



## **Annual Report**

September 30, 2009

### Fund Adviser:

Pekin Singer Strauss Asset Management  
21 S. Clark Street, Suite 3325  
Chicago, IL 60603

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Dear Appleseed Shareholder:

While some of the time the supply of equities and the demand for equities are approximately in balance, most of the time they are not. When they are in balance, stock prices fluctuate within a narrow band. When they are not in balance, aggressive selling occurs as fear takes control of investor psychology; alternatively, greed dominates and stock prices get pushed up.

Fear became the main driver beginning in October of 2007, taking the market down -57.7% from its peak to its trough on March 6, 2009. Since then, fear has taken a back seat. From the Bear Market bottom on March 9th through the end of September, the market increased a stunning 58.2%, providing investors with reason to breathe a bit easier following the tension-filled prior 18 months. Notwithstanding this unusually powerful recovery, the S&P 500 on September 30, 2009, was still 32% lower than its October 2007 peak.

During the third quarter of 2009, the S&P 500 Index appreciated 15.1% and for the first nine months of 2009, the S&P 500 Index was up 17.1%.

So, you ask... "what changed to cause this highly-welcomed dramatic market upsurge?" A definitive answer to that question may not be known for some years, but, at this point, two things fairly summarize what occurred. First, and most importantly, the highly stimulative actions of the Federal Reserve kicked in and served to prevent a total meltdown of the financial system. And, second, these stabilizing actions enabled the recessionary economy to initially weaken at a reduced rate, and then subsequently to bottom out.

In response to past recessions, cheap and freely available money, sooner or later, has led to increased business activity, enabling the economy to stop contracting. Similarly, higher levels of government spending served to buoy business activity as well. The former comes under the heading of Monetary Policy, and the latter is known as Fiscal Policy. These are the two schools of thought as to which stimulus policy is the most effective to lift the economy out of recession.

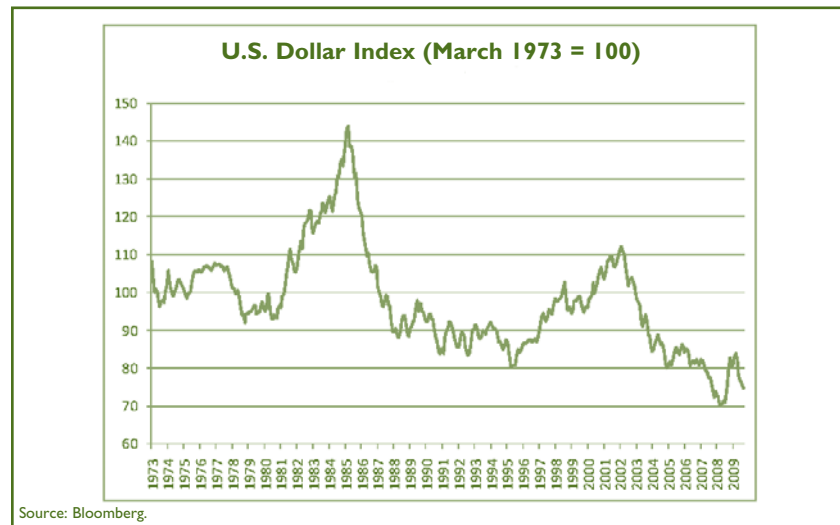
In any event, the economy appears to be responding to the stimulus. Following 22 months of decline, the usually reliable Index of Leading Economic Indicators turned up in April and has since risen for five consecutive months. Moreover, recent discussions with the managements of some of the companies whose stocks we own have indicated they are seeing encouraging signs of improved demand in their business; this, coupled with their belt tightening efforts of the past year, is



translating into improved bottom-line results. We believe the latter has been an important prop underlying the strong stock market since last March.

Our view is that the Federal Reserve’s Monetary Policy under Ben Bernanke will prove to be excessive, just as it was during our last recession under Alan Greenspan. In particular, we worry about the amount of money that the Federal Reserve is printing to execute its strategy of keeping money cheap. M2, the broadest measure of money supply in circulation, has grown at a rate of 7.8% in the past 12 months and would have increased at a faster rate had demand for loans from the private sector been more robust.

For investors, the important thing is not what happened, of course, but what is going to happen. With this in mind, we are concerned about the soundness of the dollar. The graph on the next page highlights what those of you who have travelled abroad recently have painfully experienced—the U.S. dollar buys precious little today by comparison to what it has in the past. At this writing, on average, against all other foreign currencies, the dollar as measured by the U.S. Dollar Index purchases less than one-half of what it bought in the mid-1980s, and, just since 2002, the value of the dollar has decreased by 32.8%.<sup>1</sup>

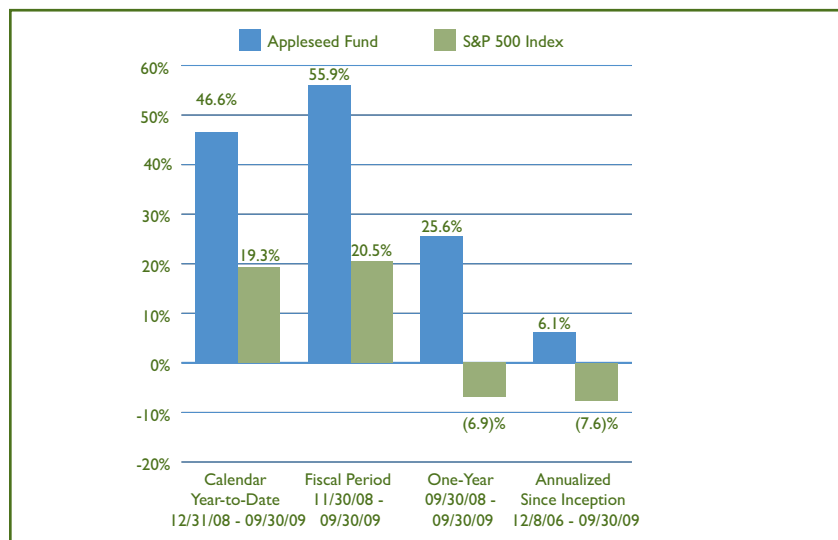


<sup>1</sup> The U.S. Dollar Index (USDIX) is a futures index quoted 24 hours a day seven days a week and is on the NYBOT (New York Board of Trade). The index represents the relationship between the U.S. dollar and six major currencies.



A weakening dollar is clearly good news for exporters and those U.S.-based companies that compete with foreign producers of goods—stimulating demand for their products, enabling them to increase production, and also to hire additional employees. Consequently, U.S. exports have emerged as a silver lining in an otherwise weak economy. And it is for this reason that some economists, perhaps even including Fed Chairman Bernanke, continue to favor a weak dollar policy. With the financial panic receding and many declaring victory over the forces of recession, it would seem timely for the Federal Reserve to start looking to push interest rates up and to cease its monetization of the Treasury’s debt, both of which would strengthen the value of the dollar. However, such moves would require considerable courage, something we have not seen at the Federal Reserve since the early 1980s when Paul Volcker was chairman.

The Federal Reserve’s public statements about their commitment to a strong dollar notwithstanding, we have established what we believe to be appropriate safeguards in the Appleseed portfolio to at least partially protect your capital from accelerating inflation. We are investing in portfolio companies that we expect will retain pricing power in an inflationary environment, and we are investing in companies that derive a large percentage of their earnings and cash flow in non-dollar denominated





currencies. Additionally, we will continue to own gold bullion ETFs until we have a greater level of confidence that the Federal Reserve intends to support the dollar. Because gold is not widely used industrially and has largely been held in vaults as a store of value, we also believe that owning gold bullion should hedge the risk of a falling dollar without taking on unnecessary counterparty risk.

Generating strong investment returns is, in our opinion, the result of a mixture of hard work, a commitment to in-depth bottom-up research, a sound investment process, and a bit of good luck. During this past year, Appleseed shareholders benefited from all of these, as the Fund generated strong performance relative to other equity mutual funds, relative to the market, and in absolute terms. The 25.6% investment return that the Appleseed Fund generated for shareholders over the past twelve months was the result of good stock picking, an aversion to financial companies with opaque balance sheets, and our choice in March 2009 to invest in several stocks with strong balance sheets that were trading below the value of their working capital (we like to call these stocks, “Ben Graham specials”)<sup>2</sup>.

