

MARKETOCRACY FUNDS

The Masters 100_{SM} Fund

Ticker Symbol: MOFQX

Prospectus

October 28, 2011

The Securities and Exchange Commission has not approved or disapproved these securities or determined if this Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

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Summary Section

Investment Objective

The Masters 100_{SM} Fund (the “Fund”) seeks capital appreciation.

Fees and Expenses of the Fund

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund.

Shareholder Fees

(fees paid directly from your investment)

Maximum sales charge (load) imposed on purchases	None
Maximum deferred sales charge (load)	None
Redemption fee	None

Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment)

Management Fees	1.50%
Distribution (12b-1) Fees	None
Other Expenses (Administration Fees)	0.45%
Acquired Fund Fees and Expenses	<u>0.16%</u>
Total Annual Fund Operating Expenses	<u>2.11%⁽¹⁾</u>

⁽¹⁾ The Total Annual Fund Operating Expenses do not correlate to the ratio of expenses to average net assets in the “Financial Highlights” section of this Prospectus. That ratio reflects the operating expenses of the Fund which were subject to a voluntary waiver during the fiscal year ended June 30, 2011 and does not include Acquired Fund Fees and Expenses (“AFFE”).

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. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
\$214	\$661	\$1,134	\$2,441

Portfolio Turnover.

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 472% of the average value of its portfolio.

Principal Investment Strategies of the Fund

The Fund primarily invests in stocks of U.S. and foreign companies of any size, seeking to outperform the Standard & Poor's 500 Composite Stock Price Index ("S&P 500 Index"). The types of securities in which the Fund will generally invest include common stocks, preferred stocks, American Depositary Receipts ("ADRs"), investment companies and exchange traded funds ("ETFs"). The Fund is not constrained by any particular investment style.

Marketocracy.com® Model Portfolios and Stocks. In buying and selling securities for the Fund, the Fund's investment adviser, Marketocracy Capital Management, LLC ("MCM"), generally uses information regarding the hypothetical stock investments and performances of certain "model" portfolios maintained on the Internet website, Marketocracy.com®. Each such model portfolio is a sophisticated *computer simulation* of an equity mutual fund portfolio managed by a member, *e.g.*, it is a *hypothetical* portfolio. Marketocracy.com's over 65,000 members have created and managed over 100,000 model portfolios to establish the members' verifiable and easily comparable (simulated) investment performance records.

Marketocracy Data Services LLC ("MDS"), a financial publisher affiliate of MCM operates this website to:

- Identify members who can achieve superior and verifiable (simulated) investment performances,
- Identify the most promising stocks in these members' "top-ranked" portfolios, and
- Research those "top-ranked" stocks in depth by collecting and evaluating various data and statistics about these portfolios as well as additional research and analyses provided by members who have demonstrated success in trading the stocks in their model portfolios.

"Top-Ranked" Portfolios and the "m100." For its subscribers, including MCM, MDS publishes research about the "top-ranked" Marketocracy.com portfolios and their stocks. In identifying those "top-ranked" portfolios, MDS' proprietary ranking methodology assesses each qualifying member's long-term (at least three years) and short-term model portfolio performances. MDS applies various proprietary tests to discern the specific contributions that stock-picking skill, market, sector, style, trading and other factors make to those performances. In doing so, MDS tries separating out market and sector-wide contributions from stock picking abilities and identifying particular sector, style, trading and other factors in which the member has excelled and those in which the member has not.

MDS selects the 100 top-ranked Marketocracy.com members' model portfolios as the "*m100*." Because no single investment style works at all times and in all circumstances, MDS repeats its ranking process periodically to re-rank m100

members and to quickly replace lagging m100 performers with leading performers. MDS provides information for all m100 model portfolios, stocks and test results to MCM.

Managing the Fund's Portfolio. In managing the Fund's portfolio, MCM tends to "mirror" the model mutual fund portfolios of the selected m100 members. As the selected m100 members make changes to their model portfolios, MCM generally adjusts the Fund's portfolio to track those changes promptly. MCM may use a significantly smaller subset of m100 model portfolios that MDS has ranked the highest for performance and may not choose all of the stocks in the selected m100 model portfolios. In addition, MCM's selection process is not static. MCM may change the identities of the selected m100 members and their model portfolios and the weightings it gives those portfolios over time, in part in response to how well the selected m100 members and model portfolios perform relative to one another and relative to those of the other top-performing m100 members and their model portfolios. Effective December 31, 2010, MCM began using statistical research provided by NoLoad FundX regarding the various model portfolios' performances to refine MCM's selections of m100 members and their model portfolios.

Principal Risks of Investing in the Fund

There are risks involved with any investment that could cause you to lose money, including your initial investment. The principal risks associated with an investment in the Fund include:

Stock Market Risks: 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 and fluctuations in value due to earnings, economic conditions and other factors beyond the control of the Fund or MCM.

Investment Selection Risks: The strategies used by MCM in selecting the Fund's portfolio investments, including other investment companies and stock index futures and options, may not always be successful. The investments may decline in value or not increase in value when the stock market in general is rising.

Risks of Investments in Other Investment Companies: Investment in another investment company involves indirect payment of the other investment company's fees and expenses which are in addition to the Fund's direct fees and expenses. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. The Fund will incur brokerage costs when it purchases ETFs. Leveraged and inverse ETFs may be more volatile than other types of investment companies or common stocks.

Portfolio Turnover Risks: Above-average portfolio turnover rates will result in payment by the Fund of above-average transaction costs, could result in capital gains that must be distributed to shareholders as short-term capital gains taxed at ordinary rates, and could negatively affect the Fund's performance.

Small and Medium Companies Risks: Small and medium-size companies often have narrower markets and more limited managerial and financial resources than larger, more established companies. As a result, their performance can be more volatile and they face greater risk of business failure, which could increase the volatility of the Fund’s portfolio.

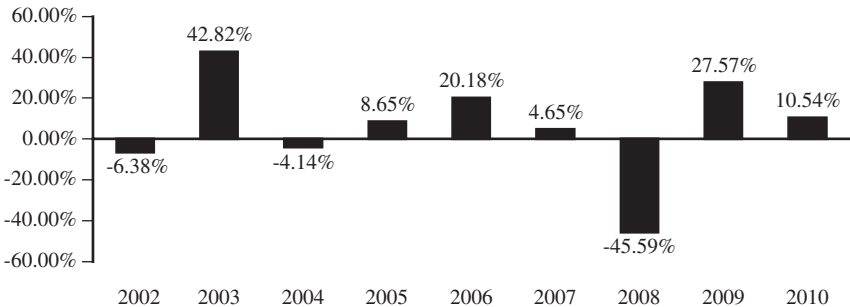
Foreign Investment Risks: Investments in foreign securities, including ADRs, entail risks not present in domestic investments including, among others, risks related to political or economic instability, lower liquidity, currency exchange, and taxation.

