.85% of its average daily net assets (the "Base Fee"), which fee is subject to adjustment based on the investment performance of the Fund in relation to the investment performance of the Fund's benchmark index, which is the S&P 500 Index.

The Base Fee will be decreased in a series of breakpoints as the total assets under management for the Fund increase. The breakpoints, and the corresponding Base Fee are:

\$0- \$200 million	0.85%
Next \$150 million	0.80% (on assets from \$200 - \$350 million)
Next \$150 million	0.75% (on assets from \$350 - \$500 million)
Next \$150 million	0.70% (on assets from \$500 - \$650 million)
Next \$150 million	0.65% (on assets from \$650 - \$800 million)
All additional dollars	0.60% (on assets over \$800 million)

Adjustments to the Base Fee will be made by comparison of the Fund's investment performance for the applicable performance period to the investment performance of the Fund's benchmark index for the same period (the "Performance Fee Adjustment"). The applicable Performance Period is a rolling twelve (12) month period whereby the most recent calendar month is substituted for the earliest month as time passes. The Performance Fee Adjustment will be calculated based on the Fund's average net assets during each Performance Period, and the Performance Fee Adjustment will be applied to the Fund's Base Fee during the



current month. The Performance Fee Adjustment calculation will be done in accordance with Rule 205-2 or any other applicable rules under the Investment Advisers Act of 1940 (the "Investment Advisers Act"), as the same from time to time may be amended.

Using the S&P 500 as the benchmark, a "band" ranging from 5.00% below the benchmark to 5% above the benchmark would be established. Within that band, the Performance Fee Adjustment will be calculated on a rolling 12-month basis with a 2 basis point adjustment for every one percent differential in comparative performance. For example, if the Fund outperformed the S&P 500 by 1% more, but less than 2%, the performance fee would be adjusted positively two basis points (0.02%). If the Fund underperformed the S&P 500 by 2% or more, but less than 3%, the Performance Fee Adjustment would be negative four basis points (0.04%). Using this formula, the maximum yearly performance adjustment would be 10 basis points, up or down.

Initial Period. The Performance Fee Adjustment will not be applied until this Agreement has been in effect for 12 months (the "Initial Period"). For the first 12 months of the Initial Period, the Adviser will receive the Base Fee.

Subsequent Periods. For each month following the Initial Period, the Adviser will receive the Base Fee, subject to the Performance Fee Adjustment calculated as described above.

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The Fund's investment performance will be measured by comparing (i) the opening net asset value of one share of the Fund on the first business day of the performance period with (ii) the closing net asset value of one share of the Fund as of the last business day of such period. In computing the investment performance of the Fund and the investment record of the Fund's benchmark index, distributions of realized capital gains, the value of capital gains taxes per share paid or payable on undistributed realized long-term capital gains accumulated to the end of such period and dividends paid out of investment income on the part of the Fund, and all cash distributions of the securities included in the Fund's benchmark index, will be treated as reinvested in accordance with Rule 205-1 or any other applicable rules under the Investment Advisers Act, as the same from time to time may be amended.

Any calculations of the investment performance of the Fund and the investment performance of the Fund's benchmark index shall be in accordance with any then applicable rules of the Securities and Exchange Commission.

In the event of any termination of this Agreement, the fee provided for in this Appendix A shall be calculated on the basis of a period ending on the last day on which this Agreement is in effect, subject to a pro rata adjustment based on the number of days elapsed in the current period as a percentage of the total number of days in such period.



## i-COMPLIANCE SERVICES AGREEMENT

AGREEMENT dated as of October 5, 2004 between Markman MultiFund Trust (the "Trust"), a Massachusetts business trust and Integrated Fund Services, Inc. ("Integrated"), an Ohio corporation.

WHEREAS, the Trust is a management investment company registered under the Investment Company Act of 1940, as amended (the "1940 Act"); and

WHEREAS, shares of beneficial interest in the Trust are divided into separate series (each, along with any series which may in the future be established, a "Fund," collectively, the "Funds"); and

WHEREAS, the Trust wishes to employ Integrated to provide certain compliance services on behalf of the Trust; and

WHEREAS, Integrated wishes to provide such services to the Trust under the conditions set forth below;

NOW, THEREFORE, in consideration of the premises and mutual covenants contained in this Agreement, the Trust and Integrated agree as follows:

### 1. APPOINTMENT

The Trust hereby employs Integrated to perform those compliance services described in this Agreement and the Exhibits attached hereto for the Trust. Integrated shall act under such appointment and perform the obligations thereof in accordance with the Trust's current registration statement and as required by applicable federal laws and regulations upon the terms and conditions hereinafter set forth. The appointment shall begin at a time mutually agreed upon by the parties.

### 2. COMPLIANCE SERVICES

Subject to the direction and control of the Trustees of the Trust, Integrated shall perform the compliance services for the Trust detailed in Exhibits A-B. Integrated shall perform such other services for the Trust and the Funds that are mutually agreed upon by the parties from time to time, for which the Trust will pay Integrated the amounts agreed upon between them.

### 3. ASSUMPTIONS

The Trust is ultimately responsible for each Fund's compliance program and its compliance with applicable federal securities laws, including Rule 38a-1 under the 1940 Act. In addition, the management of each Fund and the management of the Funds' service providers are responsible for implementation and execution of their compliance programs.

#### 4. CONFIDENTIALITY

A. Without the prior consent of the other party, no party shall disclose Confidential Information (as defined below) of any other party received in connection with the services provided under this Agreement. The receiving party shall use the same degree of care as it uses to protect its own confidential information of like nature, but no less than a reasonable degree of care, to maintain in confidence the confidential information of the disclosing party. The foregoing provisions shall not apply to any information that (i) is, at the time of disclosure, or thereafter becomes, part of the public domain through a source other than the receiving party, (ii) is subsequently learned from a third party that, to the knowledge of the receiving party, is not under an obligation of confidentiality to the disclosing party, (iii) was known to the receiving party at the time of disclosure, (iv) is generated independently by the receiving party, or (v) is disclosed pursuant to applicable law, subpoena, applicable professional standards or other process.

B. For the purpose of this Section 4, Confidential Information shall mean Technical Elements (as defined below), or any information identified by either party as "Confidential" and/or "Proprietary" or which, under all of the circumstances, ought reasonably to be treated as confidential and/or proprietary. Integrated retains the right to use its knowledge, experience, and know-how, including processes, ideas, concepts and techniques developed in the course of performing the services.

C. In connection with performing its services under this Agreement, Integrated may use certain data, modules, components, designs, utilities, subsets, objects, program listings, tools, models, methodologies, programs, systems, analysis frameworks, leading practices, data bases, screen formats, report formats, interactive design technologies, documentation manuals and specifications ("Technical Elements"). Certain Technical Elements were owned or developed by Integrated prior to, or independently from, its engagement hereunder and are the sole and exclusive property of Integrated and Integrated retains all rights thereto; and certain other Technical Elements consist of third party works and products which Integrated has acquired the right to use. The Trust shall have no rights in the Technical Elements. The Trust agrees to treat all Technical Elements as Confidential Information.

#### 5. SPECIAL SERVICES AND REPORTS

Integrated may provide special services and reports as may be reasonably requested by the Trust, which may result in an additional charge, the amount of which shall be mutually agreed upon by the parties.

#### 6. SUBCONTRACTING

Integrated may, at its expense, and, upon prior written approval from the Trust, subcontract with any entity or person concerning the provision of the services contemplated hereunder; provided, however, that Integrated shall not be relieved of any of its obligations under this Agreement by the

appointment of such subcontractor and provided further, that Integrated shall be responsible for all acts of such subcontractor as if such acts were its own.

7. COMPENSATION

For performing its services under this Agreement, the Trust shall pay Integrated a fee in accordance with Exhibit C attached hereto.

8. EXPENSES

Integrated shall furnish, at its expense and without cost to the Trust, the services of its personnel to the extent that such services are required to carry out its obligations under this Agreement. All costs and expenses not expressly assumed by Integrated under this Paragraph shall be paid by the Trust. A list of typical expenses is set forth in Exhibit D; this list is not all inclusive.

9. REFERENCES TO INTEGRATED OR THE TRUST

A. Neither the Trust nor its agents shall circulate any printed matter which contains any reference to Integrated or use Integrated's name, or any of its trademarks, service marks or logos, including "i-Compliance", without the prior written approval of Integrated. The Trust will submit printed matter requiring approval to Integrated in draft form, allowing sufficient time for review by Integrated and its counsel prior to any deadline for printing.