Between our last update at the end of May and the end of September, the biggest contributor to the Fund’s performance was **John B. Sanfilippo (JBSS)**. We have owned the shares of John B. Sanfilippo in the Fund since its inception in 2006. Until recently, investment returns have been disappointing even though the business has been improving. At its low in March, John B. Sanfilippo’s stock traded at a stunningly cheap 2x free cash flow multiple. Today, after more than doubling in price, the company’s stock is still trading below book value and at a multiple of 4x free cash flow. As the largest producer of private label baking and snack nuts in the world, the company is well positioned to appeal to consumers looking to pursue a healthier diet and to consumers looking to stretch their grocery dollars.

The second biggest contributor to the Fund’s performance was **Gaiam (GAIA)**. Gaiam was one of our “Ben Graham specials,” as we initially purchased Gaiam in March 2009 at a value that equalled the cash on the company’s balance sheet. In addition to the cash, Gaiam owns unencumbered commercial real estate in Louisville, Colorado, a majority stake in **Real Goods Solar (RSOL)**, one of the largest residential integrators of solar

<sup>2</sup> Ben Graham wrote the classic value investing books, *Intelligent Investing and Security Analysis*.



energy systems in the United States, and a business marketing lifestyle products under the Gaiam brand name. Since the market began to rally in March, investors have become increasingly willing to invest in Gaiam for the value of its cash plus the value of its businesses. With that said, we continue to believe that Gaiam's stock is being undervalued by Mr. Market.

Beyond John B. Sanfilippo and Gaiam, about one-half of our portfolio positions generated an internal rate of return of 25% or more since the end of May, and we did not have any equity holdings which generated a negative internal rate of return. We also sold our holdings in **Miller Industries (MLR)**, **Anworth Mortgage (ANH)**, and **Unit Corporation (UNT)** as their stock prices appreciated and reached our estimates of intrinsic value. Appleseed shareholders generated very attractive returns with all three of these stocks. At the same time, we have initiated new positions in **Novartis (NVS)**, **Noble Corporation (NE)**, and **PetSmart (PETM)**. These new positions represent investments in companies that have leading positions in their respective markets, fortress balance sheets, experienced management teams, and strong sustainability records.

We do not expect the Appleseed Fund to outpace the market going forward to the extent it did in 2008 and in the first nine months of 2009. Furthermore, we do not expect Appleseed's absolute investment returns over the long-run to remain near 25.6% per annum. However, our research team, our investment process, and our conservative approach towards risk will continue to guide our investment decisions in the future. We believe these factors should increase the likelihood that we will continue to meet our objective of outperforming the market over the long-term, even if we do not meet that objective every year.

Picking up on the theme that we began this letter with, Warren Buffett once said that when he invests, he "strives to be fearful when others are greedy and greedy when others are fearful." Our approach to value investing tends to be contrarian in much the same vein as Warren Buffett, although our portfolio is quite different than his portfolio. Yet, there is more to our investing approach than simply being contrarian. As fiduciaries of your capital, uppermost in our minds is the fact that there is an ongoing trade-off between the "downside risk" and the "upside reward" inherent in every investment decision we make. We are constantly weighing the risks and rewards of our decisions, and above all



else we try not to lose money with your invested capital. With this in mind and given the strength of the markets this year, be assured that we are every bit as cautious in committing your capital today as we ever have been in the past.

As always, we appreciate the opportunity to be the stewards of your capital invested in the Appleseed Fund.

Sincerely,

Ronald Strauss, CFA

Richard Singer, CFA

Adam Strauss, CFA

William Pekin, CFA

Joshua Strauss, CFA

*The Fund's past performance does not guarantee future results. The investment return and principal value of an investment in the Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 1-800-470-1029.*

*At the end of the Fund's reporting period on September 30, 2009, John B. Sanfilippo (JBSS) represented 9.5%, Gaiam (GAIA) represented 3.2%, Novartis (NVS) represented 4.9%, Noble Corporation (NE) represented 3.3%, and PetSmart (PETM) represented 4.8% of the portfolio, respectively.*

**You should carefully consider the investment objectives, potential risks, management fees, and charges and expenses of the Fund before investing. The Fund's prospectus contains this and other information about the Fund, and should be read carefully before investing. You may obtain a current copy of the Fund's prospectus by calling 1-800-470-1029.**

*Distributed by Unified Financial Securities, Inc., 2960 North Meridian Street, Suite 300, Indianapolis, IN 46208 (Member FINRA).*

# INVESTMENT RESULTS

## Investment Results – (Unaudited)

<b>Total Returns*</b>		
(For the periods ended September 30, 2009)		
		<u>Average Annual Returns</u>
	<u>One Year***</u>	<u>Since Inception**</u> <u>(December 8, 2006)</u>
Appleseed Fund	25.57%	6.17%
S&P 500****	-6.91%	-7.63%

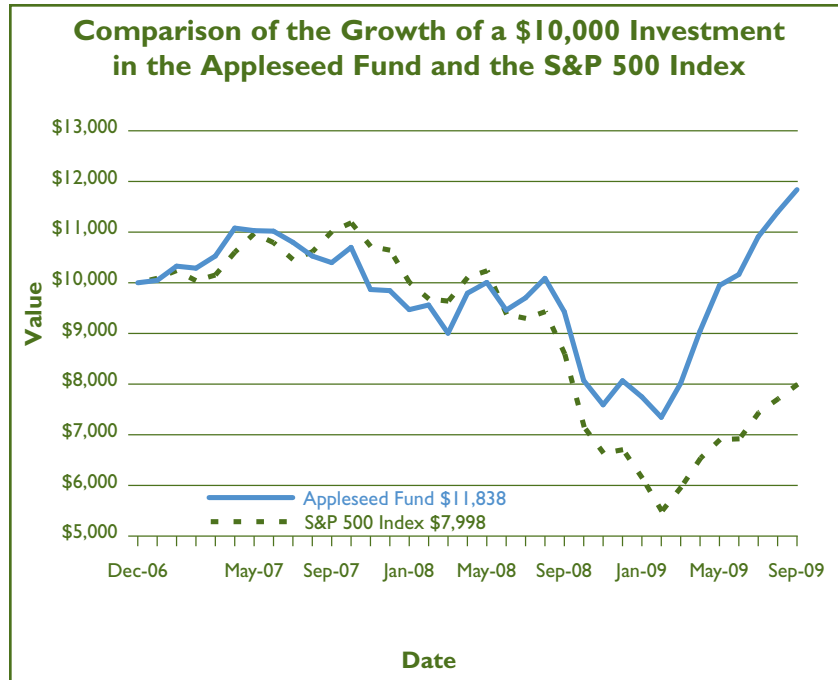
Total annual operating expenses, as disclosed in the Fund's prospectus dated March 30, 2009, were 3.13% of average daily net assets (1.28% after fee waivers/expense reimbursements by the Adviser). The Adviser has contractually agreed to cap certain operating expenses of the Fund through March 31, 2010

**The performance quoted represents past performance, which does not guarantee future results.** 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. The returns shown do not reflect deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 1-800-470-1029.

- \* Return figures reflect any change in price per share and assume the reinvestment of all distributions.
- \*\* Since inception returns are reported as average annual rates.
- \*\*\* Effective August 9, 2009, the Fund's Board of Trustees elected to change the Fund's fiscal year end from November 30 to September 30. The one year return is based on the period October 1, 2008 – September 30, 2009.
- \*\*\*\* The S&P 500® Index is a widely recognized unmanaged index of equity prices and is representative of a broader market and range of securities than is found in the Fund's portfolio. The Index is an unmanaged benchmark that assumes reinvestment of all distributions and excludes the effect of taxes and fees. Individuals cannot invest directly in this Index; however, an individual can invest in exchange traded funds or other investment vehicles that attempt to track the performance of a benchmark index.