Website Members Participation and Internet Reliance Risks: Operation of Marketocracy.com’s website depends on continued active participation of sufficient numbers of the website’s members as well as the continued availability of the Internet, both short- and long-term. Significant failures of the Internet could lead to interruptions or delays in the members’ abilities to actively participate in managing their model portfolios, or MDS to provide m100 data, or MCM to manage the Fund’s portfolio.

Performance

The following bar chart provides some indication of the risks of investing in the Fund by showing changes in the Fund’s performance from year to year and by showing how the Fund’s average annual returns for the 1 and 5 year and since inception periods compare with those of the S&P 500 Index and the NASDAQ-100 Index. Of course, past performance, before and after taxes, is no guarantee of future results. Updated performance is available on the Fund’s website <http://funds.marketocracy.com> and by calling 1-888-884-8482.

**Masters 100_{SM} Fund
Returns for the Year Ended 12/31**



The year-to-date return ended September 30, 2011, was -12.05%

Best Quarter:	June 30, 2003	22.78%
Worst Quarter:	December 31, 2008	-31.89%

Average Annual Total Returns

(For the periods ended 12/31/2010)	One Year	Five Years	Since Inception (11/5/2001)
The Masters 100_{SM} Fund			
Return Before Taxes	10.54%	-0.71%	3.76%
Return After Taxes on Distributions	10.51%	-1.70%	2.71%
Return After Taxes on Distributions and Sale of Fund Shares	6.89%	-0.95%	2.81%
Standard & Poor's 500 Index (reflects no deduction for fees, expenses or taxes)			
	15.06%	2.29%	3.44%
Dow Jones Industrial Average (reflects no deduction for fees, expenses or taxes)			
	14.06%	4.31%	4.80%
NASDAQ-100 Index (reflects no deduction for fees, expenses or taxes)			
	18.15%	4.71%	4.31%

After tax returns are calculated using the historical highest individual federal marginal income tax rates in effect and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your situation and may differ from those shown. Furthermore, the after-tax returns shown are not relevant to those investors who hold their shares through tax-deferred arrangements such as 401(k) plans or Individual Retirement Accounts (“IRAs”). In certain cases, the figure representing “Return After Taxes on Distributions and Sales of Fund Shares” may be higher than the other return figures of the same period. A higher after-tax return results when a capital loss occurs upon redemption and provides an assumed tax deduction that benefits you.

Management

Investment Adviser.

Marketocracy Capital Management LLC is the Fund’s investment adviser.

Portfolio Manager.

Kendrick W. Kam is primarily responsible for the day-to-day management of the Fund. Mr. Kam has managed the Fund since its inception and is founder and President of Marketocracy Capital Management LLC.

Purchase and Sale of Fund Shares

You may purchase or redeem Fund shares on any business day by written request via mail (Marketocracy Funds, c/o U.S. Bancorp Fund Services, LLC, P.O. Box 701, Milwaukee, WI 53201-0701), by wire transfer, by telephone at 1-888-884-8482, or through a financial intermediary. Investors who wish to purchase or redeem Fund shares through a financial intermediary should contact the financial intermediary directly.

Minimum investment amounts are as follows:

To open a new account	\$10,000
To add to an existing account	\$50
Automatic Investment Plan (on existing account)	\$50

Tax Information

The Fund's distributions may be subject to federal income tax and may be taxed as ordinary income or capital gains.

Payments to Broker-Dealers and Other Financial Intermediaries

If you purchase the Fund through a broker-dealer or other financial intermediary (such as a bank or financial adviser) (hereinafter a "Broker"), the Fund and/or its investment adviser may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other financial intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

Investment Objective, Principal Investment Strategies, Related Risks and Portfolio Holdings

Investment Objective

The Fund seeks capital appreciation.

Principal Investment Strategies

This diversified Fund primarily invests in stocks of U.S. and foreign companies of any size, seeking to outperform the S&P 500 Index. The types of securities in which the Fund will generally invest include common stocks, preferred stocks, ADRs, investment companies and ETFs. The Fund is not constrained by any particular investment style.

Marketocracy.com[®] Model Portfolios and Stocks. In buying and selling securities for the Fund, the Fund's investment adviser, MCM, generally uses information regarding the hypothetical stock investments and performances of certain "model" portfolios maintained on the Internet website, Marketocracy.com[®]. Each such model portfolio is a sophisticated *computer simulation* of an equity mutual fund portfolio managed by a member, *e.g.*, it is a *hypothetical* portfolio. Marketocracy.com's over 65,000 members have created and managed over 100,000 model portfolios to establish the members' verifiable and easily comparable (simulated) investment performance records.

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- Identify members who can achieve superior and verifiable (simulated) investment performances,
- Identify the most promising stocks in these members' "top ranked" portfolios, and
- Research those "top ranked" stocks in depth by collecting and evaluating various data and statistics about these portfolios as well as additional research and analyses provided by members who have demonstrated success in trading the stocks in their model portfolios.

"Top-Ranked" Portfolios and the "m100." For its subscribers, including MCM, MDS publishes research about the "top-ranked" Marketocracy.com portfolios and their stocks. In identifying those "top-ranked" portfolios, MDS' proprietary ranking methodology assesses each qualifying member's long-term (at least five years) and short-term model portfolio performances. MDS applies various proprietary tests to discern the specific contributions that stock-picking skill, market, sector, style, trading and other factors make to those performances. In doing so, MDS tries separating out market and sector-wide contributions from stock picking abilities and identifying particular sector, style, trading and other factors in which the member has excelled and those in which the member has not.

