

THE OLSTEIN ALL CAP VALUE FUND

Letter to Shareholders

November 15, 2011

Dear Fellow Shareholders:

For the calendar quarter ended September 30, 2011, Class C shares of the Olstein All Cap Value Fund decreased 17.24% compared to a total return of -13.87% for the S&P 500® Index and a total return of -15.30% for the Russell 3000® Index over the same time period.

Market Outlook

While the U.S. equity market has had a bumpy ride since reaching its peak 2011 value in the last week of April, the market dropped precipitously following Standard & Poor's downgrade of long-term U.S. debt on August 5, 2011. Following the downgrade of U.S. debt, equity markets have been fixated on European and American banks' exposure to the high levels of sovereign debt worldwide, particularly exposure to Greek and Italian sovereign debt. Markets have reacted with extreme volatility to both positive and negative developments as European leaders work to find a solution to the sovereign debt crisis in order to prevent a broader credit crisis that could trigger a contraction in global economic growth.

In our opinion, the great fear currently weighing on investors has been the question "Is the European debt crisis a replay of the U.S. financial crisis of 2008?" From our standpoint the answer is no. While we recognize the seriousness of the debt problems plaguing individual European economies as well as the broader implications for global economic growth, it is important to understand what is driving current equity market uncertainty when comparing the European debt crisis of 2011 to the worldwide financial system collapse of 2008.

From our perspective the challenge that has fueled daily market volatility has been the sheer difficulty of formulating an effective policy response across the Eurozone's seventeen member nations. While European leaders may have been slow to respond to investor concerns as the crisis intensified throughout the summer, we believe the recently suggested creation of a TARP-like European bailout fund will go a long way to easing the stress in European financial markets as member nations embark on the longer term process of implementing austerity programs and greater fiscal discipline. Additionally, U.S. policymakers, armed with valuable lessons learned from the financial crisis of 2008, are ramping up efforts to protect the U.S. financial system from the European crisis. Specifically, the Financial Stability Oversight Council, an inter-agency group set up after the 2007–2009 financial crisis, has been working to identify which U.S. financial firms could be compromised by their European exposure and considering ways to strengthen individual balance sheets. Likewise, as investors demand greater transparency and evidence that U.S. financial institutions are not making excessive bets on weaker European economies, more financial firms are disclosing the extent of their European trading, lending, and securities exposure.

As a final note, the large U.S. financial industries are far more liquid than they were in 2007, and in our opinion are approximately 75% along the path of clearing up the problem loans and faulty mortgages written during the excess leverage bubble of 2004–2008. Other differentiating factors between now and 2008 include the fact that corporate liquidity (cash on corporate balance sheets) is at record levels, investor liquidity in two-year or less paper (earning 1% or less) is estimated to be over \$6 trillion and corporate earnings are holding up well. The fear factor and crisis in confidence

The performance data quoted represents past performance and does not guarantee future results. The Olstein All Cap Value Fund's Class C average annual return for the ten-year, five-year, and one-year periods ended 09/30/11, assuming reinvestment of dividends and capital gain distributions and deduction of the Olstein All Cap Value Fund's maximum CDSC during the one-year period, was 2.89%, -4.35%, and -6.48%, respectively. As of 10/31/11, the expense ratio for the Olstein All Cap Value Fund Class C was 2.30%. Expense ratios for other share classes will vary. Performance for other share classes will vary due to differences in sales charge structure and class expenses. The 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 their original cost. Current performance may be lower or higher than performance quoted. To obtain performance data current to the most recent month end, please go to our website at www.olsteinfunds.com.

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currently permeating equity markets are the result of the daily media coverage of the sovereign debt crisis further inflamed. The market volatility produced by high-frequency trading in reaction to the twists and turns of the sovereign debt crisis, has resulted in many companies selling at historically low price earnings ratios (the S&P 500 companies are currently selling at an average 12.5 times estimated 2012 earnings.) There are many companies with sound balance sheets selling at prices which are not properly valuing their unique business models capable of generating increasing amounts of free cash flow. At the same time dividend yields of high-quality stocks have increased materially over the past five years. The current low prices being accorded equities have resulted from a crisis in confidence by an investing public that was burned by the 2008 liquidity crisis and resultant 50% market decline, and which believes a similar occurrence is about to happen. The good news about the investor crisis in confidence is that during these periods of extreme negativity, long-term values arise when prices sink to levels that are not warranted by long-term business fundamentals.