**The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The prospectus contains this and other important information about the investment company and may be obtained by calling the same number as above. Please read it carefully before investing. The Fund is distributed by Unified Financial Securities, member FINRA.**

## INVESTMENT RESULTS – continued



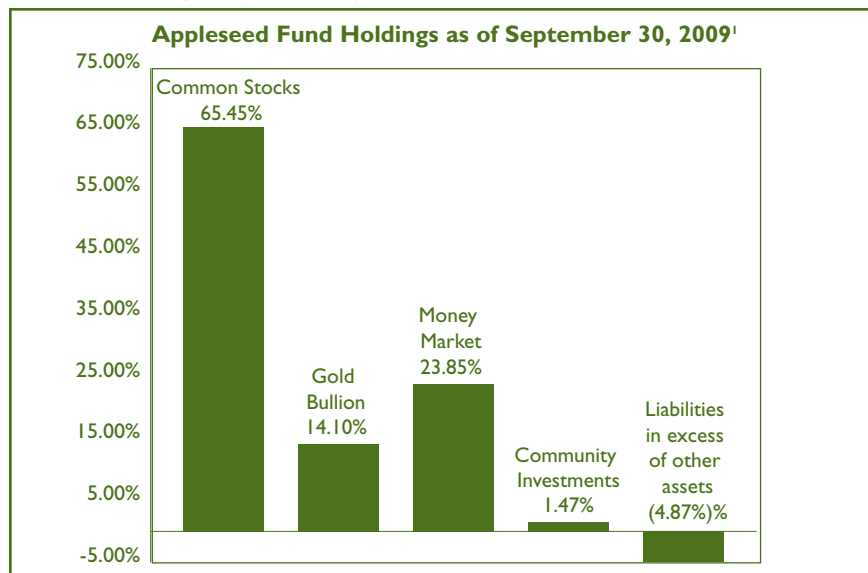
The chart above assumes an initial investment of \$10,000 made on December 8, 2006 (commencement of Fund operations) and held through September 30, 2009. The S&P 500® Index is a widely recognized unmanaged index of equity prices and is representative of a broader market and range of securities than is found in the Fund's portfolio. Individuals cannot invest directly in the Index; however, an individual can invest in exchange traded funds or other investment vehicles that attempt to track the performance of a benchmark index. **THE FUND'S RETURN REPRESENTS PAST PERFORMANCE AND DOES NOT GUARANTEE FUTURE RESULTS.** The returns shown do not reflect deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Investment returns and principal values will fluctuate so that your shares, when redeemed, may be worth more or less than their original purchase price.

**Current performance of the Fund may be lower or higher than the performance quoted. For more information on the Fund, and to obtain performance data current to the most recent month end or to request a prospectus, please call 1-800-470-1029. The Fund's investment objectives, risks, charges and expenses should be considered carefully before investing. The prospectus contains this and other important information about the investment company and should be read carefully before investing.**

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## FUND HOLDINGS

### Fund Holdings – (Unaudited)



<sup>1</sup> As a percent of net assets.

The Appleseed Fund invests primarily in a portfolio of equity securities of companies that are undervalued in the opinion of the Fund's Adviser, Pekin Singer Strauss Asset Management.

### Availability of Portfolio Schedule – (Unaudited)

The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission ("SEC") for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q are available at the SEC's website at [www.sec.gov](http://www.sec.gov). The Fund's Forms N-Q may be reviewed and copied at the Public Reference Room in Washington DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

## FUND EXPENSES

### Summary of Fund's Expenses – (Unaudited)

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs (such as short-term redemption fees); and (2) ongoing costs, including management fees and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

## FUND EXPENSES – continued

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for six months from April 1, 2009 to September 30, 2009.

### Actual Expenses

The first line of the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.60), then multiply the result by the number in the first line under the heading entitled “Expenses Paid During Period” to estimate the expenses you paid on your account during this period.

### Hypothetical Example for Comparison Purposes

The second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Expenses shown are meant to highlight your ongoing costs only and do not reflect any transactional costs such as the redemption fee imposed on short-term redemptions. The second line of the table below is useful in comparing ongoing costs only and will not help you determine the relative costs of owning different funds. If incurred, the short-term redemption fee imposed by the Fund would increase your expenses.

<b><i>Appleseed Fund</i></b>	<b><i>Beginning Account Value April 1, 2009</i></b>	<b><i>Ending Account Value September 30, 2009</i></b>	<b><i>Expenses Paid During the Period April 1, 2009 to September 30, 2009*</i></b>
Actual	\$1,000.00	\$1,476.80	\$7.70
Hypothetical (5% return before expenses)	\$1,000.00	\$1,018.85	\$6.28

\* Expenses are equal to the Fund’s annualized expense ratio of 1.24%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the partial year period). Effective April 1, 2009, the Adviser capped the Fund’s expenses at 1.24%. Prior to April 1, 2009, the Fund’s expense cap was 0.90%.

# APPLESEED FUND SCHEDULE OF INVESTMENTS

September 30, 2009

<b>Common Stocks – 65.45%</b>	<b>Shares</b>	<b>Value</b>
<b>Business Services – 2.91%</b>		
ICT Group, Inc. (a) .....	117,441	\$ 1,233,130
OfficeMax, Inc. ....	31,200	392,496
		<u>1,625,626</u>
<b>Consumer Discretionary – 7.97%</b>		
Gaiam, Inc. - Class A (a) .....	257,441	1,796,938
PetSmart, Inc. ....	122,130	2,656,328
		<u>4,453,266</u>
<b>Consumer Staples – 13.21%</b>		
Avon Products, Inc. ....	33,800	1,147,848
Coca-Cola Company/The .....	14,200	762,540
Female Health Company/The (a) .....	37,600	189,880
John B. Sanfilippo & Son, Inc. (a) .....	455,001	5,287,112
		<u>7,387,380</u>
<b>Energy – 3.29%</b>		
Noble Corp. ....	48,500	<u>1,841,060</u>
<b>Financials – 3.52%</b>		
Annaly Capital Management, Inc. (b) .....	108,400	<u>1,966,376</u>
<b>Health Care Services – 3.46%</b>		
PDI, Inc. (a) .....	422,141	<u>1,933,406</u>
<b>Information Technology – 6.63%</b>		
Dell, Inc. (a) .....	22,800	347,928
Nokia Corp (c) .....	143,300	2,095,046
Powerwave Technologies, Inc. (a) .....	30,900	49,440
Teradata Corp. (a) .....	38,200	1,051,264
Zebra Technologies Corp. - Class A (a) .....	6,300	163,359
		<u>3,707,037</u>
<b>Materials – 3.65%</b>		
Sealed Air Corp. ....	103,909	<u>2,039,734</u>

See accompanying notes which are an integral part of this financial statement.

# APPLESEED FUND SCHEDULE OF INVESTMENTS – continued

September 30, 2009

<b><u>Common Stocks – 65.45% – continued</u></b>	<b><u>Shares</u></b>	<b><u>Value</u></b>
<b>Pharmaceuticals – 20.81%</b>		
Johnson & Johnson .....	44,700	\$ 2,721,783
Novartis AG (c) .....	53,700	2,705,406
Pfizer, Inc. ....	318,800	5,276,140
Schering-Plough Corp. ....	33,000	932,250
		<u>11,635,579</u>
<b>TOTAL COMMON STOCKS</b>		
(Cost \$30,698,191) .....		<u>36,589,464</u>
<b>Gold Bullion Funds – 14.10%</b>		
ETFs Gold Trust (a) (d) .....	17,500	1,763,475
iShares COMEX Gold Trust (a) (d) .....	16,200	1,602,666
SPDR Gold Trust (a) (d) .....	45,700	4,517,445
		<u>7,883,586</u>
<b>TOTAL GOLD BULLION FUNDS</b>		
(Cost \$7,442,025) .....		<u>7,883,586</u>
<b>Money Market Securities – 23.85%</b>		
Federated Treasury Obligations Fund – Institutional Shares, 0.02% (e) .....	13,332,969	13,332,969
		<u>13,332,969</u>
<b>TOTAL MONEY MARKET SECURITIES</b>		
(Cost \$13,332,969) .....		<u>13,332,969</u>

See accompanying notes which are an integral part of this financial statement.

# APPLESEED FUND SCHEDULE OF INVESTMENTS – continued

September 30, 2009

<b>Community Investments – 1.47%</b>	<b>Principal Amount</b>	<b>Value</b>
FHLMC Pool J07647, 4.50%, 04/01/2023 (f) . . . . .	\$424,761	\$ 441,000
FNMA Pool 944363, 5.50%, 06/01/2022 (f) . . . . .	357,341	<u>378,530</u>
<b>TOTAL COMMUNITY INVESTMENTS</b> (Cost \$819,775) . . . . .		<u>819,530</u>
<b>TOTAL INVESTMENTS</b> (Cost \$52,292,960) – 104.87% . . . . .		<u>\$ 58,625,549</u>
<b>Liabilities in excess of other assets – (4.87)% . . . . .</b>		<u>(2,720,728)</u>
<b>TOTAL NET ASSETS – 100.00% . . . . .</b>		<u><u>\$ 55,904,821</u></u>

- (a) Non-income producing.
- (b) Real Estate Investment Trusts
- (c) American Depositary Receipt.
- (d) Exchange-Traded Funds
- (e) Variable Rate Security; the money market rate shown represents the rate at September 30, 2009.
- (f) Mortgage-Backed Securities

See accompanying notes which are an integral part of this financial statement.