B. Integrated shall not circulate any printed matter that contains any reference to the Trust without the prior written approval of the Trust, excepting solely such printed matter as merely identifies the Trust as a client of Integrated. Integrated will submit printed matter requiring approval to the Trust in draft form, allowing sufficient time for review by the Trust and its counsel prior to any deadline for printing.

10. INDEMNIFICATION OF INTEGRATED

A. Integrated may rely on information reasonably believed by it to be accurate and reliable. Except as may otherwise be required by the 1940 Act and the rules thereunder, neither Integrated nor its directors, officers, employees, shareholders, agents, control persons or affiliates of any thereof shall be subject to any liability for, or any damages, including consequential damages, expenses or losses incurred by the Trust in connection with, any error of judgment, mistake of law, any act or omission connected with or arising out of any services rendered under or payments made pursuant to this Agreement or any other matter to which this Agreement relates, except by reason of willful misfeasance, bad faith or gross negligence on the part of any such persons in the performance of the duties of Integrated under this Agreement or by reason of reckless disregard by any of such persons of the obligations and duties of

Integrated under this Agreement. Integrated may apply to the Trust at any time for instructions and may consult counsel for the Trust, or its own counsel, and with accountants and other experts with respect to any matter arising in connection with its duties hereunder, and Integrated shall not be liable or accountable for any action taken or omitted by it in good faith in accordance with such instruction, or with the opinion of such counsel, accountants, or other experts. Integrated shall not be held to have notice of any change of authority of any officers, employees, or agents of the Trust until receipt of written notice thereof have been received by Integrated from the Trust.

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B. Any person, even though also a director, officer, employee, shareholder or agent of Integrated, or any of its affiliates, who may be or become an officer, trustee, employee or agent of the Trust, shall be deemed, when rendering services to the Trust or acting on any business of the Trust, to be rendering such services to or acting solely as an officer, trustee, employee or agent of the Trust and not as a director, officer, employee, shareholder or agent of or one under the control or direction of Integrated or any of its affiliates, even though paid by one of these entities.

C. Notwithstanding any other provision of this Agreement, the Trust shall indemnify and hold harmless Integrated, its directors, officers, employees, shareholders, agents, control persons and affiliates of any thereof from and against any and all losses, damages, claims, suits, actions, demands, expenses and liabilities (whether with or without basis in fact or law), including legal fees and expenses and investigation expenses, of any and every nature which Integrated may sustain or incur or which may be asserted against Integrated by any person by reason of, or as a result of: (i) any action taken or omitted to be taken by Integrated in good faith in reliance upon any oral or written instructions of an authorized person of the Trust or upon the opinion of legal counsel for the Trust or its own counsel; (ii) any action taken or omitted to be taken by Integrated in connection with its appointment in good faith in reliance upon any law, act, regulation or interpretation of the same even though the same may thereafter have been altered, changed, amended or repealed; or (iii) any action taken or omitted to be taken by Integrated on its own initiative, in good faith and in accordance with the standard of care set forth in this Agreement. However, indemnification under this subparagraph shall not apply to actions or omissions of Integrated or its directors, officers, employees, shareholders, agents, control persons or affiliates in cases of its or their own gross negligence, willful misconduct, bad faith, or reckless disregard of its or their own duties hereunder.

D. Notwithstanding anything to the contrary in this Agreement, in no event shall Integrated be liable to the Trust or any third party for any special, consequential, punitive or incidental damages, or any other damages not measured by the prevailing party's actual damages even if advised of the possibility of such damages.

## 11. TERMINATION

A. With respect to the Compliance Program Administration Services, the provisions of this Agreement shall be effective on the date first above written, shall continue in effect for a period of one year ("Initial Term") from that date and shall continue in force for successive one year terms thereafter ("Renewal Term"), unless otherwise terminated as provided herein. With respect to the Compliance Program Development and Implementation and Annual Review Services, the provisions of this Agreement shall be effective on the date first above written and shall terminate upon completion of the services, as mutually agreed upon by the parties.

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B. Any party may terminate this Agreement at the end of the Initial Term, or at the end of any subsequent Renewal Term, by giving the other party at least one hundred eighty (180) days' prior written notice of such termination specifying the date fixed therefore. In the event this Agreement is terminated by the Trust prior to the end of the Initial Term or any subsequent Renewal Term, the Trust shall make a one-time cash payment to Integrated, in consideration of services provided under this Agreement, and not as a penalty, equal to the remaining balance of the fees payable to Integrated under this Agreement through the end of the Initial Term or Renewal Term, as applicable. The Trust shall likewise reimburse Integrated for any out-of-pocket expenses and disbursements ("out-of-pocket expenses") reasonably incurred by Integrated in connection with the services provided under this Agreement within 30 days of notification to the Trust of such out-of-pocket expenses regardless of whether such out-of-pocket expenses were incurred before or after the termination of this Agreement.

Notwithstanding the foregoing, following any such termination, in the event that Integrated in fact continues to perform any one or more of the services contemplated by this Agreement (or any Schedule or Exhibit hereto) with the consent of the Trust, the provisions of this Agreement, including without limitation the provisions dealing with compensation and indemnification, shall continue in full force and effect. Fees and out-of-pocket expenses incurred by Integrated but unpaid by the Trust upon such termination shall be immediately due and payable upon and notwithstanding such termination.

C. If a party materially fails to perform its duties and obligations hereunder (a "Defaulting Party") resulting in a material loss to another party, such other party (the "Non-Defaulting Party") may give written notice thereof to the Defaulting Party, which such notice shall set forth with sufficient detail the nature of the breach. The Defaulting Party shall have ninety (90) days from its receipt of notice to cure the breach. If such material breach shall not have been remedied to commercially reasonable operating standards, the Non-Defaulting Party may terminate this Agreement by giving sixty (60) days' written notice of such termination to the Defaulting Party. If Integrated is the Non-Defaulting Party, its termination of this Agreement shall not constitute a waiver of any

rights or remedies with respect to services it performed prior to such termination, or the right of Integrated to receive such compensation as may be due as of the date of termination or to be reimbursed for all reasonable out-of-pocket expenses. In all cases, termination by the Non-Defaulting Party shall not constitute a waiver by the Non-Defaulting Party of any other rights it might have under this Agreement or otherwise against a Defaulting Party.

D. In the case of the following transactions, not in the ordinary course of business, namely, the merger of the Trust, or a Fund, into or the consolidation of the Trust, or a Fund, with another investment company, the sale by the Trust, or a Fund, of all, or substantially all, of its assets to another investment company, or the liquidation or dissolution of the Trust, or a Fund, and distribution of its assets, or any similar transaction or any other form of business transaction involving the Trust or a Fund, this Agreement will terminate with respect to the applicable Fund or Funds and Integrated shall be released from any and all obligations hereunder upon the payment of the fees, disbursements and expenses due to Integrated through the end of the then current term of this Agreement. The parties acknowledge and agree that the damages provision set forth above in paragraph B shall be applicable in those instances in which Integrated is not retained to provide compliance services subsequent to the transactions listed above.

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E. Integrated will be entitled to collect from the Trust all reasonable expenses incurred in conjunction with termination of this Agreement, including but not limited to out-of-pocket expenses, employee time, system fees and fees charged by third parties with whom Integrated has contracted.

## 12. SERVICES FOR OTHERS

Nothing in this Agreement shall prevent Integrated or any of its affiliates (as defined in the 1940 Act) from providing services for any other person, firm or corporation (including other investment companies); provided, however, that Integrated expressly represents that it will undertake no activities which, in its judgment, will adversely affect the performance of its obligations to the Trust under this Agreement.

## 13. COMPLIANCE WITH GOVERNMENTAL RULES AND REGULATIONS

The parties hereto acknowledge and agree that nothing contained herein shall be construed to require Integrated to perform any services for the Trust which services could cause Integrated to be deemed an "investment adviser" of the Trust within the meaning of Section 2(a)(20) of the 1940 Act or to supersede or contravene the Trust's prospectus or statement of additional information or any provisions of the 1940 Act and the rules thereunder. Except as otherwise provided in this Agreement, the Trust assumes full responsibility for complying with all applicable requirements of the 1940 Act, the Securities Act of 1933, as amended, and any other laws, rules and regulations of



governmental authorities having jurisdiction.

14. LIMITATION OF LIABILITY.

A. It is expressly agreed that the obligations of the Trust hereunder shall not be binding upon any of the Trustees, shareholders, nominees, officers, agents or employees of the Trust, personally, but bind only the trust property of the Trust. The execution and delivery of this Agreement have been authorized by the Trustees of the Trust and signed by an officer of the Trust, acting as such, and neither such authorization by such Trustees nor such execution and delivery by such officer shall be deemed to have been made by any of them individually or to impose any liability on any of them personally, but shall bind only the trust property of the Trust.