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Managing the Fund's Portfolio. In managing the Fund's portfolio, MCM tends to "mirror" the model mutual fund portfolios of the selected m100 members. As the selected m100 members make changes to their model portfolios, MCM generally adjusts the Fund's portfolio to track those changes promptly. MCM may use a significantly smaller subset of m100 model portfolios that MDS has ranked the highest for performance and may not choose all of the stocks in the selected m100 model portfolios. In addition, MCM's selection process is not static. MCM may change the identities of the selected m100 members and their model portfolios and the weightings it gives those portfolios over time, in part in response to how well the selected m100 members and model portfolios perform relative to one another and relative to those of the other top-performing m100 members and their model portfolios.

Effective December 31, 2010, MCM began using statistical research provided by NoLoad FundX regarding the various model portfolios' performances to refine MCM's selections of m100 members and their model portfolios.

The Fund may invest in certain securities index-tracking ETFs, which generally are investment companies trading on securities exchanges. The Fund's investments in investment companies are made in compliance with the Investment Company Act of 1940, as amended (the "1940 Act"). The performance of some ETFs in which the Fund invests may inversely track its benchmark index, in other words, decrease if the securities index increases and vice versa. This is similar to selling a security short. The Fund may also invest in ETFs that track its benchmark index at a multiple of the index, sometimes twice the change or more. This is similar to the effect of leverage. *Please see "Principal Risks: Risks of Investments in Other Investment Companies" below.* In addition to investments in ETFs, the Fund also may invest its cash balances in shares of money market funds.

Master Members and Incentives. MCM believes that MDS provides powerful incentives for the most talented (or "master") m100 members to achieve superior investment performance records. Master members achieve the sense of pride and public recognition resulting from being the very top performers out of the website's over 65,000 members from around the world. Master members have the opportunity to receive additional rewards, including cash, in website performance-related programs. Commencing October 9, 2002, the master members whose m100 model funds' portfolios and trade data research information MCM used in managing the Fund's portfolio have received aggregate

compensation up to the m100 subscription fee that MDS receives from MCM, which fee is thirty basis points (0.30%) of the Fund's average annual net assets.

Exchange Traded Funds. The Fund may buy and sell ETFs for hedging purposes or to attempt to increase investment return. An ETF generally is an investment company, unit investment trust or a portfolio of securities deposited with a depository in exchange for depository receipts. The portfolios of ETFs generally consist of common stocks that closely track the performance and dividend yield of specific securities indices, either broad market, sector or international. Standard & Poor's Depository Receipts ("SPDRs") are interests in a unit investment trust representing an undivided interest in a portfolio of all of the common stocks of the S&P 500 Index. ETFs provide investors the opportunity to buy or sell throughout the day an entire portfolio of stocks in a single security. Although index mutual funds are similar, they generally are issued or redeemed only once per day at the close of the New York Stock Exchange. *For a discussion of risks of investments in ETFs and other investment companies, please see "Principal Risks: Risks of Investments in Other Investment Companies" and the discussion in the Fund's Statement of Additional Information under the heading "Investment Policies and Risks – Exchange Traded Funds."*

Portfolio Turnover. A change in the securities held by the Fund is known as "portfolio turnover." The length of time the Fund has held a particular security is not necessarily a consideration in investment decisions. However, the inherent nature of the Fund's investment strategies, e.g., tracking changes in those model portfolios, and seeking to achieve MCM's chosen weightings of the m100 model portfolios that MCM has selected, which may vary over time, including the periodic re-ranking of the m100's model portfolios, may lead to frequent changes in the Fund's investments, particularly in periods of volatile market movements.

These practices likely will result in the Fund experiencing a higher than average turnover rate (100% or more) and could negatively affect the Fund's performance. A 100% turnover rate would occur if all of the Fund's portfolio securities were replaced once within a one-year period. MCM expects that the Fund's investment strategy will result in a portfolio turnover rate in excess of 100%. Portfolio turnover generally involves some expense to the Fund, including brokerage commissions or dealer mark-ups and other transaction costs on the sale of securities and reinvestment in other securities. Above-average portfolio turnover rates will result in payment by the Fund of above-average transaction costs, could result in capital gains that must be distributed to shareholders as short-term capital gains taxed at ordinary rates, and could negatively affect the Fund's performance. Accordingly, the Board of Trustees periodically reviews the Fund's portfolio turnover and its impact on the Fund's performance. *For further information regarding portfolio turnover, please see "Portfolio Turnover" in the Fund's Statement of Additional Information.*

Other Circumstances. Under normal circumstances, the Fund invests consistently with its investment objective, strategies and policies as described above. However, in other circumstances, including during periods of adverse market, economic, political, or other conditions, or in other appropriate circumstances, such as the case of unusually large cash inflows or redemptions, the Fund may conclude that so doing would be inconsistent with the best interests of its shareholders. Accordingly, in such circumstances the Fund temporarily may depart from such investment objective, strategies and policies and may use alternative or defensive strategies primarily designed to avoid losses or disruptions to the management of its portfolio. For example, the Fund may invest in U.S. Government securities, other high-quality debt instruments, and other securities the Fund believes to be consistent with the Fund's best interests. However, if it does so, the Fund may not achieve its investment objective. For example, should the market advance during this period, the Fund may not participate as much as it would have if it had been more fully invested in stocks.

Principal Risks of Investing in the Fund

There are risks involved with any investment that could cause you to lose money, including your initial investment. The principal risks associated with an investment in the Fund include:

Stock Market Risks: 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 and fluctuations in value due to earnings, economic conditions and other factors beyond the control of the Fund or MCM.

Investment Selection Risks: The strategies used by MCM in selecting the Fund's portfolio investments, including other investment companies and stock index futures and options, may not always be successful. The investments may decline in value or not increase in value when the stock market in general is rising.

Risks of Investments in Other Investment Companies: Because the Fund is a mutual fund, the Fund's investments in other investment companies (including ETFs and money market and other mutual funds) are subject to certain regulatory restrictions that present certain risks not present in investments in the stocks of ordinary companies. Under the 1940 Act, the Fund and its affiliated persons may not purchase more than three percent (3%) of the outstanding securities of another investment company. Accordingly, the Fund may not be able to achieve MCM's chosen weightings of the portfolios investments of the m100 model portfolios and the securities of other investment companies. Also, the Fund cannot require another investment company to redeem more than one percent (1%) of that investment company's outstanding shares in any period less than thirty (30) days. Thus, the liquidity of such an investment by the Fund could be impaired. In addition, the Fund must vote its shares of another investment company either (i) by seeking instructions from the Fund's shareholders as to how

to vote the shares of such investment company; or (ii) in the same proportion as the vote of all of the other investment company's shareholders. Investment in another investment company also involves indirect payment of the other investment company's fees and expenses which are in addition to the Fund's direct fees and expenses. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. The Fund will incur brokerage costs when it purchases ETFs. Leveraged and inverse ETFs may be more volatile than other types of investment companies or common stocks.