# APPLESEED FUND STATEMENT OF ASSETS AND LIABILITIES

September 30, 2009

<b>Assets</b>	
Investments in securities, at fair value (cost \$52,292,960) .....	\$58,625,549
Receivable for fund shares sold .....	447,576
Dividends receivable .....	80,618
Prepaid expenses .....	9,043
Interest receivable .....	3,751
<b>Total assets</b> .....	<u>59,166,537</u>
<b>Liabilities</b>	
Payable for investments purchased .....	3,204,504
Payable to Adviser (a) .....	17,648
Payable for Fund shares purchased .....	8,050
Payable to administrator, fund accountant, and transfer agent .....	7,448
Payable to trustees and officers .....	957
Payable to custodian .....	848
Other accrued expenses .....	22,261
<b>Total liabilities</b> .....	<u>3,261,716</u>
<b>Net Assets</b> .....	<u>\$55,904,821</u>
<b>Net Assets consist of:</b>	
Paid in capital .....	\$49,419,298
Accumulated undistributed net investment income .....	179,751
Accumulated undistributed net realized gain (loss) from investment transactions .....	(26,817)
Net unrealized appreciation (depreciation) on investments .....	<u>6,332,589</u>
<b>Net Assets</b> .....	<u>\$55,904,821</u>
Shares outstanding (unlimited number of shares authorized) .....	<u>4,879,772</u>
Net Asset Value and offering price per share .....	<u>\$ 11.46</u>
Redemption price per share (\$11.46 * 98%) (b) .....	<u>\$ 11.23</u>

(a) See Note 4 in the Notes to the Financial Statements

(b) The Fund charges a 2.00% redemption fee on shares redeemed within 90 calendar days of purchase. Shares are redeemed at the Net Asset Value if held longer than 90 calendar days.

*See accompanying notes which are an integral part of this financial statement.*

# APPLESEED FUND STATEMENT OF OPERATIONS

For the period ended September 30, 2009

	<b>Period Ended 9/30/09(a)</b>	<b>Year Ended 11/30/08</b>
<b>Investment Income</b>		
Dividend income (net of withholding tax \$2,898) . . .	\$ 349,031	\$ 227,808
Interest income . . . . .	15,102	17,882
Total Investment Income . . . . .	<u>364,133</u>	<u>245,690</u>
<b>Expenses</b>		
Investment Adviser fee (b) . . . . .	177,994	74,470
Transfer agent expenses . . . . .	36,301	35,800
Legal expenses . . . . .	29,678	24,205
Administration expenses . . . . .	24,707	26,000
Printing expenses . . . . .	18,629	5,456
Fund accounting expenses . . . . .	16,665	19,997
Auditing expenses . . . . .	16,500	16,950
Registration expenses . . . . .	11,635	3,329
Custodian expenses . . . . .	10,108	4,981
Trustee expenses . . . . .	6,731	6,786
CCO expenses . . . . .	6,562	6,047
Pricing expenses . . . . .	3,075	3,508
Miscellaneous expenses . . . . .	1,256	1,141
Insurance expense . . . . .	964	1,430
24f-2 expense . . . . .	288	58
<b>Total Expenses</b> . . . . .	<u>361,093</u>	<u>230,158</u>
Less: Fees waived & expenses reimbursed by Adviser (b) . . . . .	<u>(152,291)</u>	<u>(163,135)</u>
Net operating expenses . . . . .	<u>208,802</u>	<u>67,023</u>
<b>Net Investment Income (Loss)</b> . . . . .	<u>155,331</u>	<u>178,667</u>
<b>Realized &amp; Unrealized Gain (Loss) on Investments</b>		
Net realized gain (loss) on investment securities . . .	5,881	13,879
Change in unrealized appreciation (depreciation) on investment securities . . . . .	<u>9,513,978</u>	<u>(2,722,432)</u>
Net realized and unrealized gain (loss) on investment securities . . . . .	<u>9,519,859</u>	<u>(2,708,553)</u>
<b>Net increase (decrease) in net assets resulting from operations</b> . . . . .	<u>\$ 9,675,190</u>	<u>\$ (2,529,886)</u>

(a) The Fund's Board of Trustees elected to change its fiscal year end from November 30 to September 30. The information presented is from December 1, 2008 through September 30, 2009.

(b) See Note 4 in the Notes to the Financial Statements.

See accompanying notes which are an integral part of this financial statement.

# APPLESEED FUND

## STATEMENTS OF CHANGES IN NET ASSETS

	<u>Period Ended</u> <u>September 30,</u> <u>2009(a)</u>	<u>Year Ended</u> <u>November 30,</u> <u>2008</u>	<u>Period Ended</u> <u>November 30,</u> <u>2007(b)</u>
<b>Operations</b>			
Net investment income (loss) ..	\$ 155,331	\$ 178,667	\$ 71,722
Net realized gain (loss) on investment securities .....	5,881	13,879	(1,962)
Change in unrealized appreciation (depreciation) on investment securities .....	<u>9,513,978</u>	<u>(2,722,432)</u>	<u>(457,726)</u>
Net increase (decrease) in net assets resulting from operations .....	<u>9,675,190</u>	<u>(2,529,886)</u>	<u>(387,966)</u>
<b>Distributions</b>			
From net investment income ...	(119,045)	(142,332)	(2,445)
From net realized gains .....	<u>—</u>	<u>(1,798)</u>	<u>—</u>
Total distributions .....	<u>(119,045)</u>	<u>(144,130)</u>	<u>(2,445)</u>
<b>Capital Share Transactions</b>			
Proceeds from Fund shares sold	39,846,457	5,975,991	7,336,240
Proceeds from redemption fees collected (c) .....	11,240	114	3,422
Reinvestment of distributions ..	119,045	136,338	2,445
Amount paid for Fund shares repurchased .....	<u>(2,619,573)</u>	<u>(948,019)</u>	<u>(450,597)</u>
Net increase (decrease) in net assets resulting from capital share transactions ...	<u>37,357,169</u>	<u>5,164,424</u>	<u>6,891,510</u>
<b>Total Increase (Decrease) in Net Assets</b> .....	<u>46,913,314</u>	<u>2,490,408</u>	<u>6,501,099</u>
<b>Net Assets</b>			
Beginning of period .....	8,991,507	6,501,099	—
End of period .....	<u>\$55,904,821</u>	<u>\$8,991,507</u>	<u>6,501,099</u>
Accumulated undistributed net investment income included in net assets at end of period ..	<u>\$179,751</u>	<u>\$100,381</u>	<u>69,277</u>
<b>Capital Share Transactions</b>			
Shares sold .....	3,936,844	638,074	701,710
Shares issued in reinvestment of distributions .....	16,087	14,400	243
Shares repurchased .....	<u>(281,519)</u>	<u>(104,073)</u>	<u>(41,994)</u>
Net increase (decrease) from capital share transactions ...	<u>3,671,412</u>	<u>548,401</u>	<u>659,959</u>

- (a) The Fund's Board of Trustees elected to change its fiscal year end from November 30 to September 30. The information presented is from December 1, 2008 through September 30, 2009.
- (b) For the period December 8, 2006 (the date the Fund commenced operations) through November 30, 2007.
- (c) The Fund charges a 2% redemption fee on shares redeemed within 90 calendar days of purchase. Shares are redeemed at the Net Asset Value if held longer than 90 calendar days.

