

First Quarter Report March 31, 2010



STRATTON
MUTUAL FUNDS
Stability • Strategy • Success

DEAR FELLOW SHAREHOLDER:

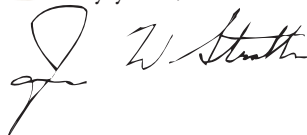
The U.S. economy continued to expand during the first quarter of the year. Recent gauges of economic activity such as consumer spending, factory orders and purchasing managers' intentions have exceeded expectations. Capital spending by U.S. corporations appears to be on the upswing. The breadth of the recovery is impressive and even the beleaguered Housing sector is showing signs of improvement. Residential housing has been helped by the extension of the first-time buyers' tax rebate. Credit availability is vastly improved from the freeze during the depths of the recession.

Corporate profits have rebounded sharply, reflecting strong productivity gains and massive operating cost reductions. S&P 500 company results broadly beat expectations in the fourth quarter, and although the earnings bar has been raised, we are optimistic that the first quarter results will extend the winning streak. Interestingly, corporate managements are beginning to speak more positively when looking towards subsequent quarters as opposed to "talking down" projections in the past. This looks like a good indication that the worst may be behind us. Corporations are awash in cash, fueling a resurgence of dividend increases, stock buybacks, and mergers and acquisitions.

The one area that lags all of this optimism is unemployment. Historically, payroll data is the last thing to improve coming out of a recession. This time is no different. For now, companies are content to see rising top line demand translate into bottom line profitability until they get confirming indications that the recovery is for real. Only then will they begin to add to their employment base.

We believe investors will recognize that in the present low-rate environment, common stocks offer the greatest return potential versus bonds. While the equity market rally of 2009 was dominated by stocks that are widely considered to be of "lower quality", going forward, we expect investor focus to shift to company fundamentals and earnings growth. Without downplaying the importance of sector positioning, we anticipate that future performance will be more dependent on stock selection. We are focusing on companies with exposure to faster growing markets which include stocks in the Energy, Materials and Technology sectors. We also are finding values within the Financials and Retailers as both credit conditions and consumer sentiment are improving.

Sincerely yours,



James W. Stratton
Chairman

April 14, 2010

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Date of first use, May 2010. This report is to be preceded or accompanied by a Prospectus.
All indices are unmanaged groupings of stocks that are not available for investment.*

PORTFOLIO MANAGERS' COMMENTARY

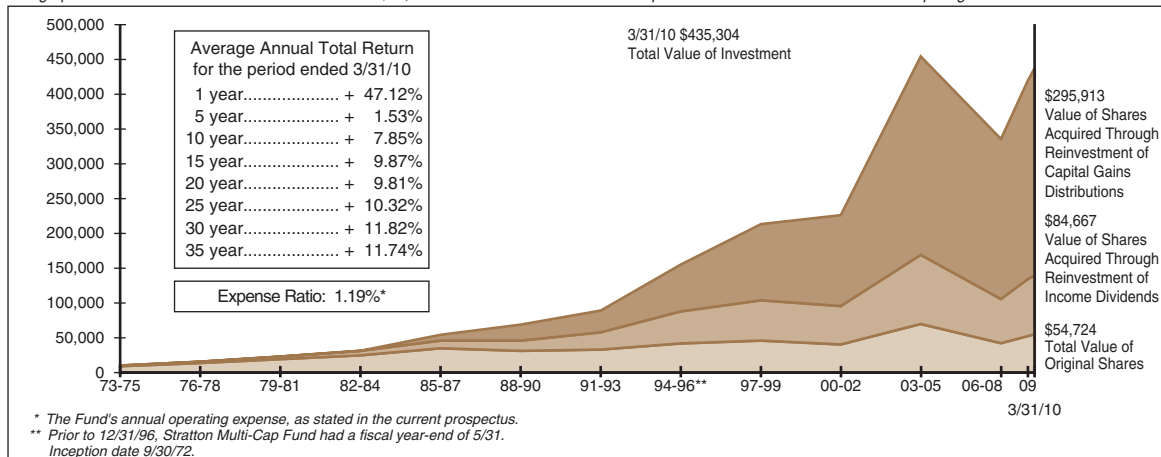
Stratton Multi-Cap Fund — *Jim Stratton / Jim Beers*

- Q. Is there a common denominator to describe the holdings that you eliminated during this quarter?
- A. In most cases the sales were companies that disappointed us with their reported quarterly earnings. This would be true of Dynegey, Inc., General Cable Corp. and H&R Block, Inc. in particular.
- Q. There are two sales within the Energy sector and one purchase. Can you explain your thinking there?
- A. The XTO Energy, Inc. holding is being acquired by Exxon, we chose not to hold Exxon stock, but rather reinvest the proceeds into a smaller company in the Energy area. We selected Noble Corp., a mid-cap company that supplies the needs, both domestic and international, of on shore and off shore drilling for the oil and gas industry.
- Q. Is the portfolio directed toward participating in the sharp economic recovery that you anticipate?
- A. The largest sectors of the portfolio are invested in Basic Materials, Technology and Energy, all of which should benefit from a sharply rising economy. Our recent acquisitions, Ford Motor Co., CSX Corp. and Air Products & Chemicals, Inc. are also business cycle sensitive companies. We are well positioned for the projected strong economic and earnings recovery.

Portfolio holdings are as of 3/31/10. They are subject to change at any time. Investors may incur a fee of 1.50% if shares are redeemed or exchanged within 120 days of purchase.