Portfolio Turnover Risks: The investment policies of the Fund may lead to frequent changes in the Fund's investments, particularly in periods of volatile market movements. In addition, the Fund also may engage in active trading of the Fund's portfolio investments to achieve its investment goals. Above-average portfolio turnover rates will result in payment by the Fund of above-average transaction costs, could result in capital gains that must be distributed to shareholders as short-term capital gains taxed at ordinary rates, and could negatively affect the Fund's performance.

Small and Medium Companies Risks: The Fund may invest in small and medium-size companies, which often have narrower markets and more limited managerial and financial resources than larger, more established companies. As a result, their performance can be more volatile and they face greater risk of business failure, which could increase the volatility of the Fund's portfolio.

Foreign Investment Risks: Investments in foreign securities, including ADRs, entail risks not present in domestic investments including, among others, risks related to political or economic instability, lower liquidity, currency exchange, and taxation. ADRs are depositary receipts for foreign company stocks which are not themselves listed on a U.S. exchange, and are issued by a bank and held in trust at that bank, and which entitle the owner of such depositary receipts to any capital gains or dividends from the foreign company stocks underlying the depositary receipts.

Website Members Participation and Internet Reliance Risks: Operation of Marketocracy.com's website depends on continued active participation of sufficient numbers of the website's members as well as the continued availability of the Internet, both short- and long-term. Significant failures of the Internet could lead to interruptions or delays in the members' abilities to actively participate in managing their *model portfolios*, or MDS to provide m100 data, or MCM to manage the Fund's portfolio.

Portfolio Holdings. 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 under the heading "*Portfolio Holdings Information*" and on the Fund's website, <http://funds.marketocracy.com>.

Management of the Fund

Investment Adviser

The Trust retains Marketocracy Capital Management LLC to manage the investments of the Fund. MCM's mailing address is P.O. Box 23791, San Jose, California 95153. MCM is an SEC registered investment advisory firm formed in 2000 providing investment management services to individuals, high net worth individuals, the Fund and a hedge fund.

Portfolio Manager

Kendrick W. Kam is the portfolio manager of the Fund. Mr. Kam is the President and founder of MCM, which he formed in June 2000. From 1994 until 1999, Mr. Kam served as a portfolio manager for several of the Firsthand Funds, which were technology- and medical-related mutual funds, and was President and co-founder of Firsthand Capital Management, Inc. (formerly Interactive Research Advisers, Inc.), the investment adviser to Firsthand Funds.

The Statement of Additional Information provides additional information about the portfolio manager's compensation, other accounts managed by the portfolio manager and the portfolio manager's ownership of securities in the Fund.

Fees

The Fund's investment adviser, MCM, receives an investment advisory and management fee from the Fund at the annual rate of 1.50% of the average daily net assets of the Fund. The Fund's Investment Advisory and Management Agreement also requires the Fund's investment adviser to waive its management fees and, if necessary, reimburse expenses of the Fund to the extent necessary to limit the Fund's total operating expenses (exclusive of brokerage fees (including commissions, mark ups and mark downs), annual account fees for margin accounts, foreign tax withholdings, and AFFE) to 1.95% of its average net assets up to \$200 million, 1.90% of such assets from \$200 million to \$500 million, 1.85% of such assets from \$500 million to \$1 billion, and 1.80% of such assets in excess of \$1 billion. The Fund paid MCM 1.50% of its average daily net assets in management fees for the fiscal year ended June 30, 2011.

A discussion regarding the basis for the Board of Trustees' approval of the Investment Advisory and Management Agreement is available in the Fund's semi-annual Report to Shareholders for the period ended December 31, 2010.

Fund Administration, Transfer Agent, and Custody Services

As the Fund's administrator (and not as its investment adviser), MCM is obligated to provide all of the Fund's necessary administration services and has engaged U.S. Bancorp Fund Services, LLC, located in Milwaukee, Wisconsin ("Transfer Agent"), to provide transfer agent services to the Fund and sub-administration services to MCM in respect of the Fund. Union Bank of California, N.A., serves as custodian for the Fund.

Distributor

Rafferty Capital Markets, LLC serves as principal underwriter for the Fund and as such, is the exclusive agent for the distribution of shares of the Fund.

How to Purchase Shares

Opening an Account – \$10,000 Minimum

You may open an account directly through the Transfer Agent or through a brokerage firm, bank or other financial intermediary that has agreed to sell the Fund's shares or otherwise has been authorized and designated by the Fund to receive purchase and redemption orders from investors on the Fund's behalf for purposes of Rule 22c-1 under the 1940 Act (each referred to in this prospectus as a "Broker"). An account application is included with this prospectus. Your initial investment in the Fund ordinarily must be at least \$10,000. IRAs are charged a \$15 annual maintenance fee.

In compliance with the U.S.A. PATRIOT Act of 2001, please note that the Transfer Agent will verify certain information on your account application as part of the Fund's Anti-Money Laundering Program. As requested on the application, you should supply your full name, date of birth, social security number and permanent street address. Mailing addresses containing only a P.O. Box will not be accepted. Feel free to contact the Transfer Agent at 1-888-884-8482 if you need additional assistance when completing your application.

If the Fund or the Transfer Agent does not have a reasonable belief of the identity of a customer, the Fund or the Transfer Agent may reject the account or you will not be allowed to perform a transaction in respect of the account until such information is received. The Fund also reserves the right to close the account within five (5) business days, if it does not receive clarifying information/documentation.

Additional Investments – \$50 Minimum

You may purchase and add shares to your account through the Transfer Agent or through a Broker. The minimum additional investment is \$50. Each additional purchase request must contain the account name and number to permit proper crediting. Please note that a service fee of \$25 will be deducted from your Fund account for any purchase payments that are returned for any reason.