*See accompanying notes which are an integral part of this financial statement.*

# APPLESEED FUND FINANCIAL HIGHLIGHTS

(For a share outstanding during each period)

	<i>Period ended September 30, 2009(a)</i>	<i>Year ended November 30, 2008</i>	<i>Period ended November 30, 2007(b)</i>
<b>Selected Per Share Data:</b>			
Net asset value, beginning of period . . .	\$ 7.44	\$ 9.85	\$10.00
Income from investment operations:			
Net investment income (loss) . . .	0.07(c)	0.22(c)	0.12
Net realized and unrealized gain (loss) on investments . . . . .	<u>4.04</u>	<u>(2.46)</u>	<u>(0.26)</u>
Total from investment operations . . .	<u>4.11</u>	<u>(2.24)</u>	<u>(0.14)</u>
Less distributions to shareholders:			
From net investment income . . . .	(0.09)	(0.17)	(0.02)
From net realized gain . . . . .	<u>—</u>	<u>—(d)</u>	<u>—</u>
Total distributions . . . . .	<u>(0.09)</u>	<u>(0.17)</u>	<u>(0.02)</u>
Paid in capital from redemption fees . .	<u>—(e)</u>	<u>—(e)</u>	<u>0.01</u>
Net asset value, end of period . . . . .	<u>\$ 11.46</u>	<u>\$ 7.44</u>	<u>\$ 9.85</u>
<b>Total Return (f)</b> . . . . .	55.95%(g)	(23.07)%	(1.33)%(g)
<b>Ratios and Supplemental Data:</b>			
Net assets, end of period (000) . . . .	\$55,905	\$8,992	\$6,501
Ratio of expenses to average net assets (l) . . . . .	1.17%(h)(k)	0.90%	0.90%(h)
Ratio of expenses to average net assets before reimbursement & federal income taxes (l) . . . . .	2.02%(h)	3.09%	3.52%(h)(i)
Ratio of net investment income (loss) to average net assets (l) . . . . .	0.87%(h)	2.40%	1.40%(h)
Ratio of net investment income (loss) to average net assets before reimbursement & federal income taxes (l) . . . . .	0.02%(h)	0.21%	(1.22)%(h)(j)
Portfolio turnover rate . . . . .	40.54%	127.63%	27.07%

(a) The Fund's Board of Trustees elected to change its fiscal year end from November 30 to September 30. The information presented is from December 1, 2008 through September 30, 2009.

(b) For the period December 8, 2006 (the date the Fund commenced operations) through November 30, 2007.

(c) Net investment income per share is based on average shares outstanding during the period.

(d) Net realized gain distributed amounted to less than \$0.005 per share.

(e) Redemption fees resulted in less than \$0.005 per share.

(f) Total return in the above table represents the rate that the investor would have earned or lost on an investment in the Fund, assuming reinvestment of dividends.

(g) Not annualized.

(h) Annualized.

(i) The expense ratio before reimbursements includes income taxes of .09% which was voluntarily reimbursed by the Adviser and Fund Administrator.

(j) The net investment income (loss) ratio includes income tax expense of (.09)% which was voluntarily reimbursed by the Adviser and Fund Administrator.

(k) Effective April 1, 2009, the Adviser has contractually agreed to cap the Fund's expenses at 1.24%. Prior to April 1, 2009, the Fund's expense cap was 0.90%.

(l) These ratios exclude the impact of expenses of the underlying security holdings as represented in the Schedule of Investments.

See accompanying notes which are an integral part of this financial statement.

# APPLESEED FUND NOTES TO THE FINANCIAL STATEMENTS

September 30, 2009

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## **NOTE 1. ORGANIZATION**

The Appleseed Fund (the “Fund”) was organized as a non-diversified series of the Unified Series Trust (the “Trust”) on September 11, 2006. The Trust is an open-end investment company established under the laws of Ohio by an Agreement and Declaration of Trust dated October 17, 2002 (the “Trust Agreement”). The Trust Agreement permits the Board of Trustees of the Trust (the “Board”) to issue an unlimited number of shares of beneficial interest of separate series. The Fund is one of a series of funds currently authorized by the Board. The Fund commenced operations on December 8, 2006. The Fund’s investment adviser is Pekin Singer Strauss Asset Management, Inc. (the “Adviser”). The investment objective of the Fund is to provide long-term capital appreciation.

Effective August 9, 2009, the Fund’s Board of Trustees elected to change the Fund’s fiscal year end from November 30 to September 30.

## **NOTE 2. SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements.

*Securities Valuation* – All investments in securities are recorded at their estimated fair value as described in Note 3.

*Federal Income Taxes* – The Fund makes no provision for federal income tax. The Fund intends to qualify each year as a “regulated investment company” under subchapter M of the Internal Revenue Code of 1986, as amended, by distributing substantially all of its taxable income. If the required amount of net investment income is not distributed, the Fund could incur a tax expense.

During the fiscal period, December 1, 2008 – September 30, 2009, the Fund did not have a liability for any unrecognized tax benefits. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the statement of operations. During the period, the Fund did not incur any interest or penalties. The Fund is not subject to examination by U.S. federal tax authorities for tax years prior to 2006.

*Expenses* – Expenses incurred by the Trust that do not relate to a specific fund of the Trust are allocated to the individual funds based on each fund’s relative net assets or other appropriate basis (as determined by the Board).

# APPLESEED FUND NOTES TO THE FINANCIAL STATEMENTS -

continued

September 30, 2009

## **NOTE 2. SIGNIFICANT ACCOUNTING POLICIES – continued**

*Security Transactions and Related Income* – The Fund follows industry practice and records security transactions on the trade date. The specific identification method is used for determining gains or losses for financial statements and income tax purposes. Dividend income is recorded on the ex-dividend date and interest income is recorded on an accrual basis. Discounts and premiums on securities purchased are amortized or accreted using the effective interest method. Withholding taxes on foreign dividends have been provided for in accordance with the Fund’s understanding of the applicable country’s tax rules and rates.

*Dividends and Distributions* – The Fund intends to distribute substantially all of its net investment income as dividends to its shareholders on at least an annual basis. The Fund intends to distribute its net realized long-term capital gains and its net realized short-term capital gains at least once a year. Distributions to shareholders, which are determined in accordance with income tax regulations, are recorded on the ex-dividend date. The treatment for financial reporting purposes of distributions made to shareholders during the year from net investment income or net realized capital gains may differ from their ultimate treatment for federal income tax purposes. These differences are caused primarily by differences in the timing of the recognition of certain components of income, expenses or realized capital gain for federal income tax purposes. Where such differences are permanent in nature, they are reclassified in the components of the net assets based on their ultimate characterization for federal income tax purposes. Any such reclassifications will have no effect on net assets, results of operations or net asset values per share of the Fund. For the fiscal period ended September 30, 2009, the Fund reclassified permanent tax differences in the amount of \$41,720 from accumulated undistributed net realized gain to accumulated undistributed net investment income.

*Non-Diversification Risk* – The Fund is non-diversified, which means it may invest a greater percentage of its assets in a fewer number of stocks as compared to other mutual funds that are more broadly diversified. As a result, the Fund’s share price may be more volatile than the share price of some other mutual funds, and the poor performance of an individual stock in the Fund’s portfolio may have a significant negative impact on the Fund’s performance.

*Subsequent Events* – In accordance with accounting principles generally accepted in the United States of America (“GAAP”), management has evaluated subsequent events through November 30, 2009, the date the

# APPLESEED FUND NOTES TO THE FINANCIAL STATEMENTS -

continued

September 30, 2009

## **NOTE 2. SIGNIFICANT ACCOUNTING POLICIES – continued**

financial statements were issued. See Note 8 for information regarding the distribution to be paid on November 30, 2009. See Note 10 for information regarding the approval of a new president of the Trust.

## **NOTE 3. SECURITIES VALUATION AND FAIR VALUE MEASUREMENTS**

Fair value is defined as the price that a Fund would receive upon selling an investment in a timely transaction to an independent buyer in the principal or most advantageous market of the investment. GAAP establishes a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes.

Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk (the risk inherent in a particular valuation technique used to measure fair value such as a pricing model and/or the risk inherent in the inputs to the valuation technique). Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in the three broad levels listed below.

- Level 1 – quoted prices in active markets for identical securities
- Level 2 – other significant observable inputs (including, but not limited to, quoted prices for an identical security in an inactive market, quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Fund's own assumptions in determining fair value of investments based on the best information available)

# APPLESEED FUND NOTES TO THE FINANCIAL STATEMENTS -

continued

September 30, 2009

## **NOTE 3. SECURITIES VALUATION AND FAIR VALUE MEASUREMENTS – continued**

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety, is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Equity securities, including common stock, exchange traded funds, and real estate investment trusts, are generally valued by using market quotations, but may be valued on the basis of prices furnished by a pricing service when the Adviser believes such prices more accurately reflect the fair value of such securities. Securities that are traded on any stock exchange are generally valued by the pricing service at the last quoted sale price. Lacking a last sale price, an exchange traded security is generally valued by the pricing service at its last bid price. Securities traded in the NASDAQ over-the-counter market are generally valued by the pricing service at the NASDAQ Official Closing Price. When using the market quotations or close prices provided by the pricing service and when the market is considered active, the security will be classified as a Level 1 security. Sometimes, an equity security owned by the Fund will be valued by the pricing service with factors other than market quotations or the market is considered inactive. When this happens, the security will be classified as a Level 2 security. When market quotations are not readily available, when the Adviser determines that the market quotation or the price provided by the pricing service does not accurately reflect the current fair value, or when restricted or illiquid securities are being valued, such securities are valued as determined in good faith by the Adviser, in conformity with guidelines adopted by and subject to review by the Board. These securities will be categorized as Level 3 securities.