B. Standard of Care; Uncontrollable Events; Limitation of Liability. Integrated shall use reasonable professional diligence to ensure the accuracy of all services performed under this Agreement, but shall not be liable to the Trust for any action taken or omitted by Integrated in the absence of bad faith, willful misfeasance, negligence or reckless disregard by Integrated of its obligations and duties. The duties of Integrated shall be confined to those expressly set forth herein, and no implied duties are assumed by or may be asserted against Integrated hereunder.

Integrated shall provide the Trust, at such times as it may reasonably require, copies of reports rendered by independent public accountants on the internal controls and procedures of Integrated relating to the services provided by Integrated under this Agreement.

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C. Representations and Warranties of the Trust. The Trust represents and warrants to Integrated that:

(i) It is a Trust duly incorporated and validly existing under the laws of the jurisdiction of its formation, and has full capacity and authority to enter into this agreement and to carry out its obligations hereunder;

(ii) It has all necessary authorizations, licenses and permits to carry out its business as currently conducted;

(iii) It has been in, and shall continue to be in compliance in all material respects with all laws and regulations applicable to its business and operations;

(iv) This Agreement has been duly authorized by the Trust and, when executed and delivered by the Trust, will constitute a legal, valid and binding obligation of the Trust, enforceable against the Trust in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium

and other laws of general application affecting the right and remedies of creditors and secured parties.

15. SEVERABILITY.

In the event any provision of this Agreement is determined to be void or unenforceable, such determination shall not affect the remainder of this Agreement, which shall continue to be in force.

16. QUESTIONS OF INTERPRETATION.

This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio. Any question of interpretation of any term or provision of this Agreement having a counterpart in or otherwise derived from a term or provision of the 1940 Act shall be resolved by reference to such term or provision of the 1940 Act and to interpretations thereof, if any, by the United States Courts or in the absence of any controlling decision of any such court, by rules, regulations or orders of the SEC issued pursuant to said 1940 Act. In addition, where the effect of a requirement of the 1940 Act, reflected in any provision of this Agreement, is revised by rule, regulation or order of the SEC, such provision shall be deemed to incorporate the effect of such rule, regulation or order.

17. CONFIDENTIALITY

A. Both parties hereto agree that any nonpublic information obtained hereunder concerning another party is confidential and may not be disclosed without the consent of the other party, except as may be required by applicable law or at the request of a governmental agency. The parties further agree that a breach of this provision would irreparably damage the other party and accordingly agree that each of them is entitled, in addition to all other remedies at law or in equity to an injunction or injunctions without bond or other security to prevent breaches of this provision.

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B. Both parties hereto agree that nonpublic personal shareholder information shall remain the sole property of the Trust. Such information shall not be disclosed or used for any purpose except in connection with the performance of the duties and responsibilities described herein or as required or permitted by law. The provisions of this Section shall survive the termination of this Agreement. The parties agree to comply with any and all regulations promulgated by the SEC or other applicable laws regarding the confidentiality of shareholder information.

18. NOTICES.

All notices required or permitted under this Agreement shall be in writing (including telex and telegraphic communication) and shall be (as elected

by the person giving such notice) hand delivered by messenger or courier service, telecommunicated, or mailed (airmail if international) by registered or certified mail (postage prepaid), return receipt requested, addressed to:

To the Trust: Markman MultiFund Trust  
6600 France Avenue South  
Edina, MN 55435  
Attn: Robert J. Markman

To Integrated: Integrated Fund Services, Inc.  
221 East 4th Street, Ste 300  
Cincinnati, Ohio 45202  
Attn: Scott A. Englehart

or to such other address as any party may designate by notice complying with the terms of this Paragraph. Each such notice shall be deemed delivered (a) on the date delivered if by personal delivery; (b) on the date telecommunicated if by telegraph; (c) on the date of transmission with confirmed answer back if by telex, telefax or other telegraphic method or e-mail; and (d) on the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not deliverable, as the case may be, if mailed.

19. AMENDMENT.

This Agreement may not be amended or modified except by a written agreement executed by all affected parties.

20. BINDING EFFECT.

Each of the undersigned expressly warrants and represents that he or she has the full power and authority to sign this Agreement on behalf of the party indicated, and that his or her signature will operate to bind the party indicated to the foregoing terms.

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21. COUNTERPARTS.

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

22. FORCE MAJEURE.

Integrated assumes no responsibility hereunder, and shall not be liable, for any damage, loss of data, interruption, delay or any loss whatsoever caused by events beyond its control, including and without limitation, acts of God, interruption or failure of power or other utility, transportation, mail, or

communication services, equipment failure, acts of civil or military authority, sabotages, war, insurrection, riots, national emergencies, explosion, flood, accident, earthquake or other catastrophe, fire, natural disasters, strike or other labor problems, legal action, present or future law, governmental order or decree, rule or regulation, or shortages of suitable parts, materials, labor or transportation.

23. MISCELLANEOUS.

The captions in this Agreement are included for convenience of reference only and in no way define or limit any of the provisions hereof or otherwise affect their construction or effect.

Each party agrees to perform such further acts and execute such further documents as are necessary to effectuate the purposes hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

MARKMAN MULTIFUND TRUST

By: /s/ Robert J. Markman

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Robert J. Markman

Its: President

INTEGRATED FUND SERVICES, INC.

By: /s/ Scott A. Englehart

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Scott A. Englehart

Its: President

Exhibit A  
Compliance Program Development & Implementation

Project Identification & Specific Description of Services  
Compliance Program Development and Implementation Service Review

Program development and implementation services are offered through Integrated

Fund Services, Inc. Integrated will undertake a project to develop and assist in implementing a compliance program for Integrated on behalf the Fund. The project activities will include:

- o Produce policy and procedure summaries for board review;
- o Work with the CCO to establish the recordkeeping policies, procedures and program;
- o Assist the CCO in developing the day-to-day monitoring system of the Compliance Program;
- o Work with the CCO to establish standards for board reporting by the CCO.

The Compliance Program will include the following:

- o Fund policies and procedures including those collected from the Funds' service providers.
- o Assembled reviews and documentation as requested by the board to enable them to make findings required by Rule 38a-1.
- o Establishment of a Compliance Program monitoring system.
- o Development of standards for service provider reports to the CCO.
- o Implementation of the Compliance Program.
- o Development of standard board reporting by the CCO.

A-1

i-Compliance  
Compliance Program Solution

Exhibit B  
Compliance Program Administration

Project Identification & Specific Description of Services  
Compliance Program Administration Service Review

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Integrated Fund Services, Inc. provides program administration services. Integrated will provide administrative support services to the Funds' Compliance Program and Chief Compliance Officer as described below.

- o Assist with the annual review of the Funds' Compliance Program;

- o Facilitate the annual review of policies and procedures of the Funds' service providers;
- o Assist in arranging for or conducting the annual review of program controls and procedures;
- o Facilitate the development, monitoring and updating of policies and procedures;
- o Provide support with review and evaluation of material compliance issues;
- o Assist with the day-to-day monitoring, data collection, recordkeeping and assimilation of management reports provided by the Funds' service providers.

B-1

i-Compliance  
Compliance Program Solution

Exhibit C  
Fee Arrangements

In addition to the fees listed below, actual expenses will be billed as incurred. Should the scope, type or extent of our Services change significantly, we reserve the right to adjust our fees accordingly.

Compliance Program Development and Implementation	\$15,000 one-time fee
Fund Compliance Program Administration	\$15,000 annual fee

C-1

i-Compliance  
Compliance Program Solution

Exhibit D  
Examples of Trust Expenses

Such expenses may include, but are not limited to, the costs and expenses incurred in connection with the services provided under this Agreement of:

1. Officers and employees of Integrated in attending meetings of the Board of Trustees of the Trust or otherwise visiting the offices of the Trust;

2. All postage, envelopes, checks, drafts, continuous forms, bank charges, reports, communications, statements and other materials;
3. File interface expenses (e.g., FundSmith, SunGard, Expeditor and other distribution partners);
4. Telephone, telegraph and remote transmission lines;
5. Necessary outside record storage, record management and maintenance, record destruction, document shredding, media for storage of records (e.g., microfilm, microfiche, computer tapes);
6. Charges imposed by third-party service or software providers for items such as, but not limited to, regulatory updates; and
7. Any and all assessments, taxes or levies assessed on Integrated for services provided under this Agreement.