The performance data quoted represents past performance and does not guarantee future results. Current performance may be lower or higher. Performance data current to the most recent month-end may be obtained at www.strattonfunds.com. The investment return and principal value of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. The graph and table do not reflect the deduction of the taxes that a shareholder would pay on fund distributions or the redemption of fund shares.

The graph below illustrates the increase in value of a \$10,000 investment in Stratton Multi-Cap Fund with all dividend income and capital gains distributions reinvested.



FUND HIGHLIGHTS March 31, 2010 *(unaudited)*

Stratton Multi-Cap Fund

	March 31, 2010	December 31, 2009
Total Net Assets	\$73,475,849	\$73,019,702
Net Asset Value Per Share	\$34.64	\$33.13
Shares Outstanding	2,120,876	2,204,322

Quarterly Portfolio Changes

New Holdings (% of Total Net Assets)

Air Products & Chemicals, Inc. (1.5%)
 Ameriprise Financial, Inc. (1.2%)
 CSX Corp. (1.2%)
 Ford Motor Co. (1.2%)
 Noble Corp. (1.7%)

Eliminated Holdings

Dynege, Inc. Class A
 General Cable Corp.
 H&R Block, Inc.
 Petroleo Brasileiro S.A.-ADR
 Triumph Group, Inc.
 XTO Energy, Inc.

Sector Categories (% of Total Net Assets)

Basic Materials	20.4%	Banking/Financial	5.3%	Business Services	1.9%
Technology	17.2%	Capital Goods	5.0%	Chemicals	1.5%
Energy	13.7%	Retailing	4.8%	Consumer Durable	1.2%
Health Care	9.2%	Consumer Staples	3.0%	Transportation	1.2%
Insurance/Services	6.8%	Utilities	2.5%		

Ten Largest Holdings*

	Market Value	% of TNA
Freeport-McMoRan Copper & Gold, Inc.	\$ 3,341,600	4.5%
Owens-Illinois, Inc.	3,198,600	4.4
Harris Corp.	2,849,400	3.9
Hewlett-Packard Co.	2,657,500	3.6
Oracle Corp.	2,569,000	3.5
International Business Machines Corp.	2,565,000	3.5
Tyco International, Ltd.	2,295,000	3.1
Amedisys, Inc.	2,208,800	3.0
Kimberly-Clark Corp.	2,200,800	3.0
Family Dollar Stores, Inc.	2,196,600	3.0
	\$26,082,300	35.5%

*Excludes short-term holdings.

Portfolio holdings are subject to change and may not represent current compositions of the portfolio.

PORTFOLIO MANAGERS' COMMENTARY

Stratton Real Estate Fund — *Jim Beers*

Q. How did the Fund perform during the first quarter of 2010?

A. Stratton Real Estate Fund rose +7.45% on a total return basis in the quarter ended March 31, 2010. The Fund's performance was slightly behind the MSCI U.S. REIT Index return of +10.09% and the FTSE NAREIT Equity Index return of +10.01%. Shareholders should realize that a number of names in both indices are lower quality companies selling at extremely low prices that have risen dramatically as the credit markets thawed and the prospects for a brighter Economy have increased. As we move forward and the quality of company earnings becomes more important, these companies' stock prices may not continue to outpace the higher quality companies' values.

Q. What changes have you been making in the portfolio?

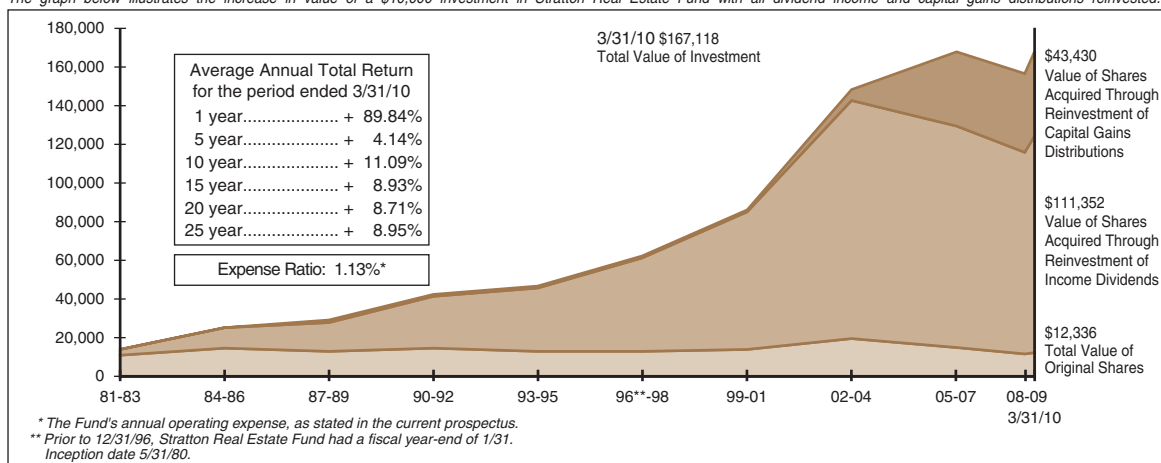
A. During the quarter, we reduced our exposure to traditional Health Care REITs. However, we did add some exposure to specialized medical office buildings with our purchase of Alexandria Real Estate Equities, Inc. Alexandria is the leading provider of real estate to the life science industry. Client tenants include universities and independent not-for-profit institutions, pharmaceutical, medical device, product, service and translation entities, as well as government agencies. We believe this type of company will grow earnings faster than the traditional health care related companies, though we are still committed to the sector based on the strong, long-term demographics of an aging population.

