The Arbitrage Fund

First Quarter Fact Sheet as of March 31, 2010

Did You Know?

There are no tax consequences or Fund fees for shareholders exchanging to the lower cost Arbitrage Fund I Class (ARBNX) from the R Class (ARBFX). Additionally, the Fund prospectus waives I Class minimums for shareholders in fee-based or "wrap" accounts. To learn more please call (800) 560-8210 or see the prospectus.

Portfolio Characteristics

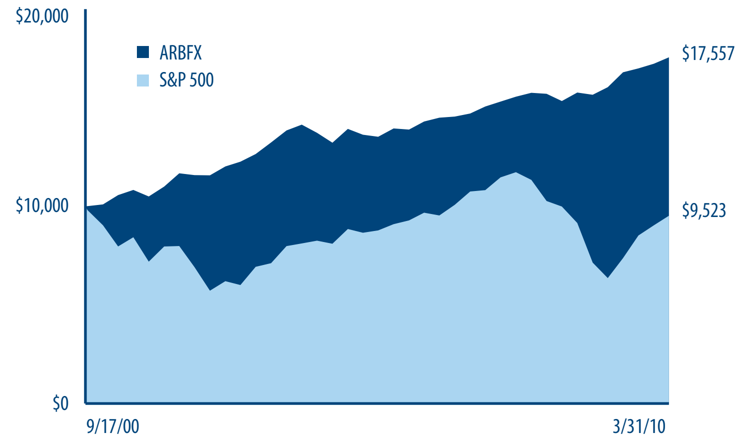
Total Fund Assets Under Management	$1,196.0 MM
ARBFX (Retail Class) AUM	$704.1 MM
ARBNX (Institutional Class) AUM	$491.9 MM
Long Exposure	98.6%
Short Exposure	-36.3%
Cash	1.4%
New Deals for the Quarter	59
Closed Deals for the Quarter	32
Standard Deviation	5.26%
Correlation to S&P 500	0.47
Correlation to Barclays U.S. Aggregate Bond Index	0.09
Weighted Average Market Cap	$6.4 B
Median Market Cap	$638 MM

Top Ten Deals (42.8% of portfolio as of 3/31/10)

Target	*Acquirer*
Alcon Inc	Novartis AG
BJ Services Co	Baker Hughes Inc
Brinks Home Security Holding	Tyco International Ltd
Facet Biotech Corp	Abbott Laboratories
Riskmetrics Group Inc	MSCI Inc
SkillSoft PLC	SSI Investments III Ltd
Smith International Inc	Schlumberger Ltd
Terra Industries Inc	CF Industries Holdings Inc
XTO Energy Inc	Exxon Mobil Corp
Zenith National Insurance Corp	Fairfax Financial Hldgs Ltd

Performance Comparison (ARBFX)

Change in value of a $10,000 investment in The Arbitrage Fund versus the S&P 500, since inception (9/17/00).



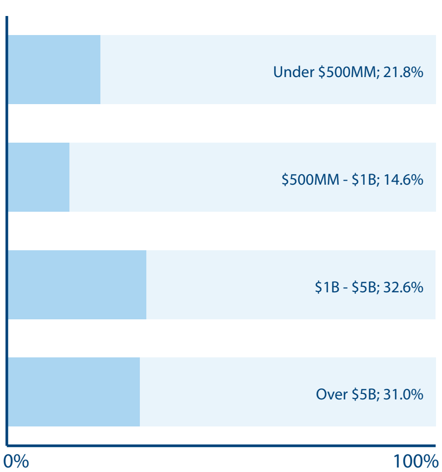
Total returns for the period ending 3/31/10	3-Month	12-Month	5-Year Annualized	Annualized Since Inception
The Arbitrage Fund (ARBFX)	1.73%	9.28%	5.16%	6.06%*
The Arbitrage Fund (ARBNX)	1.79%	9.49%	5.35%	4.35%**
S&P 500	5.39%	49.72%	1.92%	-0.51%*, 3.91%**

* since 9/17/00, ** since 10/17/03

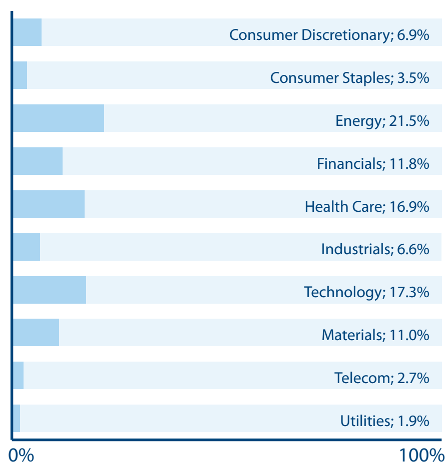
The performance quoted represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling (800) 295-4485 or visiting our website at www.thearbfund.com. The fund assesses a 2% redemption fee on shares that are redeemed within 30 days of purchase. Returns shown above include the reinvestment of all dividends and capital gains. Contractual fee waivers are currently in effect. Without such fee waivers, performance numbers may have been be reduced. The Total Annual Fund Operating Expenses for ARBFX and ARBNX are 3.21% and 2.96%, respectively. The Advisor has agreed to waive fees in excess of 1.69% and 1.44% for ARBFX and ARBNX, respectively, until August 31, 2015.

Portfolio Composition

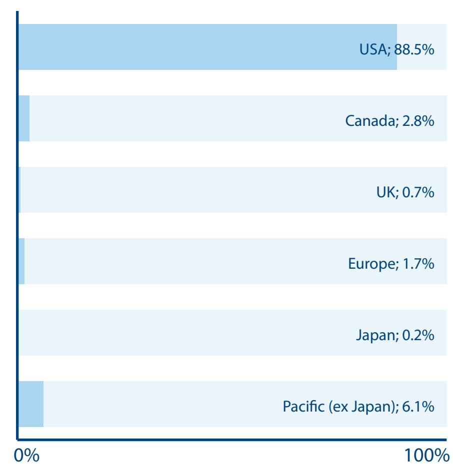
Deal Size (Market Cap) Exposure



Sector Exposure



Region Exposure



An investor should consider the Fund's investment objectives, risks, and charges and expenses carefully before investing. The Fund's prospectus contains this and other important information. You may obtain a copy of the Fund's prospectus at www.thearbfund.com or by calling (800) 295-4485. Please read the prospectus carefully before you invest or send money.

The Fund uses investment techniques that are different from the risks ordinarily associated with equity investments. Such techniques and strategies include merger arbitrage risks, high portfolio turnover risks, options risks, borrowing risks, short sale risks, and foreign investment risks, which may increase volatility and may increase costs and lower performance. Past performance is not a guarantee of future results.

Standard Deviation measures the degree of variation of returns around the average return. Risk measurements are trailing 3-year through quarter-end.

The Arbitrage Fund is distributed by SEI Investments Distribution Co., which is not affiliated with the advisor or any of its affiliates.