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## COMPLIANCE SERVICES AGREEMENT

AGREEMENT effective as of the 4th day of October, 2004, between MARKMAN MULTIFUND TRUST (the "Trust"), a Massachusetts business trust having its principal place of business at 6600 France Avenue South, Suite 485, Edina, Minnesota 55435, and MARKMAN CAPITAL MANAGEMENT, INC. (the "Adviser"), a Minnesota corporation having its principal place of business at 6600 France Avenue South, Suite 485, Edina, Minnesota 55435.

WHEREAS, the Trust is a registered open-end management investment company, and will become subject to the requirements of Rule 38a-1 under the Investment Company Act of 1940 (the "1940 Act"), which requires each registered investment company to designate a Chief Compliance Officer;

WHEREAS, the Board of Trustees of the Trust, including a majority of the Trustees who are not "interested persons" (as defined by the 1940 Act) of the Trust (the "Disinterested Trustees"), have designated Ms. Judith E. Fansler, an employee of the Adviser, to be the Chief Compliance Officer of the Trust and has approved her compensation for serving in such a capacity;

WHEREAS, the Trust agrees to compensate Ms. Fansler for her services as Chief Compliance Officer of the Trust as set forth in this Agreement;

WHEREAS, the Adviser is willing to perform the services enumerated in this Agreement on the terms and conditions set forth in this Agreement; and

WHEREAS, the Trust and the Adviser wish to enter into this Agreement in order to set forth the terms under which the Adviser will perform the services enumerated herein on behalf of the Trust.

NOW, THEREFORE, in consideration of the covenants herein contained, the Trust and the Adviser hereby agree as follows:

### 1. Compliance Services

(a) Provision of Chief Compliance Officer. The Adviser will provide Ms. Fansler, whose designation and compensation as the Trust's Chief Compliance Officer has been approved by the Trust's Board of Trustees, to serve as the Trust's Chief Compliance Officer to administer the Fund's policies and procedures pursuant to Rule 38a-1 of the 1940 Act (the "Compliance Program"). Ms. Fansler's compensation and any changes to such compensation will be subject to the approval of the Board of Trustees, including a majority of the Disinterested Trustees. Ms. Fansler may be removed at any time by the Board of Trustees, including a majority of the Disinterested Trustees. Subject to the direction and control of the Board of Trustees of the Trust, Ms. Fansler, as the Chief Compliance Officer, shall perform the compliance services for the Trust detailed in the attached Schedule A.



In the event that the Adviser decides to terminate the employment of Ms. Fansler, the Adviser shall use its best efforts to notify the Trust in advance of such termination, and provide as much notice to the Trust of the termination as may be practical under the circumstances. In addition, the Adviser shall inform the Trust of such information as may be available and disclosable (subject to any privilege) as to the reason for the termination and such information as may be relevant to any consideration that the Board may give to continuing to retain Ms. Fansler as the Trust's Chief Compliance Officer notwithstanding the termination of employment by the Adviser.

In the event that the employment relationship between the Adviser and Ms. Fansler terminates for any reason, the Adviser shall have no further responsibility to provide the services of Ms. Fansler. In such event, or in the event that the Board terminates the Chief Compliance Officer or notifies the Adviser that it intends to terminate the Chief Compliance Officer, the Adviser will (without any unnecessary or unreasonable delay) employ reasonable good faith efforts to make another appropriately qualified person available to serve as the Chief Compliance Officer. In the event that, following a reasonable opportunity for the Adviser to provide such replacement, the Board does not find that any proposed replacement for the Chief Compliance Officer offered by the Adviser is acceptable to the Board, the Trust may terminate this Agreement, immediately upon written notice to the Adviser.

In connection with the Adviser's commitment to make an appropriately qualified person available to serve as Chief Compliance Officer, the Adviser shall pay a level of total compensation to such person as is consistent with the Adviser's compensation of employees having similar duties and similar seniority. The Adviser shall not be obligated to pay any compensation to a Chief Compliance Officer which exceeds that set forth in the previous sentence. At least annually, the Adviser shall disclose to the Board the components of the Chief Compliance Officer's actual compensation package in reasonable detail to allow the Board to fulfill its responsibilities under Rule 38a-1(a)(4)(i) under the 1940 Act and related SEC staff positions and interpretations.

The Trust will provide copies of the Trust's Compliance Program, related policies and procedures, and all other books and records of the Trust as the Chief Compliance Officer deems necessary or desirable in order to carry out her duties hereunder on behalf of the Trust. The Trust shall cooperate with the Chief Compliance Officer and assist the Chief Compliance Officer in preparing, implementing and carrying out her duties under the Compliance Program and Rule 38a-1 of the 1940 Act. In addition, the Trust shall provide the Chief Compliance Officer with appropriate access to the executive officers and trustees of the Trust, and to representatives of and to any records, files and other documentation prepared by the Trust's service providers (as defined in Rule 38a-1) ("Service Providers") and by Trust and Disinterested Trustee counsel, the Trust's custodian and the Trust's independent accountants (collectively, the "Other Providers"), which are or may be related to the Compliance Program.

Each party agrees to provide promptly to the other party (and to the Chief Compliance Officer), upon request, copies of other records and documentation relating to the compliance by such party with all federal securities laws applicable to the Trust (as defined under Rule 38a-1 of the 1940 Act), and each party also agrees otherwise to assist the other party (and the Chief Compliance Officer) in complying with the requirements of the Compliance Program and all applicable federal securities laws.

(b) Additional Provisions Concerning Chief Compliance Officer. It is mutually agreed and acknowledged by the parties that the Chief Compliance Officer contemplated under the provisions of this Section 1 of this Agreement will be an officer of the Trust that is eligible for Trust indemnification. Section 1(a) is subject to the internal policies of the Adviser concerning the activities of its employees and their service as officers of funds (the "Adviser's Policies"). The Trust's governing documents (including its Agreement and Declaration of Trust and By-Laws) and/or resolutions of its Board of Trustees shall contain mandatory indemnification provisions that are applicable to the Chief Compliance Officer, that are designed and intended to have the effect of fully indemnifying her and holding her harmless with respect to any claims, liabilities and costs arising out of or relating to her service in good faith in a manner reasonably believed to be in the best interests of the Trust, except to the extent she would otherwise be liable to the Trust by reason of willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of her office.

The Trust shall provide coverage to the Chief Compliance Officer under its directors and officers liability policy that is appropriate to the Chief Compliance Officer's role and title, and consistent with coverage applicable to the other officers holding positions of executive management.

In appropriate circumstances, the Chief Compliance Officer shall have the discretion to resign from his or her position, in the event that he or she reasonably determines that there has been or is likely to be (a) a material deviation from the Adviser's Policies, (b) an ongoing pattern of conduct involving the continuous or repeated violation of applicable federal securities laws, or (c) a material deviation by the Trust from the terms of this Agreement governing the services of the Chief Compliance Officer that is not caused by the Chief Compliance Officer or the Adviser. In addition, the Chief Compliance Officer shall have reasonable discretion to resign from his or her position in the event that she determines that she has not received sufficient cooperation from the Trust or its Service Providers to make an informed determination regarding any of the matters listed above.

The Chief Compliance Officer may, and the Trust shall, promptly notify the Adviser of any issue, matter or event that would be reasonably likely to result in any claim by the Trust, one or more Trust shareholder(s) or any third party

with respect to services performed under this Agreement.

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Notwithstanding any provision of any other agreement or instrument that expressly or by implication provides to the contrary, it is expressly agreed and acknowledged that whenever an employee or agent of the Adviser serves as the Chief Compliance Officer of the Trust, as long as the Chief Compliance Officer acts in good faith and in a manner reasonably believed to be in the best interests of the Trust (and would not otherwise be liable to the Trust by reason of willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his or her office), the Trust shall indemnify the Chief Compliance Officer and the Adviser and hold the Chief Compliance Officer and the Adviser harmless from any loss, liability, expenses (including reasonable attorneys fees) and damages incurred by them arising out of or related to the service of such employee or agent of the Adviser as the Chief Compliance Officer of the Trust.

## 2. Reimbursement of Fees and Expenses

(a) The Adviser hereby agrees to pay to Ms. Fansler (or her successor as provided by the Adviser pursuant to Section 1(a)) the compensation for serving as the Trust's Chief Compliance Officer approved by the Trust's Board of Trustees and set forth in the attached Schedule B. The Trust hereby agrees to reimburse the Adviser for such payment to the Chief Compliance Officer and for all out-of-pocket expenses reasonably related to the Chief Compliance Officer in providing services under this Agreement, including but not limited to the following:

(i) Travel costs, if any, related to conducting due diligence of Service Providers;

(ii) The costs of attending training conferences and seminars;

(iii) The fees or other costs charged by Other Providers in providing reports to the Chief Compliance Officer under the Compliance Program; and

(iv) Any other out of pocket expenses which have been reviewed and approved by the Board or an independent committee thereof.