In addition, we slightly increased our exposure to the Lodging industry with an initial position in Starwood Hotels & Resorts Worldwide, Inc. Starwood is one of the leading hotel companies in the world which owns and manages many well known luxury hotel brands. We believe that when the Economy recovers, business and leisure travel will increase and hotel owners and operators will be well positioned to take advantage of numerous opportunities to increase revenue and ultimately to grow earnings.

Portfolio holdings are as of 3/31/10. They are subject to change at any time. Real Estate Funds may be subject to a higher degree of market risk because of concentration in a specific industry or geographic sector. Risks include declines in the value of real estate, general and economic conditions, changes in the value of the underlying property and defaults by borrowers. Investors may incur a fee of 1.50% if shares are redeemed or exchanged within 120 days of purchase.

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The graph below illustrates the increase in value of a \$10,000 investment in Stratton Real Estate Fund with all dividend income and capital gains distributions reinvested.



FUND HIGHLIGHTS March 31, 2010 *(unaudited)*

Stratton Real Estate Fund

	March 31, 2010	December 31, 2009
Total Net Assets	\$78,645,129	\$74,306,632
Net Asset Value Per Share	\$23.50	\$21.87
Shares Outstanding	3,345,933	3,398,087

Quarterly Portfolio Changes

New Holdings (% of Total Net Assets)

Alexandria Real Estate Equities, Inc. (2.6%)
 Starwood Hotels & Resorts Worldwide,
 Inc. (0.9%)

Eliminated Holdings

None

Sector Categories (% of Total Net Assets)

Office	21.3%	Industrial	6.4%
Health Care	20.4%	Lodging	5.8%
Apartments	19.8%	Diversified	4.2%
Regional Malls	7.2%	Net Lease	3.6%
Shopping Centers	6.6%		

Ten Largest Holdings*

	Market Value	% of TNA
The Macerich Co.	\$ 2,990,326	3.8%
Highwoods Properties, Inc.	2,855,700	3.6
National Retail Properties, Inc.	2,853,750	3.6
Mid-America Apartment Communities, Inc.	2,848,450	3.6
UDR, Inc.	2,822,400	3.6
Liberty Property Trust	2,715,200	3.5
Mack-Cali Realty Corp.	2,643,750	3.4
EastGroup Properties, Inc.	2,641,800	3.4
SL Green Realty Corp.	2,577,150	3.3
Universal Health Realty Income Trust	2,473,800	3.1
	\$27,422,326	34.9%

*Excludes short-term holdings.

Portfolio holdings are subject to change and may not represent current compositions of the portfolio.

PORTFOLIO MANAGERS' COMMENTARY

Stratton Small-Cap Value Fund — *Jerry Van Horn*

Q. How did the Fund perform during the first quarter of 2010?

A. For the first quarter of 2010, Stratton Small-Cap Value Fund posted a total return of +8.84% compared to the Russell 2000® Value Index return of +10.02% and the Russell 2000® Index return of +8.85%. Despite a mid-January sell-off brought on by sovereign default risk and fears of earlier than expected Fed tightening, the small-cap equity market continued its advance in the first quarter of 2010. While the first five weeks of the quarter brought a pullback in risk appetites and a corresponding shift in market leadership, the balance of the quarter saw a return to the strong performance of equities with lower-quality characteristics such as higher leverage and lower market capitalization and profitability levels.

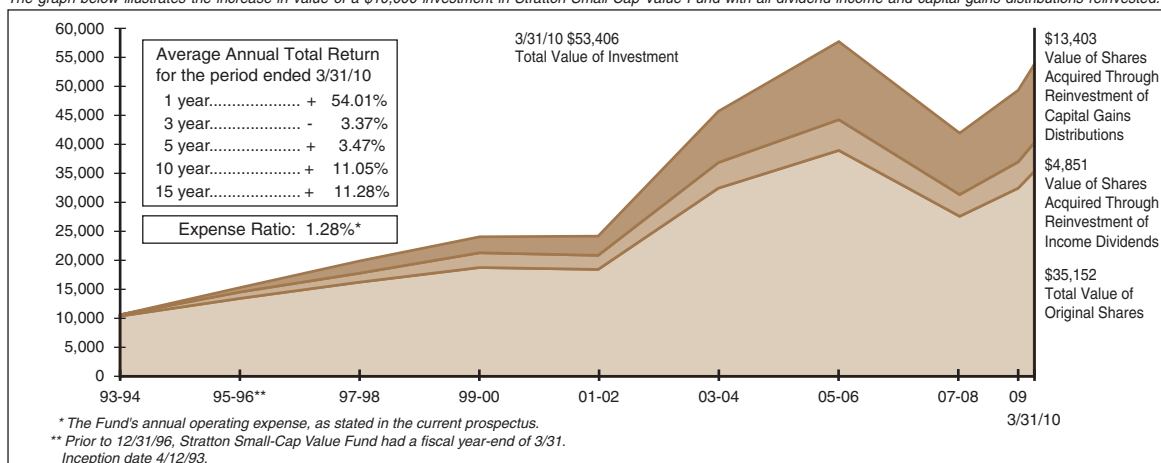
Q. What were the strongest/weakest areas of Fund performance during the quarter?