Investments in mutual funds, including money market mutual funds, are generally priced at the ending net asset value (NAV) provided by the service agent of the fund. These securities will be categorized as Level 1 securities.

Fixed income securities such as “community investments,” when valued using market quotations in an active market, will be categorized as Level 1 securities. However, they may be valued on the basis of prices furnished by a pricing service when the Adviser believes such prices more accurately reflect the fair value of such securities. A pricing service utilizes electronic data processing techniques based on yield spreads relating to securities

# APPLESEED FUND NOTES TO THE FINANCIAL STATEMENTS -

continued

September 30, 2009

## **NOTE 3. SECURITIES VALUATION AND FAIR VALUE MEASUREMENTS – continued**

with similar characteristics to determine prices for normal institutional-size trading units of debt securities without regard to sale or bid prices. These securities will generally be categorized as Level 2 securities. If the Adviser decides that a price provided by the pricing service does not accurately reflect the fair value of the securities, when prices are not readily available from a pricing service, or when restricted or illiquid securities are being valued, securities are valued at fair value as determined in good faith by the Adviser, in conformity with guidelines adopted by and subject to review of the Board. These securities will be categorized as Level 3 securities. The ability of issuers of debt securities held by the Fund to meet their obligations may be affected by economic and political developments in a specific country or region.

Short-term investments in fixed income securities, (those with maturities of less than 60 days when acquired, or which subsequently are within 60 days of maturity), are valued by using the amortized cost method of valuation, which the Board has determined will represent fair value. These securities will be classified as Level 2 securities.

In accordance with the Trust's good faith pricing guidelines, the Adviser is required to consider all appropriate factors relevant to the value of securities for which it has determined other pricing sources are not available or reliable as described above. No single standard exists for determining fair value, because fair value depends upon the circumstances of each individual case. As a general principle, the current fair value of an issue of securities being valued by the Adviser would appear to be the amount which the owner might reasonably expect to receive for them upon their current sale. Methods which are in accordance with this principle may, for example, be based on (i) a multiple of earnings; (ii) a discount from market of a similar freely traded security (including a derivative security or a basket of securities traded on other markets, exchanges or among dealers); or (iii) yield to maturity with respect to debt issues, or a combination of these and other methods. Good faith pricing is permitted if, in the Adviser's opinion, the validity of market quotations appears to be questionable based on factors such as evidence of a thin market in the security based on a small number of quotations, a significant event occurs after the close of a market but before a Fund's NAV calculation that may affect a security's value, or the Adviser is aware of any other data that calls into question the reliability of market quotations. Good faith pricing may also be used in instances

# APPLESEED FUND NOTES TO THE FINANCIAL STATEMENTS -

continued

September 30, 2009

## NOTE 3. SECURITIES VALUATION AND FAIR VALUE MEASUREMENTS – continued

when the bonds the Funds invest in may default or otherwise cease to have market quotations readily available.

The following is a summary of the inputs used to value the Fund's investments as of September 30, 2009:

<b>Assets</b>	<b>Valuation Inputs</b>			<b>Total</b>
	<b>Level 1 – Quoted Prices in Active Markets</b>	<b>Level 2 – Other Significant Observable Inputs</b>	<b>Level 3 – Significant Unobservable Inputs</b>	
Common Stocks*	\$34,623,088	\$ —	\$—	\$34,623,088
Real Estate Investment Trusts*	1,966,376	—	—	1,966,376
Gold Bullion Funds	7,883,586	—	—	7,883,586
Money Market Securities	13,332,969	—	—	13,332,969
Community Investments	—	819,530	—	819,530
<b>Total</b>	<b>\$57,806,019</b>	<b>\$819,530</b>	<b>\$—</b>	<b>\$58,625,549</b>

\* Refer to Schedule of Investments for industry classifications

The Fund did not hold any investments at any time during the reporting period in which significant unobservable inputs were used in determining fair value; therefore, no reconciliation of Level 3 securities is included for this reporting period. The Fund did not hold any derivative instruments during the reporting period.

## NOTE 4. FEES AND OTHER TRANSACTIONS WITH AFFILIATES

The Adviser, under the terms of the management agreement (the "Agreement"), manages the Fund's investments. As compensation for its management services, the Fund is obligated to pay the Adviser a fee computed and accrued daily and paid monthly at an annual rate of 1.00% of the Fund's average net assets. For the fiscal period, December 1, 2008 - September 30, 2009, before the waiver described below, the Adviser earned a fee of \$177,994 from the Fund. For the fiscal year ended November 30, 2008, the Adviser earned a fee of \$74,470. Effective April 1, 2009, the Adviser has contractually agreed to waive its management fee and/or reimburse certain Fund operating expenses through March 31, 2010, so that the total annual Fund operating expenses, excluding brokerage fees and

# APPLESEED FUND NOTES TO THE FINANCIAL STATEMENTS -

continued

September 30, 2009

## **NOTE 4. FEES AND OTHER TRANSACTIONS WITH AFFILIATES – continued**

commissions, borrowing costs (such as interest and dividend expense on securities sold short), 12b-1 fees, taxes, any indirect expenses such as expenses incurred by other investment companies in which the Fund may invest, and extraordinary expenses do not exceed 1.24% of the Fund's average daily net assets. Prior to April 1, 2009, the Fund's expense cap was 0.90%. For the fiscal period ended September 30, 2009, the Adviser waived fees and reimbursed Fund expenses of \$152,291. For the fiscal year ended November 30, 2008, the Adviser waived fees and reimbursed Fund expenses of \$163,135. At September 30, 2009, the Adviser was owed \$17,648 from the Fund for the management fees earned in excess of the expenses waived at the end of the fiscal year.

Each waiver or reimbursement by the Adviser is subject to repayment by the Fund within the three fiscal years following the fiscal year in which the particular expense was incurred, provided that the Fund is able to make the repayment without exceeding the expense limitation in effect at the time the expense was waived as described above. The amounts subject to repayment by the Fund, pursuant to the aforementioned conditions, at September 30, 2009 are as follows:

<i>Amount</i>	<i>Recoverable through November 30,</i>	<i>Amount</i>	<i>Recoverable through September 30,</i>
\$129,303	2010	\$152,291	2012
\$163,135	2011		

The Trust retains Unified Fund Services, Inc. ("Unified"), to manage the Fund's business affairs and to provide the Fund with administrative services, including all regulatory reporting and necessary office equipment and personnel. For the fiscal period ended September 30, 2009, Unified earned fees of \$24,707 for administrative services provided to the Fund. For the fiscal year ended November 30, 2008, Unified earned fees of \$26,000 for administrative services provided to the Fund. At September 30, 2009, the Fund owed Unified \$3,598 for administrative services.

Certain officers of the Trust are members of management and/or employees of Unified. Unified operates as a wholly-owned subsidiary of Huntington Bancshares, Inc., the parent company of the Distributor and Huntington National Bank, the custodian of the Fund's investments (the "Custodian"). A Trustee of the Trust is a member of management of the

# APPLESEED FUND NOTES TO THE FINANCIAL STATEMENTS -

continued

September 30, 2009

## **NOTE 4. FEES AND OTHER TRANSACTIONS WITH AFFILIATES – continued**

Custodian. For the fiscal period ended September 30, 2009, the Custodian earned fees of \$10,108 for custody services provided to the Fund. For the fiscal year ended November 30, 2008, the Custodian earned fees of \$4,981. At September 30, 2009, the Fund owed the Custodian \$848 for custody services.

The Trust retains Unified to act as the Fund's transfer agent and to provide fund accounting services. For the fiscal period ended September 30, 2009, Unified earned fees of \$16,502 from the Fund for transfer agent services and \$19,799 in reimbursement for out-of-pocket expenses incurred in providing transfer agent services. For the fiscal year ended November 30, 2008, Unified earned fees of \$17,969 from the Fund for transfer agent services provided to the Fund and \$17,831 in reimbursement for out-of-pocket expenses incurred in providing transfer agent services. For the fiscal period ended September 30, 2009, Unified earned fees of \$16,665 from the Fund for fund accounting services. For the fiscal year ended November 30, 2008, Unified earned fees of \$19,997 from the Fund for fund accounting services. At September 30, 2009, the Fund owed Unified \$1,646 for transfer agent services, \$539 for reimbursement for out-of-pocket expenses, and \$1,665 for fund accounting services.