(b) All rights of compensation under this Agreement for fee and expense reimbursements shall survive the termination of this Agreement.

## 3. Term and Termination

(a) The compliance services to be rendered by the Adviser under this Agreement shall commence upon the date of this Agreement and shall continue in effect for one (1) year, until October 4, 2005 ("Initial Term"), and shall

continue in force for successive one year terms thereafter ("Renewal Term") subject to the approval of the Trust's Board of Trustees, unless otherwise terminated pursuant to the terms of this Agreement, including Section 1(a). This Agreement may be terminated, without penalty, (i) by the Trust at any time upon written notice to the Adviser, or (ii) by the Adviser upon ninety (90) days' prior written notice to the Trust.

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(b) Notwithstanding anything in this Agreement to the contrary, including but not limited to the provisions of Section 3(a), all of the obligations of the Adviser hereunder shall terminate automatically upon any termination of the Investment Advisory Agreement between the Adviser and the Trust, dated December 30, 2002, with respect to the Trust.

#### 4. Indemnification.

The Trust agrees to indemnify and hold harmless the Adviser, its employees, agents, directors, officers and nominees from and against any claims, demands, actions, suits, judgments, liabilities, losses, damages, costs, charges, counsel fees and other expenses (including reasonable investigation expenses) of every nature and character (collectively, "Losses") resulting directly and proximately from the Adviser's performance of services under this Agreement or based, if applicable, upon Adviser's reasonable reliance on information, records, instructions or requests pertaining to services hereunder, that are given or made to the Adviser by the Trust, or other authorized agents of the Trust with which the Adviser must interface in providing services; provided that this indemnification shall not apply to actions or omissions of the Adviser (including the Chief Compliance Officer) involving bad faith, willful misfeasance, negligence or reckless disregard by it of its obligations and duties.

The Adviser shall indemnify, defend, and hold the Trust, and its directors, officers, agents and nominees harmless from and against any Losses resulting directly and proximately from the Adviser's willful misfeasance, bad faith or negligence in the performance of, or the reckless disregard of, its duties or obligations hereunder .

The indemnification rights hereunder shall include the right to reasonable advances of defense expenses in the event of any pending or threatened litigation with respect to which indemnification hereunder may ultimately be merited. In order that the indemnification provisions contained herein shall apply, however, it is understood that if in any case a party may be asked to indemnify or hold the other party harmless, the indemnifying party shall be fully and promptly advised of all pertinent facts concerning the situation in question, and it is further understood that the indemnified party will use all reasonable care to identify and notify the indemnifying party promptly concerning any situation which presents or appears likely to present the probability of such a claim for indemnification against the indemnifying party,

but failure to do so in good faith shall not affect the rights hereunder except to the extent the indemnifying party is materially prejudiced thereby. As to any matter eligible for indemnification, an indemnified party shall act reasonably and in accordance with good faith business judgment and shall not effect any settlement or confess judgment without the consent of the indemnifying party, which consent shall not be withheld or delayed unreasonably.

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The indemnifying party shall be entitled to participate at its own expense or, if it so elects, to assume the defense of any suit brought to enforce any claims subject to this indemnity provision. If the indemnifying party elects to assume the defense of any such claim, the defense shall be conducted by counsel chosen by it and reasonably satisfactory to the indemnified party. In the event that the indemnifying party elects to assume the defense of any suit and retain counsel, the indemnified party shall bear the fees and expenses of any additional counsel retained by it. An indemnifying party shall not effect any settlement without the consent of the indemnified party (which shall not be withheld or delayed unreasonably by the indemnified party) unless such settlement imposes no liability, responsibility or other obligation upon the indemnified party and relieves it of all fault. If the indemnifying party does not elect to assume the defense of suit, it will reimburse the indemnified party for the reasonable fees and expenses of any counsel retained by the indemnified party. The indemnity and defense provisions set forth herein shall indefinitely survive the termination of this Agreement.

#### 5. Record Retention and Confidentiality.

All records and other data relating to the services to be performed under this Agreement are the exclusive property of the Trust and all such records and data will be furnished to the Trust upon request in appropriate form as soon as practicable after termination of this Agreement for any reason. The Chief Compliance Officer shall promptly upon the Trust's demand, turn over to the Trust and cease to retain the Chief Compliance Officer's files, records and documents created and maintained by the Chief Compliance Officer pursuant to this Agreement which are no longer needed by the Chief Compliance Officer in the performance of her services or for her legal protection. If not so turned over to the Trust, such documents and records shall be retained by the Adviser for six (6) years from the year of creation. At the end of such six-year period, such records and documents shall be turned over to the Trust unless the Trust authorizes in writing the destruction of such records and documents.

All parties hereto agree that any nonpublic information obtained hereunder concerning another party is confidential and may not be disclosed without the consent of the other party, except as may be required by applicable law or at the request of a governmental agency. The parties further agree that a breach of this provision would irreparably damage the other party and accordingly agree that each of them is entitled, in addition to all other remedies at law or in equity to an injunction or injunctions without bond or other security to prevent

breaches of this provision.

All parties hereto agree that nonpublic personal shareholder information shall remain the sole property of the Trust. Such information shall not be disclosed or used for any purpose except in connection with the performance of the duties and responsibilities described herein or as required or permitted by law. The provisions of this Section shall survive the termination of this Agreement. The parties agree to comply with any and all regulations promulgated by the SEC or other applicable laws regarding the confidentiality of shareholder information.

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#### 6. Standard of Care; Uncontrollable Events; Limitation of Liability

The Adviser shall use reasonable professional diligence in the performance of all services under this Agreement, but shall not be liable to the Trust for any action taken or omitted by the Adviser in the absence of bad faith, willful misfeasance, negligence or reckless disregard by it of its obligations and duties. The duties of the Adviser under this Agreement shall be confined to those expressly set forth herein, and no implied duties are assumed by or may be asserted against the Adviser hereunder.

The Adviser shall maintain adequate and reliable computer and other equipment (including back-ups) necessary or appropriate for the Chief Compliance Officer to carry out her obligations under this Agreement. Upon the Trust's reasonable request, the Adviser shall provide supplemental information concerning the aspects of its disaster recovery and business continuity plan that are relevant to the services provided hereunder. Notwithstanding the foregoing or any other provision of this Agreement, the Adviser assumes no responsibility hereunder, and shall not be liable for, any damage, loss of data, delay or any other loss whatsoever caused by events beyond its reasonable control. Events beyond the Adviser's reasonable control include, without limitation, force majeure events. Force majeure events include natural disasters, actions or decrees of governmental bodies, and communication lines failures that are not the fault of either party. In the event of force majeure, computer or other equipment failures or other events beyond its reasonable control, the Adviser shall follow applicable procedures in its disaster recovery and business continuity plan and use all commercially reasonable efforts to minimize any service interruption.

The Adviser shall provide the Trust, at such times as the Trust may reasonably request, copies of reports rendered by independent public accountants on the internal controls and procedures of the Adviser relating to the services provided by the Adviser under this Agreement.

#### 7. Notice

Any notice provided hereunder shall be sufficiently given when sent by

registered or certified mail to the party required to be served with such notice at the following address: if to the Trust, at 6600 France Avenue South, Suite 485, Edina, Minnesota 55435; Attn: President; and if to the Adviser, at 6600 France Avenue South, Suite 485, Edina, Minnesota 55435; Attn: President, or at such other address as such party may from time to time specify in writing to the other party pursuant to this Section.

8. Governing Law and Matters Relating to the Trust as a Massachusetts Business Trust

This Agreement shall be construed in accordance with the laws of the Commonwealth of Massachusetts and the applicable provisions of the 1940 Act. To the extent that the applicable laws of the Commonwealth of Massachusetts, or any of the provisions herein, conflict with the applicable provisions of the 1940 Act, the latter shall control. It is expressly agreed that the obligations of the Trust hereunder shall not be binding upon any of the Trustees, shareholders, nominees, officers, agents or employees of the Trust personally, but shall bind only the trust property of the Trust. The execution and delivery of this Agreement have been authorized by the Trustees, and this Agreement has been signed and delivered by an authorized officer of the Trust, acting as such, and neither such authorization by the Trustees nor such execution and delivery by such officer shall be deemed to have been made by any of them individually or to impose any liability on them personally, but shall bind only the trust property of the Trust as provided in the Trust's Declaration of Trust.