A. Notable positive performance during the first quarter came from the Health Care, Consumer Discretionary, Producer Durable, Materials & Processing, and Financial Services sectors. Within the Health Care group, Fund holding PAREXEL International Corp. was driven by stronger than expected fourth quarter earnings as well as a general shift in sentiment toward health care equities following passage of the health care reform bill. Also within Health Care, Psychiatric Solutions, Inc. posted strong performance following speculation that the firm could be acquired. Holdings within the Consumer Discretionary, Producer Durable, and Materials & Processing sectors benefited from investors' continued focus on economically sensitive areas of the market. Fund holdings within the Financial Services sector showed notable strength during the quarter as company fundamentals began to show signs of stability and investor sentiment toward the group began to improve. The Energy sector was the only group to post negative performance during the quarter. The Fund's natural gas oriented holdings sold off in mid-January as a resurgence of drilling activity in the latter part of 2009 brought oversupply concerns back to the forefront.

Portfolio holdings are as of 3/31/10. They are subject to change at any time. Small company stocks are generally riskier than larger company stocks due to greater volatility and less liquidity. Investors may incur a fee of 1.50% if shares are redeemed or exchanged within 120 days of purchase.

The performance data quoted represents past performance and does not guarantee future results. Current performance may be lower or higher. Performance data current to the most recent month-end may be obtained at www.strattonfunds.com. The investment return and principal value of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. The graph and table do not reflect the deduction of the taxes that a shareholder would pay on fund distributions or the redemption of fund shares.

The graph below illustrates the increase in value of a \$10,000 investment in Stratton Small-Cap Value Fund with all dividend income and capital gains distributions reinvested.



FUND HIGHLIGHTS March 31, 2010 *(unaudited)*

Stratton Small-Cap Value Fund

	March 31, 2010	December 31, 2009
Total Net Assets	\$819,996,994	\$855,576,365
Net Asset Value Per Share	\$43.94	\$40.37
Shares Outstanding	18,662,364	21,191,874

Quarterly Portfolio Changes

New Holdings (% of Total Net Assets)

None

Eliminated Holdings

CONMED Corp.
Euroseas, Ltd.
FelCor Lodging Trust, Inc.
GameStop Corp. Class A
Henry Schein, Inc.
Netflix, Inc.

Sector Categories (% of Total Net Assets)

Banking/Financial	17.2%	REITs	7.8%	Consumer Durable	1.8%
Technology	17.2%	Retailing	6.8%	Business Services	1.8%
Industrial	10.4%	Utilities	6.3%	Aerospace/Defense	1.6%
Health Care	8.7%	Consumer Staples	4.6%	Consumer Services	1.3%
Energy	8.4%	Basic Materials	3.2%	Insurance/Services	1.0%

Ten Largest Holdings*

	Market Value	% of TNA
PAREXEL International Corp.	\$ 18,298,350	2.2%
Syniverse Holdings, Inc.	15,868,050	1.9
Kinetic Concepts, Inc.	15,538,250	1.9
Jos. A. Bank Clothiers, Inc.	15,006,890	1.8
Aaron's, Inc.	14,986,330	1.8
Jarden Corp.	14,980,500	1.8
Solera Holdings, Inc.	14,880,250	1.8
Affiliated Managers Group, Inc.	14,792,750	1.8
Crane Co.	14,711,200	1.8
Blue Coat Systems, Inc.	14,557,760	1.8
	\$153,620,330	18.6%

**Excludes short-term holdings.*

Portfolio holdings are subject to change and may not represent current compositions of the portfolio.

SCHEDULE OF INVESTMENTS March 31, 2010 *(unaudited)*

Stratton Multi-Cap Fund

	Number of Shares	Market Value (Note A)		Number of Shares	Market Value (Note A)
COMMON STOCKS – 93.7%			Insurance/Services – 6.8%		
Banking/Financial – 5.3%			Aflac, Inc.		
Ameriprise Financial, Inc.	20,000	\$ 907,200		30,000	\$ 1,628,700
Hudson City Bancorp, Inc.	100,000	1,416,000		40,000	1,733,600
JPMorgan Chase & Co.	35,000	1,566,250		30,000	1,605,300
		<u>3,889,450</u>			<u>4,967,600</u>
Basic Materials – 20.4%			Retailing – 4.8%		
Agrium, Inc.	20,000	1,412,600		60,000	2,196,600
Freeport-McMoRan				20,000	1,334,400
Copper & Gold, Inc.	40,000	3,341,600			<u>3,531,000</u>
GrafTech International, Ltd.†	100,000	1,367,000	Technology – 17.2%		
The Mosaic Co.	25,000	1,519,250	Corning, Inc.	100,000	2,021,000
Owens-Illinois, Inc.†	90,000	3,198,600	Harris Corp.	60,000	2,849,400
Potash Corp. of Saskatchewan, Inc.	15,000	1,790,250	Hewlett-Packard Co.	50,000	2,657,500
Quaker Chemical Corp.	30,000	813,300	International Business Machines Corp.	20,000	2,565,000
Schnitzer Steel Industries, Inc. Class A	30,000	1,575,900	Oracle Corp.	100,000	2,569,000
		<u>15,018,500</u>			<u>12,661,900</u>
Business Services – 1.9%			Transportation – 1.2%		
Waste Management, Inc.	40,000	1,377,200	CSX Corp.	17,000	865,300
Capital Goods – 5.0%			Utilities – 2.5%		
General Electric Co.	75,000	1,365,000	Energen Corp.	40,000	1,861,200
Tyco International, Ltd.	60,000	2,295,000	Total Common Stocks		
		<u>3,660,000</u>	(Cost \$63,699,626)		<u>68,872,450</u>
Chemicals – 1.5%				Principal Amount	
Air Products & Chemicals, Inc.	15,000	1,109,250	SHORT-TERM INVESTMENTS – 6.4%		
Consumer Durable – 1.2%			PNC Bank Money Market Account		
Ford Motor Co.†	70,000	879,900	0.05%, due 04/01/10	\$4,714,420	4,714,420
Consumer Staples – 3.0%			Total Short-Term Investments		
Kimberly-Clark Corp.	35,000	2,200,800	(Cost \$4,714,420)		4,714,420
Energy – 13.7%			Total Investments — 100.1%		
Anadarko Petroleum Corp.	30,000	2,184,900	(Cost \$68,414,046*)		73,586,870
Halliburton Co.	40,000	1,205,200	Liabilities in Excess of Other Assets — (0.1%)		
National-Oilwell Varco, Inc.	30,000	1,217,400			(111,021)
Noble Corp.	30,000	1,254,600	NET ASSETS — 100.0%		
Occidental Petroleum Corp.	20,000	1,690,800			<u>\$73,475,849</u>
Penn Virginia Corp.	50,000	1,225,000			
Transocean, Ltd.†	15,000	1,295,700			
		<u>10,073,600</u>			
Health Care – 9.2%			† Non-income producing security		
Abbott Laboratories	35,000	1,843,800	* Aggregate cost is \$68,414,046 and net unrealized appreciation is as follows:		
Amedisys, Inc.†	40,000	2,208,800	Gross unrealized appreciation		\$ 9,879,417
Becton, Dickinson & Co.	15,000	1,180,950	Gross unrealized depreciation		(4,706,593)
Thermo Fisher Scientific, Inc.†	30,000	1,543,200	Net unrealized appreciation		<u>\$ 5,172,824</u>
		<u>6,776,750</u>			