Purchasing Shares Through Your Broker

Provided that your Broker has entered into an agreement with the Fund, any order placed with your Broker is treated as if it were placed directly with the Fund. Your shares will be held in a pooled account in your Broker's name, and your Broker will maintain your individual ownership information. In addition, your Broker may charge you a fee for handling your order. Your Broker is responsible for processing your order correctly and promptly, keeping you advised of the status of your individual account, confirming your transactions and ensuring that you receive copies of the Fund's prospectus. Purchase orders given to your

Broker prior to the close of the regular session of trading on the New York Stock Exchange (“NYSE”), usually 4:00 p.m., Eastern time, on any business day that the NYSE is open for trading, and transmitted to the Transfer Agent in accordance with your Broker’s agreement with the Fund will be confirmed at the net asset value (“NAV”) determined as of the close of the regular session of trading on that day. It is the responsibility of your Broker to transmit properly completed orders promptly. Your Broker may charge a fee (separately negotiated with their customer) for effecting purchase orders.

Purchasing Shares by Mail

You may also open an account and make an initial investment in the Fund by sending a check and a completed account application form to the addresses below. Checks should be made payable to “**Marketocracy Funds.**” The Fund will not accept payment in cash, money orders, or cashier’s checks in amounts of less than \$10,000. Also, the Fund will not accept third party checks, Treasury checks, credit card checks, traveler’s checks, or starter checks for the purchase of shares. The Fund is unable to accept post dated checks, post dated on-line bill pay checks, or any conditional order or payment. All purchases must be in U.S. dollars drawn on a domestic financial institution.

By Regular Mail

Marketocracy Funds
c/o U.S. Bancorp Fund Services, LLC
P.O. Box 701
Milwaukee, Wisconsin 53201-0701

By Overnight Mail

Marketocracy Funds
c/o U.S. Bancorp Fund Services, LLC
615 East Michigan Street, 3rd Floor
Milwaukee, Wisconsin 53202

NOTE: The Fund does not consider the U.S. Postal Service or other independent delivery services to be its agents. Therefore, deposit in the mail or with such services, or receipt at the Transfer Agent’s post office box, of purchase orders or redemption requests does not constitute receipt by the Transfer Agent.

Purchasing Shares by Telephone

For Subsequent Investments

You may purchase additional shares of the Fund by calling 1-888-884-8482. If elected on your account application, telephone orders of \$50 or more will be accepted via electronic funds transfer from your bank account through the ACH network. You must have banking information established on your account prior to making a purchase by telephone. Your shares will be purchased at the next NAV calculated after receipt of your telephone purchase order.

Purchasing Shares by Wire

Initial Investment—By Wire

If you are making an initial investment in the Fund, before you wire any funds, please contact the Transfer Agent by phone to make arrangements with a telephone service representative to submit your completed application via mail,

overnight delivery, or facsimile. Upon receipt of your completed account application, the Transfer Agent will open an account for you and a service representative will contact you within 24 hours to provide an account number and wiring instructions. You may then contact your bank to initiate the wire using the instructions you were given. Your investment in the Fund will not be effective until your wired funds are received by the Fund. The Fund and U.S. Bank, National Association are not responsible for the consequences of delays resulting from the banking or Federal Reserve wire system, or from incomplete wiring instructions.

For Subsequent Investments—By Wire

Before sending your wire, please contact the Transfer Agent to advise them of your intent to wire funds. This will assist the Transfer Agent in promptly and accurately crediting your account upon receipt of your wire.

U.S. Bank, National Association

777 East Wisconsin Avenue

Milwaukee, WI 53202

ABA #075000022

Credit: U.S. Bancorp Fund Services, LLC

A/C #112-952-137

Further Credit: Marketocracy Funds, The Masters 100SM Fund
(name/title on the account & account #)

Automatic Investment Plan

By completing the Automatic Investment Plan section of the account application, you may make automatic monthly investments in the Fund from your bank or other financial institution, which must be a member of the Automated Clearing House (“ACH”) network. The minimum investment must be \$50 under the plan. There is currently no charge to you for participating in the Automatic Investment Plan. If, however, your payment does not clear, the Transfer Agent may charge a \$25 fee to your account. Your depository institution may impose its own charge for debiting your account, which would reduce your return from an investment in the Fund. You may change the amount of the investment or discontinue the plan at any time by writing to the Transfer Agent. Your request must be received five (5) days prior to the effective date.

When Purchase Orders are Received

Shares of the Fund are sold through the Distributor / Transfer Agent on a continuous basis at the NAV next determined after the Transfer Agent has received your purchase in good order. “Good order” means that your purchase request includes the name of the Fund, the dollar amount of shares to be purchased, a completed account application or investment stub, and a check payable to Marketocracy Funds. Purchases received in good order by the Transfer Agent prior to the close of the regular session of trading on the NYSE, usually 4:00 p.m., Eastern time, on any business day that the NYSE is open for

trading, will be confirmed at the NAV determined as of the close of the regular session of trading on that day.

The Transfer Agent (or your broker) mails you confirmations of all purchases or redemptions of Fund shares. Certificates representing shares are not issued. The Trust reserves its rights to limit the amount of any investments and to reject any purchase order in whole or in part or refuse to sell to any person for any reason or no reason. 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.

Telephone trades must be received by or prior to market close. During periods of high market activity, shareholders may encounter higher than usual call wait times. Please allow sufficient time to ensure that you will be able to complete your telephone transaction prior to market close.

Shares of the Fund have not been registered for sale outside of the United States. The Fund generally does not sell shares to investors residing outside the United States, even if they are U.S. citizens or lawful permanent residents, except to investors with U.S. military APO or FPO addresses.

How to Redeem Shares

You may redeem shares of the Fund on any day that the Trust is open for business. You will receive the NAV per shares next calculated after receipt by the Transfer Agent of your redemption request in the form described below. Payment is normally made on the business day following the redemption of shares, but no later than the seventh day after redemption. If any portion of the shares to be redeemed represents an investment made by check, the Fund may delay the payment of redemption proceeds until the transfer agent is reasonably satisfied that the check has been collected. This may take up to twelve calendar days from the purchase date. To eliminate this delay, you may purchase shares of the Fund by wire. If you would like your proceeds to go somewhere other than your home address or bank address of record, you may send a letter of instruction signed by all owners of the account. The letter will need to have all signatures guaranteed by an eligible guarantor institution.