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9. Binding Effect

Each party represents and warrants to the other that this Agreement has been duly authorized and, when executed and delivered by it, will constitute a legal, valid and binding obligation of it, enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting the rights and remedies of creditors and secured parties.

10. Severability

In the event any provision of this Agreement is determined to be void or unenforceable, such determination shall not affect the remainder of this Agreement, which shall continue to be in force.

11. Miscellaneous

(a) This Agreement constitutes the complete agreement of the parties hereto as to the subject matter covered by this Agreement and supersedes all prior negotiations, understandings and agreements bearing upon the subject matter covered herein.



(b) No amendment or modification to this Agreement shall be valid unless made in writing and executed by both parties hereto.

(c) Paragraph headings in this Agreement are included for convenience only and are not to be used to construe or interpret this Agreement.

(d) This Agreement may be executed in counterparts, each of which shall be an original but all of which, taken together, shall constitute one and the same agreement.

\* \* \* \* \*

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed all as of the day and year first above written.

MARKMAN MULTIFUND TRUST

By: /s/ Robert J. Markman

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Name: Robert J. Markman  
Title: President

MARKMAN CAPITAL MANAGEMENT, INC.

By: /s/ Robert J. Markman

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Name: Robert J. Markman  
Title: President

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SCHEDULE A  
TO COMPLIANCE SERVICES AGREEMENT  
BETWEEN MARKMAN MULTIFUND TRUST AND MARKMAN CAPITAL MANAGEMENT, INC.

Compliance Services of Chief Compliance Officer

The Chief Compliance Officer and his or her designees will perform the duties and responsibilities set forth in this Schedule and in accordance with Rule 38a-1 under the Investment Company Act of 1940, as amended (the "1940 Act"). The Chief Compliance Officer will assume his or her duties upon approval by the



Trust's Board of Trustees.

The Chief Compliance Officer will, among other things, oversee an annual review of the policies and procedures of the Trust and its service providers (as defined under Rule 38a-1 of the 1940 Act) (the "Service Providers") and will provide a summary report of his or her findings to the Board of Trustees for their approval.

The Chief Compliance Officer will provide a written report to the Board of Trustees at least annually. The report will address:

- (1) The operation of the policies and procedures of the Trust and each Service Provider since the last report;
- (2) Any material changes to the policies and procedures since the last report;
- (3) Any recommendations for material changes to the policies and procedures as a result of the annual review; and
- (4) Any material compliance matters since the date of the last report.

In addition, the Chief Compliance Officer will keep the Board apprised of any material compliance events that are brought to his or her attention whether those events occur at the Trust or its Service Providers.

Any material compliance matters of which the Chief Compliance Officer becomes aware will be reported to the Board promptly.

The Chief Compliance Officer will be responsible for ensuring that copies are maintained of all policies and procedures that are in effect or were in effect for a period of six years; keep any records documenting the annual review; and maintain materials provided to the Board of Trustees in connection with its approval of the policies and procedures of the Trust and its Service Providers and the annual written reports provided by the Chief Compliance Officer.

#### Written Deliverables, Including Reports

Upon appointment by the Board of Trustees, the Chief Compliance Officer will:

- o Communicate with the Trust's management and the management of the Trust's Service Providers regarding the Trust's Compliance Program requirements;

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- o Visit Trust management and the Trust's Service Providers and Other Providers (as defined in the Agreement);

- o Meet separately, no less frequently than annually, with the Trustees of the Trust that are not "interested persons" as defined under the 1940 Act;
- o Obtain and review copies of policies and procedures from the Trust and its Service Providers;
- o Prepare a summary of the policies and procedures of the Trust and its Service Providers that will be provided to the Board for review and approval
- o Establish and maintain a recordkeeping system to meet the requirements of the Rule.

During the course of the Chief Compliance Officer's duties, opportunities for economies in or improvements in the policies and procedures of the Trust and its Service Providers may be observed. If so, the Chief Compliance Officer will communicate them either orally or in writing, at the Board's discretion.

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SCHEDULE B  
 TO COMPLIANCE SERVICES AGREEMENT  
 BETWEEN MARKMAN MULTIFUND TRUST AND MARKMAN CAPITAL MANAGEMENT, INC.

Dated October 4, 2004

Compensation of the Chief Compliance Officer

Ms. Fansler shall receive the fees described below:

- |          |   |
|----------|---|
| \$15,000 | one-time fee for her assistance in preparing the Trust's compliance policies and procedures |
| \$40,000 | annual fee per year for serving as the Trust's Chief Compliance Officer                     |

The fees set forth shall be paid by the Adviser. The Adviser will be reimbursed by the Trust for such costs.

Out of Pocket Expenses

Out of pocket expenses are not included in the above fees and shall also be reimbursed by the Trust in accordance with the provisions of Section 2 of this Agreement.

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CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the references to our firm under the captions "Financial Highlights" in the Prospectuses and "Independent Registered Public Accounting Firm" and "Financial Statements" in the Statement of Additional Information and to the incorporation by reference of our report dated February 1, 2005 on the financial statements and financial highlights of the Markman MultiFund Trust, in Post-Effective Amendment Number 16 to the Registration Statement (Form N-1A, No. 333-85182), included in the Annual Report to Shareholders for the fiscal year ended December 31, 2004, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

Cincinnati, Ohio  
April 26, 2005

FIRST AMENDED  
CODE OF ETHICS

MARKMAN MULTIFUND TRUST  
MARKMAN CAPITAL MANAGEMENT, INC.

(Adopted November 5, 2002)

(Amended February 1, 2005)

A. Introduction

Rule 17j-1 under the Investment Company Act of 1940 (the "Act") requires registered investment companies and their investment advisers to adopt codes of ethics and reporting requirements to prevent fraudulent, deceptive and manipulative practices. The Markman MultiFund Trust (the "Trust") is registered as an open-end management investment company under the Act. Markman Capital Management, Inc. (the "Adviser") is the investment adviser of the Trust. Except as otherwise specified herein, this Code applies to all employees, officers, directors and trustees of the Adviser and the Trust.

Rule 204A-1 under the Investment Advisers Act of 1940 (the "Advisers Act") requires the Adviser to maintain and enforce a written code of ethics for its supervised persons, addressing such persons' conduct both with respect to the Trust and the private accounts advised by the Adviser (the "Private Accounts"). This Code of Ethics also is intended to address the requirements of Rule 204A-1. In addition to the other requirements of this Code, all supervised persons of the Adviser are required to comply with the applicable "federal securities laws," as that term is defined in Rule 204A-1(e)(4).

This Code of Ethics is based on the principle that the officers, directors, trustees and employees of the Adviser and the Trust have a fiduciary duty to place the interests of the Trust and the Private Accounts before their own interests, to conduct all personal securities transactions consistently with this Code of Ethics (the "Code") and to do so in a manner which does not interfere with the portfolio transactions of the Trust or the Private Accounts, or otherwise take unfair advantage of their relationship to the Trust or the Private Accounts. Persons covered by this Code must adhere to this general principle as well as comply with the specific provisions of this Code. Technical compliance with this Code will not insulate from scrutiny trades which indicate an abuse of an individual's fiduciary duties to the Trust or the Private Accounts.

B. Definitions

1. "Access person" means (i) any employee, director, principal, trustee or officer of the Trust or the Adviser, (ii) any employee of any company in a control relationship to the Trust or the Adviser who,

in the ordinary course of his or her business, makes, participates in or obtains information regarding the purchase or sale of securities for the Trust or the Private Accounts or whose principal function or duties relate to the making of any recommendation to the Trust or the Private

Accounts regarding the purchase or sale of securities and (iii) any natural person in a control relationship to the Trust or the Adviser who obtains information concerning recommendations made to the Trust or the Private Accounts with regard to the purchase or sale of a security. Officers of the Trust who are not employees of the Adviser or the Trust are not "access persons." A natural person in a control relationship or an employee of a company in a control relationship does not become an "access person" simply by virtue of the following:

normally assisting in the preparation of public reports, but not receiving information about current recommendations or trading; a single instance of obtaining knowledge of current recommendations or trading activity; or, infrequently and inadvertently obtaining such knowledge. The Compliance Officer(s) for the Trust and the Adviser are responsible for determining who are access persons.