See accompanying notes to Schedules of Investments.

SCHEDULE OF INVESTMENTS March 31, 2010 *(unaudited)*

Stratton Real Estate Fund

	Number of Shares	Market Value (Note A)		Number of Shares	Market Value (Note A)
COMMON STOCKS – 95.3%					
Apartments – 19.8%					
American Campus Communities, Inc.	55,000	\$ 1,521,300			
Apartment Investment & Management Co. Class A	60,000	1,104,600			
AvalonBay Communities, Inc.	20,000	1,727,000			
Camden Property Trust	40,000	1,665,200			
Equity Residential	50,000	1,957,500			
Home Properties, Inc.	40,000	1,872,000			
Mid-America Apartment Communities, Inc.	55,000	2,848,450			
UDR, Inc.	160,000	2,822,400			
		<u>15,518,450</u>			
Diversified – 4.2%					
Digital Realty Trust, Inc.	30,000	1,626,000			
Lexington Realty Trust	258,255	1,681,240			
		<u>3,307,240</u>			
Health Care – 20.4%					
HCP, Inc.	60,000	1,980,000			
Health Care REIT, Inc.	40,000	1,809,200			
Healthcare Realty Trust, Inc.	100,000	2,329,000			
Medical Properties Trust, Inc.	100,000	1,048,000			
National Health Investors, Inc.	50,000	1,938,000			
Nationwide Health Properties, Inc.	65,000	2,284,750			
Universal Health Realty Income Trust	70,000	2,473,800			
Ventas, Inc.	45,000	2,136,600			
		<u>15,999,350</u>			
Industrial – 6.4%					
AMB Property Corp.	50,000	1,362,000			
DCT Industrial Trust, Inc.	200,000	1,046,000			
EastGroup Properties, Inc.	70,000	2,641,800			
		<u>5,049,800</u>			
Lodging – 5.8%					
Hospitality Properties Trust.	100,000	2,395,000			
Starwood Hotels & Resorts Worldwide, Inc.	15,000	699,600			
Sunstone Hotel Investors, Inc.†	131,414	1,467,894			
		<u>4,562,494</u>			
Net Lease – 3.6%					
National Retail Properties, Inc.	125,000	2,853,750			
Office – 21.3%					
Alexandria Real Estate Equities, Inc.	30,000	2,028,000			
Boston Properties, Inc.	20,000	1,508,800			
Office – continued					
Brandywine Realty Trust	200,000	\$ 2,442,000			
Highwoods Properties, Inc.	90,000	2,855,700			
Liberty Property Trust	80,000	2,715,200			
Mack-Cali Realty Corp.	75,000	2,643,750			
SL Green Realty Corp.	45,000	2,577,150			
		<u>16,770,600</u>			
Regional Malls – 7.2%					
Glimcher Realty Trust	185,000	937,950			
The Macerich Co.	78,056	2,990,326			
Simon Property Group, Inc.	20,857	1,749,902			
		<u>5,678,178</u>			
Shopping Centers – 6.6%					
Developers Diversified Realty Corp.	66,264	806,433			
Equity One, Inc.	50,000	944,500			
Federal Realty Investment Trust.	30,000	2,184,300			
Urstadt Biddle Properties, Inc. Class A.	80,000	1,264,800			
		<u>5,200,033</u>			
Total Common Stocks					
(Cost \$73,288,870)					<u>74,939,895</u>
			Principal Amount		
SHORT-TERM INVESTMENTS – 4.4%					
PNC Bank Money Market Account 0.05%, due 04/01/10			\$3,459,065		<u>3,459,065</u>
Total Short-Term Investments					
(Cost \$3,459,065)					<u>3,459,065</u>
Total Investments — 99.7%					
(Cost \$76,747,935*)					78,398,960
Other Assets Less Liabilities — 0.3%					
					<u>246,169</u>
NET ASSETS — 100.0%					
					<u>\$78,645,129</u>
† Non-income producing security					
* Aggregate cost is \$76,747,935 and net unrealized appreciation is as follows:					
Gross unrealized appreciation				\$ 14,917,751	
Gross unrealized depreciation				(13,266,726)	
Net unrealized appreciation				<u>\$ 1,651,025</u>	

See accompanying notes to Schedules of Investments.