Despite the historical cheapness of many stocks as reflected in historically low price earning ratios and high dividend yields, we expect that a fair amount of pessimism and skepticism will continue to influence the investment landscape, especially since economists have adjusted their expectations for 2011 U.S. GDP growth downward. While the global economy remains beleaguered by serious structural problems primarily rooted in the debt build-up that triggered the financial market crisis of 2008, at this stage of the global and U.S. economic recovery we believe that investors can find some relief and opportunities in greatly improved corporate financial performance.

Portfolio Strategy

The European debt crisis has not only generated extreme volatility, it has also created an overall negative market environment with the S&P 500 Index dropping 17.03% from its April 29, 2011 high through the close of the third quarter 2011. While the macroeconomic outlook remains clouded, we continue to believe that by taking advantage of market volatility and depressed equity prices to purchase strong companies with stable or growing free cash flow and management teams that have proven themselves to be

shrewd allocators of capital, we are effectively positioning the Fund's portfolio to achieve its objective of long-term capital appreciation. We continue to focus on how individual companies have adapted their expectations, strategic plans, and operations to recent bumpy economic conditions and how they have managed their assets to deliver future earnings to investors.

Portfolio Activity

Our current portfolio consists of companies that we believe have a sustainable competitive advantage, discernible balance sheet strength, and a management team that emphasizes decisions based on cost of capital calculations and deploys free cash flow to create shareholder value. At September 30, 2011, the Olstein All Cap Value Fund portfolio consisted of 79 holdings with an average weighted market capitalization of \$46.18 billion. During the past quarter, the Fund initiated positions in ten companies and strategically added to positions in ten companies. Over the same time period, the Fund eliminated its holdings in seven companies and strategically decreased its holdings in another ten companies. Positions initiated during the quarter include: energy exploration and production company Apache Corp.; mining company Freeport-McMoRan Copper & Gold Inc.; technology, service and finance conglomerate General Electric; technology and software company Hewlett-Packard; executive recruitment firm Korn/Ferry International; oil and gas exploration services company Schlumberger Limited; tool and equipment company Snap-On Inc.; office products company Staples, Inc; and banking and financial services holding company U.S. Bancorp. Positions eliminated during the quarter include: AllianceBernstein Holding, L.P., Cintas Corp., Hanover Insurance Group, MasterCard Inc., Oshkosh Truck Corp., Quest Diagnostics Inc., and Rockwell Collins Inc.

Final Thoughts

Although it is inevitable that investors motivated by capital preservation will look for parallels between the 2008 global financial market meltdown and the 2011 European debt crisis, it is extremely important to remember that the sharp market downturn of 2008 was followed by a strong sustained recovery in 2009 and 2010. Within six months of the collapse of Lehman Brothers equity markets began to recover, picking up steam over the next two years. From its March 9, 2009

low through the last week of April 2011, the S&P 500 Index more than doubled with a total return of 101.56% over the roughly twenty-five-month period. (By way of comparison, over the same time period, Class C shares of the All Cap Value Fund, excluding the effects of sales charges, had a return of 122.91%). We believe that U.S. equity markets, so focused on the negative news coming out of Europe over the past five months, may have already discounted much of the potential effects of the European crisis, thus setting up ample opportunity for upside surprises rooted in better than expected improvements in the overall economic environment.

We value your trust and remind you that we continue to invest our money alongside yours. We look forward to writing to you again at the close of the next quarter.

Sincerely,



Robert A. Olstein
Chairman,
Chief Investment Officer
and Co-Portfolio Manager



Eric Heyman
Co-Portfolio Manager

The performance data quoted represents past performance and does not guarantee future results. The Olstein All Cap Value Fund's Class C average annual return for the ten-year, five-year, and one-year periods ended 09/30/11, assuming reinvestment of dividends and capital gain distributions and deduction of the Olstein All Cap Value Fund's maximum CDSC during the one-year period, was 2.89%, -4.35%, and -6.48%, respectively. As of 10/31/11, the expense ratio for the Olstein All Cap Value Fund Class C was 2.30%. Expense ratios for other share classes will vary. Performance for other share classes will vary due to differences in sales charge structure and class expenses. The 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 their original cost. Current performance may be lower or higher than performance quoted. To obtain performance data current to the most recent month end, please go to our website at www.olsteinfunds.com.