2. A security is "being considered for purchase or sale" when the order to purchase or sell such security has been given, or prior thereto when, in the opinion of an investment manager, a decision, whether or not conditional, has been made (even though not yet implemented) to make the purchase or sale, or when the decision-making process has reached a point where such a decision is imminent.
3. "Beneficial ownership" shall be interpreted in the same manner as it would be in determining whether a person is subject to the provisions of Section 16 of the Securities Exchange Act of 1934 and the rules and regulations thereunder, except that the determination of direct or indirect beneficial ownership shall apply to all securities which an access person has or acquires. (See Appendix A for a more complete description.)
4. "Control" shall have the same meaning as that set forth in Section 2(a)(9) of the Act.
5. "Disinterested trustee" means a trustee who is not an "interested person" within the meaning of Section 2(a)(19) of the Act, who would be required to make a report under this Code solely by reason of being a Trustee of the Trust.
6. "Equivalent security" means any security issued by the same entity

as the issuer of a subject security, including options, rights, warrants, preferred stock, restricted stock, phantom stock, bonds and other obligations of that company, or a security convertible into another security.

7. "Immediate family" of an individual means any of the following persons who reside in the same household as the individual:

child	grandparent	son-in-law
stepchild	spouse	daughter-in-law
grandchild	sibling	brother-in-law
parent	mother-in-law	sister-in-law
step-parent	father-in-law	

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Immediate family includes adoptive relationships and any other relationship (whether or not recognized by law) which the Compliance Officer determines could lead to possible conflicts of interest, diversions of corporate opportunity, or appearances of impropriety which this Code is intended to prevent.

8. An "Initial Public Offering" means an offering of securities registered under the Securities Act of 1933, the issuer of which, immediately before the registration, was not subject to the reporting requirements of sections 13 or 15(d) of the Securities Exchange Act of 1934.
9. "Investment personnel" means those employees who provide information and advice to an investment manager or who help execute the investment manager's decisions.
10. "Investment manager" means any employee entrusted with the direct responsibility and authority to make investment decisions affecting the Trust or the Private Accounts.
11. A "Limited Offering" means an offering that is exempt from registration under the Securities Act of 1933 pursuant to section 4(2) or section 4(6) or pursuant to rule 504, rule 505, or rule 506 under the Securities Act of 1933.
12. "Purchase or sale of a security" includes, without limitation, the writing, purchase or exercise of an option to purchase or sell a security, conversions of convertible securities and short sales.
13. "Security" shall have the meaning set forth in Section 2(a)(36) of the Act, except that it shall not include shares of registered open-end investment companies, direct obligations of the Government of the United States, short-term debt securities which are

"government securities" within the meaning of Section 2(a)(16) of the Act, bankers' acceptances, bank certificates of deposit, commercial paper, and high quality short-term debt instruments, including repurchase agreements.

Security does not include futures contracts or options on futures contracts (provided these instruments are not used to indirectly acquire an interest which would be prohibited under this Code).

#### C. Pre-Clearance Requirements

All access persons shall clear in advance through the Compliance Officer any purchase or sale, direct or indirect, of any Security in which such access person has, or by reason of such transaction acquires, any direct or indirect beneficial ownership interest. The Compliance Officer shall retain written records of such clearance requests.

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The applicable Compliance Officer will not grant clearance for any purchase or sale if the Security is currently being considered for purchase or sale or being purchased or sold by the Trust or a Private Account. If the Security proposed to be purchased or sold by the access person is an option, clearance will not be granted if the Securities subject to the option are being considered for purchase or sale as indicated above. If the Security proposed to be purchased or sold is a convertible Security, clearance will not be granted if either that Security or the Securities into which it is convertible are being considered for purchase or sale as indicated above.

The Compliance Officer may refuse to preclear a transaction if he or she deems the transaction to involve a conflict of interest, possible diversion of corporate opportunity, or an appearance of impropriety.

Clearance is effective, unless earlier revoked, until the earlier of (1) the close of business on the fifth trading day, beginning on and including the day on which such clearance was granted, or (2) the access person learns that the information provided to the Compliance Officer in such access person's request for clearance is not accurate. If an access person places an order for a transaction within the five trading days but such order is not executed within the five trading days (e.g., a limit order), clearance need not be reobtained unless the person who placed the original order amends such order in any way. Clearance may be revoked at any time and is deemed revoked if, subsequent to receipt of clearance, the access person has knowledge that a Security to which the clearance relates is being considered for purchase or sale.

#### D. Exempted Transactions

The pre-clearance requirements in Section C of this Code shall not apply to:

1. Purchases or sales which are non-volitional on the part of either the access person or the Trust.
2. Purchases which are part of an automatic dividend reinvestment plan.
3. Purchases effected upon the exercise of rights issued by an issuer pro rata to all holders of a class of its Securities, to the extent such rights were acquired from such issuer, and sales of such rights so acquired.
4. Purchases or sales by a disinterested trustee or a member of his or her immediate family.
5. Purchases or sales involving 500 or fewer shares of a Security that is included in the Standard & Poor's 500 or a Security that is an Exchange Traded Fund.

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#### E. Prohibited Actions and Transactions

Notwithstanding a grant of clearance under Section C hereof, the following actions and transactions are prohibited and will result in sanctions including but not limited to the sanctions expressly provided for in this Section.

1. Investment personnel and investment managers shall not acquire, for any account in which such investment personnel or investment manager has a beneficial ownership interest, any Security in an initial public offering.
2. Access persons shall not execute a Securities transaction on a day during which the Trust or a Private Account has a pending buy or sell order in that same Security or an equivalent Security until that order is executed or withdrawn. An access person shall disgorge any profits realized on trades within such period. This prohibition does not apply to disinterested trustees and their immediate families.
3. An investment manager shall not buy or sell a Security within seven calendar days before or after the Trust or a Private Account trades in that Security or an equivalent Security unless the Trust's or such Private Account's entire position in that Security or equivalent Securities has been sold prior to the investment manager's transaction and the investment manager is also selling the Security. An investment manager shall disgorge any profits realized



on trades within such period.

4. Investment personnel and investment managers shall not profit in the purchase and sale, or sale and purchase, of the same (or equivalent) Securities within sixty (60) calendar days. Upon review by the applicable Compliance Officer of such short-term trading by investment personnel and investment managers, that Compliance Officer may, in his or her sole discretion, allow exceptions when he or she has determined that an exception would be equitable and that no abuse is involved. Investment personnel and investment managers profiting from a transaction for which the applicable Compliance Officer has not granted an exception shall disgorge any profits realized on such transaction.
5. Investment personnel and investment managers shall not accept from any person or entity that does or proposes to do business with or on behalf of the Trust or a Private Account a gift or other thing of more than de minimis value or any other form of advantage. The solicitation or giving of such gifts by investment personnel and investment managers is also prohibited. For purposes of this subparagraph, "de minimis" means \$100 or less if received in the normal course of business.
6. Investment personnel and investment managers shall not serve on the board of trustees of publicly traded companies, absent prior authorization from the Compliance Officer provided, however, that any trusteeships held by such

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investment personnel or investment managers as of the date of the adoption of this Code of Ethics shall be deemed to be authorized. The Compliance Officer will grant authorization only if it is determined that the board service would be consistent with the interests of the Trust and the Private Accounts. In the event board service is authorized, such individuals serving as trustees shall be isolated from those making investment decisions through procedures designed to safeguard against potential conflicts of interest, such as a Chinese Wall policy or investment restrictions.

7. Investment personnel and investment managers shall not directly or indirectly acquire a Security in a limited offering, absent prior authorization from the Compliance Officer. The Compliance Officer will not grant clearance for the acquisition of a Security in a limited offering if it is determined that the investment opportunity should be reserved for the Trust or a Private Account or that the opportunity to acquire the Security is being offered to the individual requesting clearance by virtue of such individual's position with the Adviser or the Trust (as applicable). An

individual who has been granted clearance to acquire Securities in a limited offering shall disclose such investment when participating in a subsequent consideration by the Trust or a Private Account of an investment in the issuer. A subsequent decision by the Trust or a Private Account to purchase such a Security shall be subject to independent review by investment personnel with no personal interest in the issuer.

8. Investment personnel and investment managers shall not purchase during the underwriting of the Security any Security which, due to its public demand in relation to the amount offered, is likely to increase in value.
9. An access person shall not execute a Securities transaction while in possession of material non-public information regarding the Security or its issuer.
10. An access person shall not execute a Securities transaction which is intended to raise, lower, or maintain the price of any Security or to create false appearance of active trading (anti-market manipulation).
11. An access person shall not execute a Securities transaction involving the purchase or sale of a Security at a time when such access person intends, or knows of another's intention, to purchase or sell that Security (or an equivalent Security) on behalf of the Trust or a Private Account. This prohibition would apply whether the transaction is in the same (e.g., two purchases) or the opposite (a purchase and sale) direction as the transaction of the Trust or such Private Account.
12. An access person shall not cause or attempt to cause the Trust or any Private Account to purchase, sell, or hold any Security in a manner calculated to create any personal benefit to such access person or his or her immediate family. If an access person or his or her immediate family stands to materially benefit from an investment decision for the Trust or a Private Account that the access person is recommending or in which the access person is

participating, the access person shall disclose to the persons with authority to make investment decisions for the Trust or such Private Account, any beneficial ownership interest that the access person or his or her immediate family has in such Security or an equivalent Security, or in the issuer thereof, where the decision could create a material benefit to the access person or his or her immediate family or the appearance of impropriety.