SCHEDULE OF INVESTMENTS March 31, 2010 *(unaudited)*

Stratton Small-Cap Value Fund

	Number of Shares	Market Value (Note A)		Number of Shares	Market Value (Note A)
COMMON STOCKS – 98.1%					
Aerospace/Defense – 1.6%					
Moog, Inc. Class A†	361,925	\$ 12,819,384			
Banking/Financial – 17.2%					
Affiliated Managers Group, Inc.†	187,250	14,792,750			
Astoria Financial Corp.	722,000	10,469,000			
BancorpSouth, Inc.	421,000	8,824,160			
Community Bank System, Inc.	330,000	7,517,400			
First Midwest Bancorp, Inc.	764,200	10,354,910			
First Niagara Financial Group, Inc.	577,000	8,204,940			
Glacier Bancorp, Inc.	380,000	5,787,400			
IBERIABANK Corp.	122,000	7,321,220			
Interactive Brokers Group, Inc.					
Class A†	459,000	7,412,850			
MB Financial, Inc.	482,200	10,863,966			
National Penn Bancshares, Inc.	784,400	5,412,360			
Signature Bank†	235,000	8,706,750			
Sterling Bancshares, Inc.	1,440,000	8,035,200			
SVB Financial Group†	239,000	11,151,740			
United Bankshares, Inc.	351,000	9,203,220			
Webster Financial Corp.	418,600	7,321,314			
		<u>141,379,180</u>			
Basic Materials – 3.2%					
Compass Minerals International, Inc.	165,000	13,237,950			
Silgan Holdings, Inc.	209,000	12,588,070			
		<u>25,826,020</u>			
Business Services – 1.8%					
Arbitron, Inc.	545,500	14,543,030			
Consumer Durable – 1.8%					
Jarden Corp.	450,000	14,980,500			
Consumer Services – 1.3%					
Corinthian Colleges, Inc.†	620,000	10,905,800			
Consumer Staples – 4.6%					
Casey's General Stores, Inc.	362,700	11,388,780			
Ralcorp Holdings, Inc.†	205,000	13,894,900			
Ruddick Corp.	401,500	12,703,460			
		<u>37,987,140</u>			
Energy – 8.4%					
Alpha Natural Resources, Inc.†	135,500	6,760,095			
Cabot Oil & Gas Corp.	293,400	10,797,120			
Carrizo Oil & Gas, Inc.†	534,000	12,255,300			
Penn Virginia Corp.	479,400	11,745,300			
Petrohawk Energy Corp.†	444,110	9,006,551			
PetroQuest Energy, Inc.†	1,904,190	9,578,075			
Superior Energy Services, Inc.†	405,000	8,513,100			
		<u>68,655,541</u>			
Health Care – 8.7%					
Amedisys, Inc.†	237,667	\$ 13,123,953		237,667	\$ 13,123,953
Kinetic Concepts, Inc.†	325,000	15,538,250		325,000	15,538,250
PAREXEL International Corp.†	785,000	18,298,350		785,000	18,298,350
Psychiatric Solutions, Inc.†	374,700	11,166,060		374,700	11,166,060
West Pharmaceutical Services, Inc.	316,100	13,260,395		316,100	13,260,395
				<u>71,387,008</u>	
Industrial – 10.4%					
Cascade Corp.	176,500	5,685,065		176,500	5,685,065
Chicago Bridge & Iron Co. N.V.†	618,500	14,386,310		618,500	14,386,310
Crane Co.	414,400	14,711,200		414,400	14,711,200
EnerSys†	509,000	12,551,940		509,000	12,551,940
MasTec, Inc.†	920,000	11,601,200		920,000	11,601,200
The Shaw Group, Inc.†	397,400	13,678,508		397,400	13,678,508
Terex Corp.†	544,000	12,354,240		544,000	12,354,240
				<u>84,968,463</u>	
Insurance/Services – 1.0%					
Selective Insurance Group, Inc.	505,200	8,386,320		505,200	8,386,320
REITs – 7.8%					
AMB Property Corp.	300,000	8,172,000		300,000	8,172,000
Highwoods Properties, Inc.	265,000	8,408,450		265,000	8,408,450
Home Properties, Inc.	179,000	8,377,200		179,000	8,377,200
Medical Properties Trust, Inc.	1,187,000	12,439,760		1,187,000	12,439,760
Nationwide Health Properties, Inc.	355,000	12,478,250		355,000	12,478,250
SL Green Realty Corp.	240,000	13,744,800		240,000	13,744,800
				<u>63,620,460</u>	
Retailing – 6.8%					
Aaron's, Inc.	449,500	14,986,330		449,500	14,986,330
The Gymboree Corp.†	259,200	13,382,496		259,200	13,382,496
Jos. A. Bank Clothiers, Inc.†	274,600	15,006,890		274,600	15,006,890
PetMed Express, Inc.	575,000	12,747,750		575,000	12,747,750
				<u>56,123,466</u>	
Technology – 17.2%					
Anixter International, Inc.†	236,700	11,089,395		236,700	11,089,395
Belden, Inc.	464,600	12,757,916		464,600	12,757,916
Blue Coat Systems, Inc.†	469,000	14,557,760		469,000	14,557,760
CACI International, Inc. Class A†	200,000	9,770,000		200,000	9,770,000
CommScope, Inc.†	500,000	14,010,000		500,000	14,010,000
ON Semiconductor Corp.†	1,545,800	12,366,400		1,545,800	12,366,400
Parametric Technology Corp.†	785,000	14,169,250		785,000	14,169,250
Quest Software, Inc.†	624,000	11,100,960		624,000	11,100,960
RF Micro Devices, Inc.†	2,052,000	10,218,960		2,052,000	10,218,960
Solera Holdings, Inc.	385,000	14,880,250		385,000	14,880,250
Syniverse Holdings, Inc.†	815,000	15,868,050		815,000	15,868,050
				<u>140,788,941</u>	