The following chart illustrates the growth, on a quarterly basis, of a hypothetical \$10,000 investment made in the Olstein All Cap Value Fund's Class C share at the Olstein All Cap Value Fund's inception date of September 21, 1995. (With dividends and capital gain distributions reinvested but no deduction of taxes on reinvested distributions—see "Details")

Date	Value of Shares Owned, If Initial Investment was \$10,000	Date	Value of Shares Owned, If Initial Investment was \$10,000	Date	Value of Shares Owned, If Initial Investment was \$10,000	Date	Value of Shares Owned, If Initial Investment was \$10,000
9/21/95	\$10,000	9/30/99	23,675	3/31/04	40,870	6/30/08	40,189
9/30/95	10,010	12/31/99	26,692	6/30/04	41,297	9/30/08	38,452
12/31/95	10,261	3/31/00	28,170	9/30/04	39,043	12/31/08	27,545
3/31/96	10,882	6/30/00	28,899	12/31/04	43,146	3/31/09	24,767
6/30/96	11,462	9/30/00	30,596	3/31/05	42,640	6/30/09	30,102
9/30/96	11,713	12/31/00	30,142	6/30/05	42,302	9/30/09	35,648
12/31/96	12,760	3/31/01	30,207	9/30/05	43,749	12/31/09	37,741
3/31/97	13,327	6/30/01	36,192	12/31/05	44,350	03/31/10	40,392
6/30/97	14,602	9/30/01	28,213	3/31/06	46,566	06/30/10	35,788
9/30/97	17,250	12/31/01	35,340	6/30/06	44,242	09/30/10	39,695
12/31/97	17,205	6/30/02	33,797	9/30/06	46,836	12/31/10	43,845
3/31/98	19,851	9/30/02	25,870	12/31/06	50,755	03/31/11	45,276
6/30/98	18,468	12/31/02	28,529	3/31/07	51,862	06/31/11	45,310
9/30/98	15,499	3/31/03	26,226	6/30/07	55,536	09/31/11	37,497
12/31/98	19,788	6/30/03	31,448	9/30/07	53,029		
3/31/99	20,717	9/30/03	33,797	12/31/07	49,012		
6/30/99	25,365	12/31/03	38,853	3/31/08	42,447		

Details

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There is no assurance that the Olstein Funds will achieve their investment objective. The 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 their original cost. Current performance may be lower or higher than performance quoted. To obtain performance data current to the most recent month end, please go to our website at www.olsteinfunds.com.

The S&P 500 Index is an unmanaged index created by Standard & Poor's Corporation that includes a representative sample of 500 leading companies in leading industries of the U.S. economy and is considered to represent the U.S. stock-market performance in general. The Russell 3000® Index is an unmanaged index that measures the performance of the 3,000 largest U.S. companies based on total market capitalization, and represents approximately 98% of the investable U.S. equity market. Investors cannot actually make investments in either index.

As of 09/30/11, the Olstein All Cap Value Fund maintained a position in the following securities mentioned, and is subject to change: Apache Corp. (0.51%); Freeport-McMoRan Copper & Gold (0.50%); General Electric (0.56%); Hewlett-Packard (0.49%); Korn/Ferry International (0.50%); Schlumberger Limited (0.50%); Snap-On Inc. (0.72%); Staples, Inc. (0.73%); and U.S. Bancorp (1.18%). As of 09/30/11, the Olstein All Cap Value Fund did not maintain a position in the following securities mentioned, and is subject to change: Alliance Bernstein Holdings, Cintas Corp., Hanover Insurance Group, MasterCard Inc., Oshkosh Truck Corp., Quest Diagnostics, and Rockwell Collins. The references to securities are not buy or sell recommendations. The references are intended to be descriptive examples of the Olstein All Cap Value Fund's investment philosophy. Do not make investments based on the securities referenced above.

The above commentary represents the opinion of the Manager, and is not intended to be a forecast of future events, a guarantee of future results, or investment advice. This information should be preceded or accompanied by a current prospectus, which contains more complete information, including investment objectives, risks, and charges and expenses of the Olstein Funds and should be read carefully before investing. A current prospectus may be obtained by calling (800) 799-2113 or by visiting the Fund's website at www.olsteinfunds.com.

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