Redeeming By Telephone

You may redeem shares having a value of up to \$50,000 by telephone. The proceeds will be sent to the address of record or wired to a shareholder's bank account of record, or proceeds may be sent via electronic funds transfer through the ACH network to the bank account of record. Wire transfers are subject to a \$15 fee paid by the investor; however, you will not incur any charge when proceeds are sent via the ACH network. IRAs are charged a \$25 distribution fee. To redeem by telephone, call the Transfer Agent (nationwide toll-free 1-888-884-8482). The redemption proceeds will normally be sent on the next

business day after receipt of your telephone instructions. Fund shares held in IRA accounts are not redeemable by telephone. Once a telephone transaction has been placed, it cannot be canceled or modified.

Shareholders who have an IRA or other retirement plan must indicate on their redemption request whether or not to withhold federal income tax. Redemption requests failing to indicate an election not to have tax withheld will generally be subject to 10% withholding.

The telephone redemption privilege is available to all new accounts (except for IRAs). If you want the telephone redemption privilege, you must indicate this in the appropriate area on your account application.

You may change the bank or brokerage account that you have designated at any time by writing to the Transfer Agent with your 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).

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 expenses 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. These procedures may include, among others, requiring forms of personal identification prior to acting upon telephone instructions, providing written confirmation of the transactions and/or tape recording telephone instructions.

Redeeming 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 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 in excess of \$50,000, your signature must be guaranteed by any of the eligible guarantor institutions outlined above. If the address on your account has been changed within thirty (30) days of your redemption request, you will be required to request the redemption in writing with your signature guaranteed, regardless of the value of the shares being redeemed. A signature guarantee will also be required when changing ownership of an account, or when sending redemption proceeds to any person, address or bank account not on record. The Fund and/or the Transfer Agent may require a signature guarantee in other instances based on the circumstances relative to the particular situation. Written redemption requests may also direct that the

proceeds be deposited electronically according to the commercial bank wiring instructions designated for your account at the time of redemption. Proceeds of redemptions requested by mail are normally mailed on the business day following receipt of instructions in proper form.

Non financial transactions including establishing or modifying certain services on an account may require a signature verification from a Signature Validation Program member or other acceptable form of authentication from a financial institution source.

Redeeming Through Brokers

You may also redeem shares of the Fund by placing a wire redemption request through your Broker. Your Broker may charge you a fee for this service. You will receive the NAV per share next calculated after receipt by your Broker of your wire redemption request. Redemption orders given to your Broker prior to the close of the regular session of trading on the NYSE, usually 4:00 p.m. Eastern time, on any business day that the NYSE is open for trading, and transmitted to the Transfer Agent in accordance with your Broker's agreement with the Fund will be confirmed at the NAV determined as of the close of the regular session of trading on that day. It is the responsibility of your Broker to promptly transmit wire redemption orders.

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 according to the commercial bank wiring instructions designated for your account at the time of redemption, and you will be charged a \$15 processing fee by the Fund's Transfer Agent. The Trust reserves the right, upon thirty (30) days written notice, to change the processing fee. All charges will be deducted from your redemption proceeds if you have redeemed all shares in your account. If you have redeemed only a portion of your shares, the fee will be deducted above and beyond redemption proceeds. 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 impractical, the redemption proceeds will be sent by check to the address of record.

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 ACH transaction. There is currently no charge for ACH transactions. Contact the Transfer Agent for more information about ACH transactions.

Distributions from IRA accounts are charged a \$25 distribution fee.

Your mutual fund account may be transferred to your state of residence if no activity occurs within your account during the "inactivity period" specified in your State's abandoned property laws.

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, other than an IRA account, if at any time the value of your shares is less than \$10,000 (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 sixty (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 three 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. If you are an IRA shareholder, you must indicate on your redemption request whether or not to withhold federal income tax. Requests that do not indicate a preference will be subject to withholding.

Household Delivery of Shareholder Documents

Only one prospectus, annual and semi-annual report will be sent to shareholders with the same last name and address on their Marketocracy accounts, unless you request multiple copies. If you would like to receive separate copies, please call us at 1-888-884-8482. We will begin sending your additional copies free of charge within thirty (30) days. If your shares are held through a financial institution, please contact them directly.

Risks of Frequent Purchases and Redemptions

Frequent or short-term purchases and redemptions (market timing) or other excessive trading into and out of a mutual fund by investors may cause the dilution in the value of the shares held by that mutual fund's long-term shareholders. Such activities also may interfere with the efficient management of the mutual fund's portfolio or may result in increased brokerage and administrative costs to the mutual fund. Notwithstanding these possibilities, the Fund neither encourages nor discourages such trading activities. Accordingly, the Fund, has not adopted any policies and procedures with respect to, market timing or other excessive trading by the Fund's shareholders, including any policies or procedures for detecting any such activities by shareholders holding their Fund shares directly or through omnibus accounts at financial intermediaries nor any redemption fees on redemptions made within seven (7) days of purchase. The Board of Trustees of the Trust deems it appropriate for the Trust not to adopt such policies and procedures based on several factors and the fairly unique characteristics of the Fund, including:

Fund Extremely Diversified. The Fund is extremely diversified, both in the typically very high number of different issuers of the Fund's portfolio securities and the extreme breadth of the nature of those issuers' businesses, industries, *etc.* For example, at June 30, 2011, the Fund's most recently completed fiscal year-end, the Fund's portfolio consisted of securities issued by over 180 different issuers spread over the entire 10 sectors of the S&P 500 Index. Moreover, the Fund's weightings of these S&P 500 Index sectors vary over time. With such extreme diversification and varying sector weightings, the Board believes that the potential for profitable market timing of the Fund likely is considerably lower than other less diversified mutual funds.

Reduced Opportunity for Liquidity or Time Zone Arbitrage. Virtually all of the Fund's portfolio securities are traded primarily on U.S. securities exchanges. Thus, the Board believes there would be little opportunity to engage in "time zone arbitrage" market timing to exploit events occurring after the close of those markets and the time the Fund next calculates its NAV.

Fund Portfolio Turnover. The Fund's principal investment strategy may involve frequent trading of portfolio securities and higher than average portfolio turnover, *i.e.*, greater than 100% annually. Frequent portfolio trading and MCM's highly efficient trading methods reduce the potential for market timing to disrupt MCM's management of the Fund's portfolio.

No Intra-Fund Group Exchanges. The Fund's shareholders have no exchange privilege to any other mutual fund. Thus, there is no opportunity of market timers to exchange between the Fund and another series of the Trust or another mutual fund.

Right to Refuse Any Share Purchase. The Trust reserves its rights to limit the amount of any investments and to reject any purchase order in whole or in part or refuse to sell to any person for any reason, or no reason.