See accompanying notes to Schedules of Investments.

SCHEDULE OF INVESTMENTS March 31, 2010 *(unaudited) (continued)*

Stratton Small-Cap Value Fund

	<u>Number of Shares</u>	<u>Market Value (Note A)</u>
Utilities – 6.3%		
Avista Corp.	605,000	\$ 12,529,550
El Paso Electric Co.†	639,000	13,163,400
Portland General Electric Co.	325,000	6,275,750
Southwest Gas Corp.	450,000	13,464,000
Unisource Energy Corp.	200,000	<u>6,288,000</u>
		51,720,700
Total Common Stocks		
(Cost \$706,337,489)		<u>804,091,953</u>
	<u>Principal Amount</u>	
SHORT-TERM INVESTMENTS – 1.9%		
PNC Bank Money Market Account		
0.05%, due 04/01/10	\$15,828,719	<u>15,828,719</u>
Total Short-Term Investments		
(Cost \$15,828,719)		<u>15,828,719</u>
Total Investments — 100.0%		
(Cost \$722,166,208*)		819,920,672
Other Assets Less Liabilities — 0.0%		
		<u>76,322</u>
NET ASSETS — 100.0%		<u><u>\$819,996,994</u></u>

REIT – Real Estate Investment Trust

† Non-income producing security

* Aggregate cost is \$722,166,208 and net unrealized appreciation is as follows:

Gross unrealized appreciation	\$153,879,639
Gross unrealized depreciation	<u>(56,125,175)</u>
Net unrealized appreciation	<u><u>\$ 97,754,464</u></u>

See accompanying notes to Schedules of Investments.

NOTES TO SCHEDULES OF INVESTMENTS

March 31, 2010 (*unaudited*)

Note A. Security Valuation – Securities listed or admitted to trading on any national securities exchange are valued at their last sale price on the exchange where the securities are principally traded or, if there has been no sale on that date, at the mean between the last reported bid and asked prices. Securities traded in the over-the-counter market are valued at the official closing price if carried in the National Market Issues section by NASDAQ; other over-the-counter securities are valued at the mean between the closing bid and asked prices obtained from a principal market maker. All other securities and assets, for which no quotations are readily available, are valued at their “fair value” as determined in good faith by the Boards of Directors of the Funds. Some of the more common reasons that may necessitate that a security be valued at “fair value” include: the security’s trading has been halted or suspended; the security has been de-listed from a national exchange; or the security has not been traded for an extended period of time.

Note B. Fair Value Measurements – Various inputs are used in determining the fair value of investments which are as follows:

Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Funds have the ability to access at the measurement date

Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active

Level 3 - Unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund’s own assumptions in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The summary of inputs used to value each Fund’s net assets as of March 31, 2010 is as follows:

	Multi-Cap Fund	Real Estate Fund	Small-Cap Value Fund
Level 1 - Quoted prices *	\$73,586,870	\$78,398,960	\$819,920,672
Level 2 - Significant observable inputs	—	—	—
Level 3 - Significant unobservable inputs	—	—	—
Total Market Value of Investments	<u>\$73,586,870</u>	<u>\$78,398,960</u>	<u>\$819,920,672</u>

* The breakdown of each Fund’s investments into major categories is disclosed in its Schedule of Investments.

Interim and annual reporting periods beginning after December 15, 2009 will require additional disclosure regarding transfers in and/or out of Level 1 and 2. Additional disclosure surrounding the activity in Level 3 fair value measurement will also be effective for fiscal years beginning after December 15, 2010. Management is currently evaluating the impact on the Funds’ financial statements.

C. Determination of Gains or Losses on Sales of Securities – Gains or losses on the sale of securities are calculated for accounting and tax purposes on the identified cost basis.

NOTES TO SCHEDULES OF INVESTMENTS *(continued)*

March 31, 2010 *(unaudited)*

Note C. Tax Disclosure – No provision for federal income taxes is required since the Funds intend to continue to comply with all requirements of the Internal Revenue Code of 1986, as amended, applicable to regulated investment companies and to distribute substantially all of its taxable income and capital gains to shareholders. Federal income tax regulations differ from accounting principals generally accepted in the United States of America; therefore, distributions determined in accordance with tax regulations may differ in amount or character from net investment income and realized gains for financial reporting purposes. Financial reporting records are adjusted for permanent book/tax differences to reflect tax character. Financial records are not adjusted for temporary differences. The amount and character of tax-basis distributions and composition of net assets are finalized at fiscal year-end; accordingly, tax-basis balances have not been determined as of March 31, 2010.

