

THE ELITE GROUP
SEMI ANNUAL REPORT
FINANCIAL STATEMENTS
(UNAUDITED)
MARCH 31, 2007

THE ELITE GROWTH & INCOME FUND

PORTFOLIO OF INVESTMENTS

March 31, 2007 (Unaudited)

See attached doc.

THE ELITE INCOME FUND

PORTFOLIO OF INVESTMENTS

March 31, 2007 (Unaudited)

See attached doc.

THE ELITE INCOME FUND

PORTFOLIO OF INVESTMENTS – (Continued)

March 31, 2007 (Unaudited)

See attached doc.

THE ELITE GROUP OF MUTUAL FUNDS

STATEMENT OF ASSETS AND LIABILITIES

March 31, 2007 (Unaudited)

	<u>The Elite Growth & Income Fund</u>	<u>The Elite Income Fund</u>
ASSETS		
Investments in securities at value (Cost \$68,333,703 and \$17,519,500, respectively) (Notes 2A and 3)	\$78,810,315	\$ 17,546,532
Receivables:		
From transfer agent	2,044	-
Securities sold	3,264,015	205,169
Other assets	-	4,778
Interest	6,034	187,318
Dividends	<u>26,880</u>	<u>-</u>
Total Assets	<u>82,109,288</u>	<u>17,943,797</u>
LIABILITIES		
Payables:		
Payable upon return of securities on loan	11,025,188	862,000
Call options written, at fair value: (Premiums \$662,330 and \$0, respectively)	697,500	-
Securities purchased	3,296,931	-
Investment management fees	54,326	9,913
Fund shares redeemed	21,456	2,799
Distributions	52,241	7,671
Accrued expenses	<u>8,905</u>	<u>557</u>
Total Liabilities	<u>15,156,547</u>	<u>882,940</u>
NET ASSETS		
The Elite Growth & Income Fund – Applicable to 3,193,040 shares outstanding	<u>\$66,952,741</u>	
The Elite Income Fund – Applicable to 1,744,466 shares outstanding		<u>\$17,060,857</u>
NET ASSET VALUE, OFFERING AND REDEMPTION		
PRICE PER SHARE (net assets / shares outstanding)	<u>\$20.97</u>	<u>\$9.78</u>
At March 31, 2007, the components of net assets were as follows:		
Paid-in capital	\$50,219,210	\$17,538,168
Accumulated (distributions in excess of) net investment Income	14,073	(105,576)
Accumulated net realized gain (loss) on investments	6,278,016	(398,767)
Net unrealized appreciation of investments	10,476,612	27,032
Net unrealized depreciation of options written	<u>(35,170)</u>	<u>-</u>
Net Assets	<u>\$66,952,741</u>	<u>\$17,060,857</u>

THE ELITE GROUP OF MUTUAL FUNDS

STATEMENT OF OPERATIONS

For the Six Months Ended March 31, 2007 (Unaudited)

	<u>The Elite Growth & Income Fund</u>	<u>The Elite Income Fund</u>
Investment Income		
Income:		
Interest	\$ 26,449	\$453,147
Dividends	409,889	42,000
Securities Lending	<u>46,638</u>	<u>3,248</u>
Total Income	<u>482,976</u>	<u>498,395</u>
Expenses:		
Investment management fee	325,052	59,512
Transfer agent fees	25,075	15,268
Custodian fees	6,863	4,147
Audit fees	18,177	6,173
Trustee fees and expenses	7,376	1,939
Recordkeeping services	33,344	14,821
Shareholder reports	4,030	640
Registration fees and other	3,326	1,405
CCO expense	10,500	2,624
Legal fees	3,214	1,806
Insurance	<u>1,863</u>	<u>475</u>
Total Expenses	438,820	108,810
Fees paid by manager (Note 4)	<u>-</u>	<u>(9,602)</u>
Net Expenses	<u>438,820</u>	<u>99,208</u>
Net Investment Income	<u>44,156</u>	<u>399,187</u>
Realized and Unrealized Gain (Loss) on Investment Securities and Options Contracts		
Net realized gain (loss):		
Investment securities	9,377,250	174,628
Expired and closed covered call options written (Note 3)	<u>(48,175)</u>	<u>-</u>
Net realized gain (loss) on investment securities and option contracts	<u>9,329,075</u>	<u>174,628</u>
Net increase (decrease) in unrealized appreciation		
Investment securities	(387,734)	(58,293)
Option contracts written	<u>70,546</u>	<u>-</u>
Net change in unrealized appreciation/depreciation of investments	<u>(317,188)</u>	<u>(58,293)</u>
Net realized and unrealized gain on investment securities and option contracts	<u>9,011,887</u>	<u>116,335</u>
Net increase in net assets resulting from operations	<u>\$ 9,056,043</u>	<u>\$ 515,522</u>

