

Important Tax Information for 2009

Dear Flex-funds® Shareholder:

Enclosed with this letter is your 2009 Form 1099-DIV from The Flex-funds®. This is an important document that you will need to refer to in order to complete your income tax returns for 2009.

Reporting Ordinary & Qualified Dividends

All dividends paid by **The Money Market Fund** and **The U.S. Government Bond Fund** are derived from interest received from the Funds' holdings in 2009, not from dividends. Therefore, these distributions do not qualify for the reduced income tax rate on qualified dividend income. The entire amount shown in Box 1a on your Form 1099-DIV should be reported on Line 9a of your IRS Form 1040. No amount should appear in Box 1b on your Form 1099-DIV for these two funds.

Dividends paid by **The Quantex Fund™**, **The Dynamic Growth Fund**, **The Muirfield Fund®**, **The Defensive Balanced Fund**, and **The Total Return Utilities Fund** in 2009 may qualify for the reduced dividend income tax rate. Qualified dividends (reported in Box 1b on Form 1099-DIV) include dividends paid by most domestic corporations and assumes that underlying stock in the fund has been held for at least 60 days. Depending on your income tax bracket, qualified dividends may qualify for a reduced income tax rate of 15% or 5%.

You should not assume that you will be able to apply the reduced income tax rate on the entire amount of qualified dividends paid to you by these Funds in 2009. You may only apply the reduced income tax rate on the portion of qualified dividends you received from the Funds on shares you held for at least 60 days. For shares you owned less than 60 days (including shares purchased by reinvestment of fund distributions), you cannot apply the reduced income tax rate on the qualified dividends you received from these shares.

Because of the rules regarding the 60-day holding period, it is advisable to consult a tax professional or a tax reference guide for instructions on reporting qualified dividends on your IRS Form 1040.

Long-Term Capital Gains

There were no long-term capital gains distributed by The Flex-funds® in 2009. However, if you sold shares in The Flex-funds® in 2009, you will need to report any short- or long-term capital gains or losses you realized from these transactions on Schedule D of your IRS Form 1040. Please consult a tax guide or a tax professional for instructions on reporting capital gains or losses from fund transactions.

Return of Capital

A portion of the distribution paid in 2009 by The Total Return Utilities Fund is considered a return of capital. Return of capital is the return of a portion of your original investment in the Fund, and is not taxable to you. The return of capital for The Total Return Utilities Fund is reported in Box 3 on Form 1099-DIV as a non-dividend distribution. Please consult a tax guide or a tax professional for instructions on reporting a return of capital.

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Interest from U.S. Government Securities

As you prepare your taxes for 2009, you should also be aware that interest earned from U.S. Government securities may be exempt from income tax in certain states. The percentages of total income dividends you received as a Flex-funds® shareholder (Form 1099-DIV, Box 1a - Ordinary Dividends) during 2009 that were derived from U.S. Government securities are as follows:

Fund Name	Percentage of distribution derived from U.S. Government Securities
The U.S. Government Bond Fund	93.38%
The Money Market Fund Retail Class	33.21%
The Money Market Fund Institutional Class	33.21%
The Defensive Balanced Fund	28.02%
The Quantex Fund™	1.90%
The Dynamic Growth Fund	0.60%
The Muirfield Fund®	0.52%

For Corporate Clients

The following percentages of the income dividends paid by The Flex-funds® during 2009 and reported on Box 1 on Form 1099-DIV qualify for the dividends received deduction available to corporations:

Fund Name	Percentage of distribution qualifying for the dividends received deduction
The Quantex Fund™	99.75%
The Total Return Utilities Fund	82.16%

This letter is for informational use only. You should seek competent tax and legal advice concerning your specific situation.