Unified Financial Securities, Inc. (the "Distributor") acts as the principal distributor of the Fund's shares. There were no payments made to the Distributor by the Fund for the fiscal period ended September 30, 2009. A Trustee of the Trust is a member of management of Huntington National Bank, a subsidiary of Huntington Bancshares, Inc. (the parent of the Distributor) and an officer of the Trust is an officer of the Distributor and such persons may be deemed to be affiliates of the Distributor.

The Fund has adopted a Distribution Plan (the "Plan") pursuant to Rule 12b-1 under the Investment Company Act of 1940, which is currently inactive. The Plan provides that the Fund will pay the Adviser and/or any registered securities dealer, financial institution or any other person (the "Recipient") a shareholder servicing fee of 0.25% of the average daily net assets of the class in connection with the promotion and distribution of the Fund's shares or the provision of personal services to shareholders, including, but not necessarily limited to, advertising, compensation to underwriters, dealers and selling personnel, the printing and mailing of prospectuses to other than current Fund shareholders, the printing and mailing of sales literature and servicing shareholder accounts ("12b-1 Expenses"). The Fund or Adviser

# APPLESEED FUND NOTES TO THE FINANCIAL STATEMENTS -

continued

September 30, 2009

## NOTE 4. FEES AND OTHER TRANSACTIONS WITH AFFILIATES – continued

may pay all or a portion of these fees to any Recipient who renders assistance in distributing or promoting the sale of shares, or who provides certain shareholder services, pursuant to a written agreement. The Plan is a compensation plan, which means that compensation is provided regardless of 12b-1 Expenses actually incurred. It is anticipated that the Plan will benefit shareholders because an effective sales program typically is necessary in order for the Fund to reach and maintain a sufficient size to efficiently achieve its investment objectives and to realize economies of scale. The Fund does not currently intend to activate the Plan prior to March 31, 2010.

## NOTE 5. INVESTMENT TRANSACTIONS

For the fiscal period ended September 30, 2009, purchases and sales of investment securities, other than short-term investments were as follows:

<i>Purchases</i>	<u>Amount</u>
U.S. Government Obligations .....	\$ 903,897
Other .....	34,110,284
<i>Sales</i>	
U.S. Government Obligations .....	\$ 165,263
Other .....	7,480,295

At September 30, 2009, the appreciation (depreciation) of investments for tax purposes was as follows:

Gross Appreciation .....	\$ 6,484,909
Gross (Depreciation) .....	<u>(151,377)</u>
Net Appreciation (Depreciation) on Investments .....	<u>\$ 6,333,532</u>

At September 30, 2009, the aggregate cost of securities for federal income tax purposes, was \$52,292,017.

## NOTE 6. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

# APPLESEED FUND NOTES TO THE FINANCIAL STATEMENTS -

continued

September 30, 2009

## NOTE 7. BENEFICIAL OWNERSHIP

The beneficial ownership, either directly or indirectly, of more than 25% of the voting securities of a fund creates a presumption of control of the fund, under Section 2(a) (9) of the Investment Company Act of 1940. At September 30, 2009, Pershing LLC, for the benefit of others, owned 39.33% of the outstanding shares of the Fund and Charles Schwab & Co., for the benefit of others, owned 29.48%. As a result, Pershing LLC and Charles Schwab & Co. may each be deemed to control the Fund.

## NOTE 8. DISTRIBUTIONS TO SHAREHOLDERS

On December 22, 2008, an income distribution of \$0.0922 per share was made to shareholders of record on December 19, 2008.

On November 30, 2009, a short-term capital gain distribution of \$0.0234 per share was made to shareholders of record on November 27, 2009.

On November 30, 2009, a long-term capital gain distribution of \$0.0013 per share was made to shareholders of record on November 27, 2009.

The tax characterization of distributions for the fiscal periods ended September 30, 2009 and November 30, 2008 and 2007 were as follows:

Distributions paid from:	<u>2009</u>	<u>2008</u>	<u>2007</u>
Ordinary Income . . . . .	\$ 119,045	\$ 142,332	\$ 2,445
Short-term Capital Gain . . . . .	\$ —	\$ 1,798	—
Long-term Capital Gain . . . . .	\$ —	\$ —	—
	<u>\$ 119,045</u>	<u>\$ 144,130</u>	<u>\$ 2,445</u>

At September 30, 2009, the components of distributable earnings (accumulated losses) on a tax basis were as follows:

Undistributed ordinary income . . . . .	\$ 170,614
Undistributed long-term capital gains . . . . .	9,658
Unrealized appreciation (depreciation) . . . . .	6,333,532
Capital loss carryforward . . . . .	(28,281)
	<u>\$ 6,485,523</u>

At September 30, 2009, the difference between book basis and tax basis unrealized appreciation (depreciation) is attributable to the tax deferral of losses on wash sales in the amount of \$13,729 and basis adjustments for investments in commodity trusts.

# APPLESEED FUND NOTES TO THE FINANCIAL STATEMENTS -

continued

September 30, 2009

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## **9. CAPITAL LOSS CARRYFORWARD**

At September 30, 2009, the Fund had available for federal tax purposes unused capital loss carryforwards of \$28,281, which are available to offset future realized gains. To the extent that these carryforwards are used to offset future gains, it is probable that the amount offset will not be distributed to shareholders. The carryforward expires as follows:

<i>Amount</i>	<i>Expires September 30,</i>
\$28,281	2017

## **NOTE 10. SUBSEQUENT EVENT**

At a meeting of the Board on November 9, 2009, Melissa K. Gallagher was approved as the new president of the Trust. Anthony J. Ghoston, had served as president from July 2004 to November 2009.

# REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To The Shareholders and Board of Trustees  
Appleseed Fund  
(Unified Series Trust)

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Appleseed Fund (the "Fund"), a series of the Unified Series Trust as of September 30, 2009, and the related statements of operations for the ten months then ended and for the year ended November 30, 2008 and the statements of changes in net assets and financial highlights for the three periods in the period then ended. These financial statements and financial highlights are the responsibility of Fund management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of September 30, 2009 by correspondence with the Fund's custodian and brokers. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Appleseed Fund as of September 30, 2009, the results of its operations, changes in its net assets, and the financial highlights for each of the periods noted above, in conformity with accounting principles generally accepted in the United States of America.

COHEN FUND AUDIT SERVICES, LTD.  
Westlake, Ohio  
November 30, 2009

## TRUSTEES AND OFFICERS

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The Board of Trustees supervises the business activities of the Trust. Each Trustee serves as a trustee until termination of the Trust unless the Trustee dies, resigns, retires or is removed.

The following tables provide information regarding the Trustees and Officers.

### Independent Trustees

<b>Name, Address*, (Age), Position with Trust**, Term of Position with Trust</b>	<b>Principal Occupation During Past 5 Years and Other Directorships</b>
Gary E. Hippenstiel (Age - 62)  Independent Trustee, December 2002 to present	President and founder of Hippenstiel Investment Counsel LLC, a registered investment advisor, since November 2008; Director, Vice President and Chief Investment Officer of Legacy Trust Company, N.A. from September 1991 to September 2008; Chairman of the investment committee for W.H. Donner Foundation and Donner Canadian Foundation since June 2005; Trustee of AmeriPrime Advisors Trust from July 2002 to September 2005; Trustee of Access Variable Insurance Trust from April 2003 to August 2005; Trustee of AmeriPrime Funds from September 1995 to July 2005; Trustee of CCMI Funds from June 2003 to March 2005.
Stephen A. Little (Age - 63)  Chairman, December 2004 to present; Independent Trustee, December 2002 to present	President and founder of The Rose, Inc., a registered investment advisor, since April 1993; Trustee of AmeriPrime Advisors Trust from November 2002 to September 2005; Trustee of AmeriPrime Funds from December 2002 to July 2005; Trustee of CCMI Funds from June 2003 to March 2005.
Daniel J. Condon (Age - 58)  Independent Trustee, December 2002 to present	President of International Crankshaft Inc., an automotive equipment manufacturing company, since 2004 ; Director, International Crankshaft, since January 2004; Trustee of AmeriPrime Inc. Advisors Trust from November 2002 to September 2005; Trustee of AmeriPrime Funds from December 2002 to July 2005; Trustee of CCMI Funds from June 2003 to March 2005.
Ronald C. Tritschler (Age - 57)  Independent Trustee, January 2007 to present; Interested Trustee, December 2002 to December 2006	Chief Executive Officer, Director and Legal Counsel of The Webb Companies, a national real estate company, since 2001; Director of First State Financial since 1998; Director, Vice President and Legal Counsel of The Traxx Companies, an owner and operator of convenience stores, since 1989; Trustee of AmeriPrime Advisors Trust from November 2002 to September 2005; Trustee of AmeriPrime Funds from December 2002 to July 2005; Trustee of CCMI Funds from June 2003 to March 2005.