Shareholder Services

Contact the Transfer Agent (nationwide toll-free 1-888-884-8482) for additional information about the shareholder services described below.

Retirement Plans

You may purchase shares of the Fund for your individual retirement plans. Please call the Transfer Agent at the above number for the most current listing and appropriate disclosure documentation on how to open a retirement account.

Shareholder Reports and Confirmations

As a shareholder, you will be provided annual and semi-annual reports showing the Fund's portfolio investments and financial information. Account and tax statements will be mailed to you on an annual basis. You will also receive confirmations of your purchases and redemptions of Fund shares.

Dividends and Distributions

The Fund expects to distribute substantially all of its net investment income and net realized gains, if any, at least annually. Unless you provide a written request to receive payments in cash, your dividends and distributions will automatically be reinvested in additional shares of the Fund. You may indicate on your application whether or not you wish to have your dividends distributed in cash payments. All distributions will be based on the NAV in effect on the payable date.

If you elect to receive dividends in cash and the U.S. Postal Service cannot deliver your checks or if your checks remain uncashed for six (6) months, your dividends may be reinvested in your account at the then-current NAV. All future distributions will automatically be reinvested in shares of the Fund. No interest will accrue on amounts represented by uncashed distribution checks.

Taxes

In the past, the Fund has qualified and currently intends to continue to qualify and to be treated, as a “regulated investment company” under Subchapter M of the Internal Revenue Code (the “Code”) by annually distributing substantially all of its net investment company taxable income and net capital gains to its shareholders and by satisfying certain other requirements related to the sources of its income and the diversification of its assets. By so qualifying, the Fund will not be subject to federal income tax or excise tax on that part of its investment company taxable income and net realized capital gains that it distributes to its shareholders in accordance with the Code’s timing requirements.

Dividends and distributions paid to shareholders (whether received in cash or reinvested in additional shares) are generally subject to federal income tax and may be subject to state and local income tax. Dividends from net investment income and distributions from any excess of net realized short-term capital gains over net realized capital losses are taxable to shareholders (other than tax-exempt entities that have not borrowed to purchase or carry their shares of the Fund) as ordinary income. A portion of the ordinary income dividends paid to you by the Fund may be qualified dividends eligible for taxation at long-term capital gain rates.

Distributions of net capital gains (the excess of net long-term capital gains over net short-term capital losses) by the Fund to its shareholders are taxable to you as capital gains, without regard to the length of time you have held your Fund shares. Redemptions of shares of the Fund are taxable events on which you may realize a gain or loss. Additionally, above-average portfolio turnover will result in payment of the Fund of above-average transaction costs and could result in capital gains that must be distributed to shareholders as short-term capital gains taxed at ordinary rates.

The Trust will mail a statement to you annually indicating the amount and federal income tax status of all Fund distributions made during the year. The Fund's distributions may be subject to federal income tax whether received in cash or reinvested in additional shares. In addition to federal taxes, you may be subject to state and local taxes on distributions.

By law, the Fund must withhold a percentage of your taxable distributions and redemption proceeds if you do not provide your correct social security or taxpayer identification number and certify that you are not subject to backup withholding, or if the Internal Revenue Service instructs the Fund to do so.

Because everyone's tax situation is unique, always consult your tax professional about federal, state, local, or foreign tax consequences of investment in the Fund.

Calculation of Share Price

The share price (NAV) of the shares of the Fund is determined as of the close of the regular session of trading on the NYSE (normally 4:00 p.m., Eastern Time) on each day the NYSE is open for business and may also be determined on any other day when there is a purchase or redemption of the shares of the Fund. The NAV per share of the Fund is calculated by dividing the sum of the value of the securities held by the Fund plus cash or other assets minus all liabilities (including estimated accrued expenses) by the total number of shares outstanding of the Fund, rounded to the nearest cent. The price at which a purchase or redemption of Fund shares is effected is the next calculation of NAV after the order is placed.

Portfolio securities are valued as follows:

- (1) securities that are traded on stock exchanges or are quoted by NASDAQ are valued at the last reported sale price as of the close of the regular session of trading on the NYSE on the day the securities are being valued, or, if not traded on a particular day, at the most recent bid price,
- (2) securities traded in the over-the-counter market, and which are not quoted by NASDAQ, are valued at the last sale price (or, if the last sale price is not readily available, at the most recent bid price as quoted by brokers that make markets in the securities) as of the close of the regular session of trading on the NYSE on the day the securities are being valued,
- (3) securities that are traded both in the over-the-counter market and on a stock exchange are valued according to the broadest and most representative market, and
- (4) securities (and other assets) for which market quotations are not readily available are valued at their fair value as determined in good faith in accordance with consistently applied procedures established by and under the general supervision of the Board of Trustees.

In general, the Fund “fair values” securities (or other assets) when the Fund’s sub-administrator, administrator or investment adviser does not receive market quotations for those securities (or other assets) or, in some limited cases, receive market quotations for the securities or other assets that they do not believe are reliable or correct. Circumstances that might give rise to the Fund fair valuing a security include trading halts, de-listing of the security, early closing or failure of the opening of the primary exchange on which the security primarily trades, and corporate actions, *e.g.*, stock splits, tender offers, reorganizations or exchanges. With respect to the Fund’s investments in one or more open-end management investment companies registered under the 1940 Act, the Fund’s NAV is calculated based in part upon the NAVs of such investment companies. The prospectuses for these companies explain the circumstances under which those companies will use fair value pricing and the effects of using fair value pricing.

Despite diligence and good faith, the fair valuing of the Fund’s portfolio securities could lead to values, which in hindsight and with information not available when fair valuing, that are not entirely accurate. However, the Fund’s portfolio tends to be extremely and broadly diversified. At June 30, 2011, the Fund’s most recently completed fiscal year-end, the Fund held securities of over 180 different issuers in all 10 sectors represented by the S&P 500 Index. Thus, erroneous fair values of one or even several are less likely to materially affect the Fund’s NAV than if the Fund were less diversified. In addition, virtually all of the Fund’s portfolio securities trade principally on U.S. securities exchanges. Thus, fair valuing presents fewer risks for the Fund than those faced by mutual funds holding securities traded on foreign exchanges. In addition, the Fund’s historical rate of required fair valuing during its operations to date has been relatively modest. Nevertheless, the Fund regularly reviews the appropriateness and accuracy of the method it uses in valuing its portfolio securities to determine if it should make any necessary adjustments.