F. Reporting

1. Each access person, other than a disinterested trustee, must arrange for duplicate copies of broker trade confirmations and periodic statements of his or her brokerage accounts to be sent to the Compliance Officer.
2. Each access person must submit written and signed reports containing information about each Security (including, for this purpose, shares of the Trust) in which the access person had any direct or indirect beneficial ownership ("Holdings Reports").

Each Holdings Report must include the following information:

- title and type of each Security, and its exchange ticker symbol or CUSIP number, in which the access person had any direct or indirect beneficial ownership,
- number of shares and principal amount of each Security in which the access person had any direct or indirect beneficial ownership,
- name of any broker, dealer or bank with whom the access person maintained an account in which any Securities were held for the direct or indirect benefit of the access person,
- and date the Holdings Report is submitted by the access person

If an access person is not required to report any information on a Holdings Report, the access person must submit a written and signed statement to that effect to the Compliance Officer by the date on which the Holdings Report is due.

Each access person must submit to the Compliance Officer an Initial Holdings Report no later than 10 days after he or she becomes an access person. The information included in the Initial Holdings Report must reflect the access person's holdings as of the date he or she became an access person.

Each access person must submit to the Compliance Officer an Annual Holdings Report no later than January 30 of each year. The information included in the Annual Holdings Report must reflect the access person's holdings as of the immediately preceding December 31.

Exceptions for certain Securities and accounts

An access person does not have to include in his or her Holdings Reports information about the following Securities or accounts:

- direct obligations of the government of the United States
- bankers' acceptances
- bank certificates of deposit - commercial paper
- high quality short-term debt instruments including
- repurchase agreements
- shares issued by open-end funds other than the Trust
- Securities held in any account over which the access person has no direct or indirect influence or control, and
- transactions effected for any account over which the access person has no direct or indirect influence or control

If an access person does not make a Holdings Report because of this exception, the access person must submit a written and signed statement to that effect to the Compliance Officer by the date on which the Holdings Report is due.

Exceptions for disinterested trustees

A disinterested trustee does not have to make an Initial Holdings Report or an Annual Holdings Report.

### 3. Quarterly Transaction Reports

Each access person must submit a report ("Quarterly Transaction Report") containing information about every transaction in a Security (including, for this purpose, shares of the Trust) during the quarter and in which the access person had any direct or indirect beneficial ownership and every account established by the access person in which any such Securities were held during the quarter for the direct or indirect benefit of the access person.

A Quarterly Transaction Report must include the following information:

- date of each transaction in a Security
- title and exchange ticker symbol or CUSIP number of the Security
- interest rate and maturity date of the Security, if applicable

- number of shares and principal amount of the Security
- nature of the transaction
- price of the Security at which the transaction was effected
- name of the broker, dealer or bank with or through which the transaction was effected
- name of the broker, dealer or bank with whom the access person established any new account
- date the account was established and

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- date the Quarterly Transaction Report is submitted by the access person

If an access person is not required to report any information on a Quarterly Transaction Report, the access person must submit a written and signed statement to that effect to the Compliance Officer no later than 10 days after the end of the calendar quarter.

A Quarterly Transaction Report must be submitted to the Compliance Officer no later than 10 days after the end of each calendar quarter.

#### Exceptions for certain Securities and accounts

An access person does not have to report transactions involving the following Securities or accounts:

- direct obligations of the government of the United States
- bankers' acceptances - bank certificates of deposit
- commercial paper
- high quality short-term debt instruments including
- repurchase agreements - shares issued by open-end funds other than the Trust
- Securities held in any account over which the access person has no direct or indirect influence or control and
- transactions effected for any account over which the access

person has no direct or indirect influence or control

If an access person does not make a Quarterly Transaction Report because of this exception, the access person must submit a written and signed statement to that effect to the Compliance Officer no later than 10 days after the end of the calendar quarter.

Exceptions based on duplicate confirmations

In addition, an access person does not have to make a Quarterly Transaction Report for a calendar quarter if:

- the report would duplicate information contained in broker trade confirmations or account statements received by the Compliance Officer no later than 10 days after the end of the calendar quarter and all of the required information is contained in the broker trade confirmations or account statements.

If broker trade confirmations do not contain all of the required information, the access person must include the missing information in a Quarterly Transaction Report.

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If an access person does not make a Quarterly Transaction Report because of this exception, the access person must submit a written and signed statement to that effect to the Compliance Officer no later than 10 days after the end of the calendar quarter.

Exceptions for disinterested trustees

A disinterested trustee does not have to make a Quarterly Transaction Report unless the disinterested trustee knew or, in the ordinary course of fulfilling his or her official duties as a trustee of the Trust, should have known that during the 15-day period immediately before or after the disinterested trustee's transaction in a Security, the Trust purchased or sold the Security, or the Trust or the Adviser considered purchasing or selling the Security.

4. The Compliance Officer will review all Holdings Reports and Quarterly Transaction Reports submitted under this Code and all duplicate confirmations submitted under this Code in lieu of a Quarterly Transaction Report to detect conflicts of interest and abusive practices.

## G. Confidentiality of Transactions and Information

1. Every access person shall treat as confidential information the fact

that a Security is being considered for purchase or sale by the Trust or a Private Account, the contents of any research report, recommendation or decision, whether at the preliminary or final level, and the holdings of the Trust and the Private Accounts and shall not disclose any such confidential information without prior consent from the applicable Compliance Officer. Notwithstanding the foregoing, the holdings of the Trust shall not be considered confidential after such holdings by the Trust have been disclosed in a public report to shareholders or to the Securities and Exchange Commission.

2. Access persons shall not disclose any such confidential information to any person except those employees and trustees who need such information to carry out the duties of their position with the Adviser or the Trust (as applicable).

#### H. Sanctions

Upon discovering a violation of this Code, the Adviser or the Board of Trustees of the Trust (as applicable) may impose such sanctions as it deems appropriate, including, without limitation, a letter of censure or suspension or termination of the employment of the violator. All material violations of this Code which pertain to the Trust and any sanctions imposed with respect thereto shall be reported periodically to the Board of Trustees of the Trust.

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#### I. Certification of Compliance; Reporting of Violations

The Adviser shall provide a copy of this Code to each of its supervised persons. Such supervised persons shall provide the Adviser with a written acknowledgment of their receipt of this Code and any amendments. Each access person, except a disinterested trustee, shall annually certify that he or she has read and understands this Code and recognizes that he or she is subject hereto. Each access person shall promptly report any violation of this Code of which he or she becomes aware to the applicable Compliance Officer.

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### Appendix A to the Code of Ethics "Beneficial Ownership"

For purposes of this Code, "beneficial ownership" is interpreted in the same manner as it would be in determining whether a person is subject to the provisions of Section 16 of the Securities Exchange Act of 1934 and the rules and regulations thereunder, except that the determination of direct or indirect

beneficial ownership applies to all securities which an access person has or acquires. The Adviser and the Trust will interpret beneficial ownership in a broad sense.

The existence of beneficial ownership is clear in certain situations, such as: securities held in street name by brokers for an access person's account, bearer securities held by an access person, securities held by custodians, pledged securities, and securities held by relatives or others for an access person. An access person is also considered the beneficial owner of securities held by certain family members. The SEC has indicated that an individual is considered the beneficial owner of securities owned by such individual's immediate family. The relative's ownership of the securities may be direct (i.e., in the name of the relative) or indirect.

An access person is deemed to have beneficial ownership of securities owned by a trust of which the access person is the settlor, trustee or beneficiary, securities owned by an estate of which the access person is the executor or administrator, legatee or beneficiary, and securities owned by a partnership of which the access person is a partner.

An access person must comply with the provisions of this Code with respect to all securities in which such access person has a beneficial ownership interest. If an access person is in doubt as to whether she or he has a beneficial ownership interest in a security, the access person should report the ownership interest to the applicable Compliance Officer. An access person may disclaim beneficial ownership as to any security on required report.