As of December 31, 2009, Multi-Cap Fund had net capital loss carryforwards for federal income tax purposes of \$12,278,017, which are available to reduce future required distributions of net capital gains to shareholders. This amount is available through 2017. Real Estate Fund had net capital loss carryforwards for federal income tax purposes of \$4,828,255, which are available to reduce future required distributions of net capital gains to shareholders. This amount is available through 2017. Small-Cap Value Fund had net capital loss carryforwards for federal income tax purposes of \$2,615,472 and \$16,735,188, which are available to reduce future required distributions of net capital gains to shareholders. This amount is available through 2016 and 2017 respectively.

Under current tax law, capital losses realized after October 31 of a Fund's fiscal year may be deferred and treated as occurring on the first business day of the following fiscal year for tax purposes. The Multi-Cap Fund and Small-Cap Value Fund had deferred post-October capital losses of \$1,869,045 and \$14,747,791, respectively, which will be treated as arising on the first business day of the fiscal year ending December 31, 2010.

For additional information regarding the accounting policies of the Funds, refer to the most recent financial statements in the N-CSR filings at www.sec.gov.

SHAREHOLDER INFORMATION

General Information on the Funds

Requests for a Prospectus, application, financial information, (including past performance figures or any additional information on the Funds), and the available programs should be directed to the Funds' toll free number at 1-800-634-5726. Please visit our website at www.strattonfunds.com to stay up to date on the Funds' performance and to learn more about the Funds.

Share Price Information

The Funds' daily NAVs can be found on our website at www.strattonfunds.com. Ticker symbols for Multi-Cap Fund, Real Estate Fund and Small-Cap Value Fund are **STRGX**, **STMDX** and **STSCX**, respectively.

Minimum Investment

The minimum amount for the initial purchase of shares of each Fund is \$2,000 for shares purchased in non-retirement accounts. Subsequent purchases may be made in amounts of \$100 or more. There is no minimum amount for initial or subsequent purchases of Fund shares in retirement accounts.

Redemption Fees

The Funds may assess a redemption fee of 1.50% of the total redemption proceeds if shares are sold or exchanged within 120 days after the purchase date. This fee is retained by the Funds to offset the brokerage commissions, market impact and other costs associated with fluctuations in Fund asset levels and cash flow caused by short-term trading. For purposes of determining whether the redemption fee applies, the shares that have been held the longest will be redeemed first. The Funds, in their discretion, are authorized to waive the redemption fee as set forth in the Funds' Prospectus.

Dividends and Distributions

The Real Estate Fund has made certain investments in REITs that pay dividends to their shareholders based on available funds from operations. It is quite common for these dividends to exceed a REIT's taxable earnings and profits resulting in the excess portion of such dividends being designated as a return of capital. The Real Estate Fund intends to include the gross dividends from such REITs in its distributions to its shareholders and, accordingly, a portion of the Real Estate Fund's distributions to shareholders may be reclassified as a return of capital at the end of the fiscal year. Therefore, Forms 1099-DIV for the Real Estate Fund may not be available until March. The Multi-Cap Fund may declare and pay dividends, if any, from net investment income semi-annually. The Real Estate Fund may declare and pay dividends, if any, on a semi-annual basis, however it may declare and pay dividends more frequently. The Small-Cap Value Fund may declare and pay dividends, if any, from net investment income annually. Each Fund makes distributions of capital gains, if any, at least annually. Unless a shareholder elects to receive distributions in cash, distributions will be reinvested in additional shares of the appropriate Fund.

Available Programs

Automatic Investment Plan

Shares of a Fund may be purchased through our Automatic Investment Plan. This plan provides a convenient method by which investors may have monies debited directly from their checking, savings or bank money market accounts for investment in a Fund. Participation in this plan requires a \$2,000 initial minimum balance and a minimum monthly investment of \$100. Only an account maintained at a domestic financial institution that is an Automated Clearing House member may participate in the plan.

SHAREHOLDER INFORMATION *(continued)*

Systematic Cash Withdrawal Plan

Shares of a Fund may be automatically redeemed through our Systematic Cash Withdrawal Plan. Participation in this plan requires a minimum account balance of \$10,000 and a minimum monthly withdrawal of \$50.

Retirement and Education Plans

Shares of the Funds are available for purchase through individual retirement accounts, other retirement plans and education savings accounts. Applications for these plans and further details about procedures to be followed are available by calling 1-800-634-5726, or by visiting the Funds' website at www.strattonfunds.com.

Existing Shareholder Account Services

Shareholders seeking information regarding their accounts (including additional purchase or redemption requests) and other Fund services should call 1-800-472-4266 or write the transfer agent at the following addresses:

via First Class Mail

Stratton Mutual Funds
c/o PNC Global Investment Servicing (U.S.) Inc.
P. O. Box 9801
Providence, RI 02940

via Overnight Courier

Stratton Mutual Funds
c/o PNC Global Investment Servicing (U.S.) Inc.
101 Sabin Street
Pawtucket, RI 02860-1427

Investment Portfolio Activities

Questions regarding any of the Funds' investment portfolios should be directed to the Funds' Advisor:

Stratton Management Company
Plymouth Meeting Executive Campus
610 W. Germantown Pike, Suite 300
Plymouth Meeting, PA 19462-1050
1-800-578-8261

Please do not send account related correspondence, including transaction requests, to the Advisor. Doing so may delay the processing of your account related request.

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President

Stratton Small-Cap Value Fund

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Assistant Treasurer

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STRATTON

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