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

NOTE: If the Fund has portfolio securities that are primarily listed on foreign exchanges and trade on weekends or other days when the Fund does not price its shares, please note that the NAV of the Fund’s shares may change on days when shareholders will not be able to purchase or redeem the Fund’s shares.

Description of Indexes

The S&P 500 Index is an unmanaged, market-value weighted index of 500 stocks chosen by Standard & Poor’s on the basis of market size, liquidity, and industry group representation. The S&P 500 Index is one of the most widely used benchmarks of U.S. equity performance. A direct investment in an index is not possible.

The Dow Jones Industrial Average is comprised of a price-weighted average based on the price movement of 30 blue chip stocks.

The NASDAQ-100 Index includes 100 of the largest domestic and international non-financial securities listed on The NASDAQ Stock Market based on market capitalization. The Index reflects companies across major industry groups including computer hardware and software, telecommunications, retail/wholesale trade and biotechnology. It does not contain securities of financial companies including investment companies. A direct investment in an index is not possible.

Financial Highlights

The financial highlight table is intended to help you understand the Fund's financial performance for the past five fiscal years. Certain information reflects financial results for single shares of the Fund. The total returns in the table represent the rate that you would have earned or lost on an investment in the Fund (assuming you reinvested all dividends and distributions). This information has been audited by Tait, Weller & Baker LLP, whose report, along with the Fund's financial statements, are included in the Fund's annual report, which is available upon request.

	Year Ended 6/30/11	Year Ended 6/30/10	Year Ended 6/30/09	Year Ended 6/30/08	Year Ended 6/30/07
Masters 100_{SM} Fund					
Net asset value at beginning of year	\$7.96	\$7.71	\$13.56	\$16.50	\$13.48
Income from investment operations:					
Net investment income (loss)	(0.09)*	(0.07)	0.13	(0.02)	(0.10)
Net realized and unrealized gain (loss) on investments	2.25	0.39	(5.66)	(0.75)	3.12
Total from investment operations	2.16	0.32	(5.53)	(0.77)	3.02
Less distributions from:					
Net investment income	(0.02)	(0.07)	—	—	—
Realized gains	—	—	(0.32)	(2.17)	—
Total distributions	(0.02)	(0.07)	(0.32)	(2.17)	—
Payments by affiliates	—	— ^(a)	—	—	—
Net asset value at end of period	\$10.10	\$7.96	\$7.71	\$13.56	\$16.50
Total return	27.12%	4.02%	(39.99)%	(4.62)%	22.40%
Net assets at end of period (millions)	\$13.2	\$15.4	\$17.7	\$35.1	\$44.3
Ratio of expenses to average net assets:	1.81%	1.95%	1.95%	1.95%	1.95%
Ratio of net investment income (loss) to average net assets:	(0.76)%	(0.74)%	1.45%	(0.13)%	(0.64)%
Portfolio turnover rate	472%	302%	248%	116%	134%

^(a) Less than \$0.01 per share.

* Calculated using average shares outstanding.

Privacy Policy

Marketocracy Funds

Marketocracy Funds recognizes and respects your privacy expectations. We are providing our privacy policy to you as notice of the kinds of information we collect about you and the circumstances in which that information may be disclosed.

We collect the following nonpublic personal information about you:

- Information we receive from you on or in applications or other forms, correspondence, or conversations, including, but not limited to, your name, address, phone number, social security number, assets, income and date of birth; and
- Information about your transactions with us, our affiliates, or others, including, but not limited to, your account number and balance, payments history, parties to transactions, cost basis information, and other financial information.

We do not disclose any nonpublic personal information about our current or former shareholders to nonaffiliated third parties, except as permitted by law. For example, we are permitted by law to disclose all of the information we collect, as described above, to our transfer agent to process your transactions, and to the Funds' investment advisers and their affiliates. Furthermore, we restrict access to your nonpublic personal information to those persons who require such information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

From time to time, we may also share your personal or financial information with another company that may have financial products or services of interest to you. We recognize that not all shareholders appreciate receiving information from other companies about products or services that may interest them. You may instruct Marketocracy Funds not to share your information with other companies for this purpose.

To request that your information not be shared (an Opt Out Request), please call us toll-free at 888-884-8482, or send a written request, including your name, address and social security number to:

**Marketocracy Funds
c/o US Bancorp Funds Services LLC
P.O. Box 701
Milwaukee, WI 53201-0701**

In the event that you hold shares of the Fund(s) through a financial intermediary, including, but not limited to, a broker-dealer, bank, or trust company, the privacy policy of your financial intermediary would govern how your nonpublic personal information would be shared with nonaffiliated third parties.

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Marketocracy Funds

P.O. Box 23791
San Jose, CA 95153

Distributor

Rafferty Capital Markets, LLC
59 Hilton Avenue, Suite 101
Garden City, NY 11530

Investment Adviser, Administrator

Marketocracy Capital Management LLC
P.O. Box 23791
San Jose, CA 95153

Transfer Agent

U.S. Bancorp Fund Services, LLC
615 East Michigan Street
Milwaukee, WI 53202

Independent Registered Public

Accounting Firm
Tait, Weller & Baker LLP
1818 Market Street, Suite 2400
Philadelphia, PA 19103

Additional information about the Fund is included in the Fund's Statement of Additional Information ("SAI") dated October 28, 2011, as amended from time to time, which is incorporated by reference in its entirety. Additional information about the Fund's investments is available 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 strategies that significantly affected the Fund's performance during the last fiscal year.

To obtain a free copy of the SAI, the annual and semi-annual reports or other information about the Fund, or to make shareholder inquiries about the Fund, please call:

1-888-884-8482

or visit the Marketocracy Funds Internet site, <http://funds.marketocracy.com>. You also may review and obtain copies of the Fund's information (including the SAI at the SEC Public Reference Room in Washington, D.C. Please call 1-202 551-8090 for information relating to the operation of the Public Reference Room. Reports and other information about the Fund also are available on the EDGAR Database on the SEC's Internet site at <http://www.sec.gov>. Copies of information may be obtained after paying a duplicating fee, by electronic request at the following E-mail address: publicinfo@sec.gov, or by writing to the Securities and Exchange Commission, Public Reference Section, Washington, D.C. 20549-1520.

Investment Act No. 811-09445