THE ELITE GROWTH & INCOME FUND

STATEMENT OF CHANGES IN NET ASSETS

	For the Six Months Ended March 31, 2007 <u>(Unaudited)</u>	For the Year Ended September 30, 2006 <u>2006</u>
Operations		
Net investment income	\$ 44,156	\$ 350,507
Net realized gain on investment securities and options contracts	9,329,075	7,437,326
Net increase (decrease) in unrealized appreciation of investment securities and option contracts	<u>(317,188)</u>	<u>(4,558,437)</u>
Net increase in net assets resulting from operations	9,056,043	3,229,396
Distributions to Shareholders		
Distributions from net investment income (\$0.04 and \$0.14 per share, respectively)	(124,534)	(402,000)
Distribution from net realized gains on investment transactions (\$1.00 and \$2.62 per share, respectively)	(3,051,059)	(7,456,696)
Capital Share Transactions		
Increase (decrease) in net assets resulting from capital share transactions (a)	<u>(727,328)</u>	<u>6,764,926</u>
Total increase in net assets	5,153,122	2,135,626
Net Assets		
Beginning of period	<u>61,799,619</u>	<u>59,663,993</u>
End of period (Including undistributed net investment income of \$14,073 and \$94,451, respectively)	<u>\$66,952,741</u>	<u>\$61,799,619</u>

(a) Transactions in capital stock were as follows:

	Six Months Ended March 31, 2007 <u>(Unaudited)</u>		Year Ended September 30, 2006 <u>2006</u>	
	<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
Shares sold	76,552	\$ 1,600,393	210,488	\$ 4,511,405
Shares issued in reinvestment of distributions	<u>148,736</u>	<u>3,118,941</u>	<u>401,493</u>	<u>7,717,782</u>
	225,288	4,719,334	611,981	12,229,187
Shares redeemed	<u>(262,043)</u>	<u>(5,446,662)</u>	<u>(255,413)</u>	<u>(5,464,261)</u>
Net increase (decrease)	<u>(36,755)</u>	<u>\$ (727,328)</u>	<u>356,568</u>	<u>\$ 6,764,926</u>

THE ELITE INCOME FUND

STATEMENT OF CHANGES IN NET ASSETS

	For the Six Months Ended March 31, 2007 <u>(Unaudited)</u>	For the Year Ended September 30, 2006 <u>2006</u>
Operations		
Net investment income	\$ 399,187	\$ 750,233
Net realized gain (loss) on investment securities	174,628	(116,042)
Net increase (decrease) in unrealized appreciation of investment securities	<u>(58,293)</u>	<u>67,382</u>
Net increase in net assets resulting from operations	<u>515,522</u>	<u>701,573</u>
Distributions to Shareholders		
Distributions from net investment income (\$0.28 and \$0.42 per share, respectively)	(490,344)	(795,757)
Capital Share Transactions		
Decrease in net assets resulting from capital share transactions (a)	<u>(1,191,143)</u>	<u>(1,041,863)</u>
Total decrease in net assets	(1,165,965)	(1,136,047)
Net Assets		
Beginning of period	<u>18,226,822</u>	<u>19,362,869</u>
End of period	<u>\$17,060,857</u>	<u>\$18,226,822</u>

(Including, (distributions in excess of) net investment income of \$(105,576) and \$(14,419), respectively)

(a) Transactions in capital stock were as follows:

	Six Months Ended March 31, 2007 <u>(Unaudited)</u>		Year Ended September 30, 2006 <u>2006</u>	
	<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
Shares sold	61,328	\$ 603,261	177,284	\$ 1,732,217
Shares issued in reinvestment of distributions	<u>48,354</u>	<u>472,346</u>	<u>78,923</u>	<u>765,766</u>
Shares redeemed	109,682	1,075,607	256,207	2,497,983
	<u>(230,224)</u>	<u>(2,266,750)</u>	<u>(363,181)</u>	<u>(3,539,846)</u>
Net decrease	<u>(120,542)</u>	<u>\$(1,191,143)</u>	<u>(106,974)</u>	<u>\$ (1,041,863)</u>