## TRUSTEES AND OFFICERS – continued

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### Independent Trustees (continued)

<b>Name, Address*, (Age), Position with Trust**, Term of Position with Trust</b>	<b>Principal Occupation During Past 5 Years and Other Directorships</b>
Kenneth G.Y. Grant (Age – 60)  Independent Trustee, May 2008 to present	Senior Vice President of Global Trust Company since 2008; Senior Vice President of Advisors Charitable Gift Fund since May 2005; Senior Vice President and Chief Officer, Corporate Development, of Northeast Retirement Services, Inc. since February 2003; Senior Vice President of Savings Banks Employees Retirement Association since February 2003; Treasurer (since January 2004) and past Chair, Board of Directors of Massachusetts Council of Churches; Member, Presbytery of Boston, Presbyterian Church (U.S.A.) since June 1975.

### Interested Trustees & Officers

Nancy V. Kelly (Age - 53)**  Trustee, November 2007 to present	Executive Vice President of Huntington National Bank, the Trust's custodian, since December 2001; Director, Wedgewood Golf & Country Club since October, 2008; Director, Greenlawn Cemetery since October, 2007; Director, Directions for Youth and Families, a social service agency, since August 2006.
Anthony J. Ghoston (Age - 50)  President, July 2004 to present	President of Unified Fund Services, Inc., the Trust's administrator, since June 2005; Executive Vice President from June 2004 to June 2005; Senior Vice President from April 2003 to June 2004; Chief Executive Officer of The Huntington Funds since April 2009; Chief Executive Officer and Interested Trustee of the Valued Advisers Trust since August 2008; President of AmeriPrime Advisors Trust from July 2004 to September 2005; President of AmeriPrime Funds from July 2004 to July 2005; President of CCMI Funds from July 2004 to March 2005; Senior Vice President and Chief Information Officer of Unified Financial Services, Inc., the parent company of the Trust's administrator and distributor, from October 1997 to November 2004.

## TRUSTEES AND OFFICERS – continued

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### Interested Trustees & Officers (continued)

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<b>Name, Address*, (Age), Position with Trust**, Term of Position with Trust</b>	<b>Principal Occupation During Past 5 Years and Other Directorships</b>
John C. Swhear (Age - 47)  Senior Vice President, May 2007 to present	Vice President of Legal Administration and Compliance for Unified Fund Services, Inc., the Trust's administrator, since April 2007; Chief Compliance Officer of the Valued Advisers Trust since August 2008; Chief Compliance Officer of Unified Financial Securities, Inc., the Trust's distributor, since May 2007; Employed in various positions with American United Life Insurance Company from June 1983 to April 2007, including: Associate General Counsel, April 2007; Investment Adviser Chief Compliance Officer, June 2004 to April 2007; Assistant Secretary to the Board of Directors, December 2002 to April 2007 and Chief Compliance Officer of OneAmerica Funds, Inc., June 2004 to April 2007; Chief Counsel, OneAmerica Securities Inc., February 2007 to April 2007; Secretary, OneAmerica Securities, Inc., December 2002 to April 2007.
Christopher E. Kashmerick (Age - 34)  Treasurer and Chief Financial Officer, November 2008 to present	Vice President of Fund Accounting, Financial and Tax Reporting for Unified Fund Services, Inc., the Trust's Administrator, since April 2008; Assistant Vice President, Compliance Officer and Compliance Administrator for U.S. Bancorp Fund Services, LLC, a mutual fund servicing company, from February 2005 to April 2008; Employed in various positions with UMB Fund Services, a mutual fund servicing company including: Senior Accounting Analyst, Accounting Analyst and Fund Balancing Supervisor, from May 2000 through February 2005.
William J. Murphy (Age - 46)  Assistant Treasurer, February 2008 to present	Manager of Financial Reporting for Unified Fund Services, Inc., since October 2007; Employed in various positions with American United Life Insurance Company from March 1987 to October 2007.

## TRUSTEES AND OFFICERS – continued

### Interested Trustees & Officers (continued)

<b>Name, Address*, (Age), Position with Trust**, Term of Position with Trust</b>	<b>Principal Occupation During Past 5 Years and Other Directorships</b>
Lynn E. Wood (Age - 62)  Chief Compliance Officer, October 2004 to present	Chief Compliance Officer of AmeriPrime Advisors Trust from October 2004 to September 2005; Chief Compliance Officer of AmeriPrime Funds from October 2004 to July 2005; Chief Compliance Officer of CCMI Funds from October 2004 to March 2005; Chairman and Chief Compliance Officer of Unified Financial Securities, Inc., the Trust's distributor, from September 2000 to December 2004; Director of Compliance of Unified Fund Services, Inc., the Trust's administrator, from October 2003 to September 2004; Chief Compliance Officer of Unified Financial Services, Inc., the parent company of the Trust's administrator and distributor, from September 2000 to October 2004.
Heather Bonds (Age - 33)  Secretary, July 2005 to present; Assistant Secretary, September 2004 to June 2005	Employed by Unified Fund Services, Inc., the Trust's administrator, since January 2004 and from December 1999 to January 2002, currently Manager, Board Relations and Legal Administration, since March 2008; Secretary of the Valued Advisers Trust since August 2008; Assistant Secretary of Dean Family of Funds August 2004 to March 2007; Secretary of AmeriPrime Advisors Trust from July 2005 to September 2005; Assistant Secretary of AmeriPrime Funds from September 2004 to July 2005; Assistant Secretary of CCMI Funds from September 2004 to March 2005; Regional Administrative Assistant of The Standard Register Company from February 2003 to January 2004.
Tara Pierson (Age - 34)  Assistant Secretary, November 2008 to present	Employed by Unified Fund Services, Inc., the Trust's Administrator, since February, 2000; Assistant Secretary of Dividend Growth Trust from March 2006 to present.

\* The address for each officer is 2960 North Meridian Street, Suite 300, Indianapolis, IN 46208.

\*\* The Trust currently consists of 27 series.

\*\*\* Ms. Kelly is deemed an interested trustee because she is an officer of an entity that is under common control with Unified Financial Securities, Inc., the Distributor, as of September 30, 2009.

## OTHER INFORMATION

The Fund's Statement of Additional Information ("SAI") includes additional information about the trustees and is available without charge, upon request. You may call toll-free at (800) 470-1029 to request a copy of the SAI or to make shareholder inquiries.

## Proxy Voting

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities and information regarding how the Fund voted those proxies during the most recent twelve month period ended June 30 are available without charge upon request by: (1) calling the Fund at (800) 470-1029 and (2) from Fund documents filed with the Securities and Exchange Commission ("SEC") on the SEC's website at [www.sec.gov](http://www.sec.gov).

### TRUSTEES

Gary E. Hippenstiel  
Stephen A. Little  
Daniel J. Condon  
Ronald C. Tritschler  
Nancy V. Kelly  
Kenneth G.Y. Grant

### OFFICERS

Anthony J. Ghoston, President  
John C. Swhear, Senior Vice President  
Christopher E. Kashmerick, Treasurer  
Lynn E. Wood, Chief Compliance Officer  
Heather Bonds, Secretary  
William J. Murphy, Assistant Treasurer  
Tara Pierson, Assistant Secretary

### INVESTMENT ADVISER

Pekin Singer Strauss Asset Management, Inc.  
21 S. Clark Street, Suite 3325  
Chicago, IL 60603

### DISTRIBUTOR

Unified Financial Securities, Inc.  
2960 N. Meridian Street, Suite 300  
Indianapolis, IN 46208

### INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Cohen Fund Audit Services, Ltd.  
800 Westpoint Pkwy., Suite 1100  
Westlake, OH 44145

### LEGAL COUNSEL

Thompson Coburn LLP  
One U.S. Bank Plaza  
St. Louis, MO 63101

### LEGAL COUNSEL TO THE INDEPENDENT TRUSTEES

Thompson Hine, LLP  
312 Walnut Street, 14th Floor  
Cincinnati, OH 45202

### CUSTODIAN

Huntington National Bank  
41 S. High St.  
Columbus, OH 43215

### ADMINISTRATOR, TRANSFER AGENT AND FUND ACCOUNTANT

Unified Fund Services, Inc.  
2960 N. Meridian Street, Suite 300  
Indianapolis, IN 46208

This report is intended only for the information of shareholders or those who have received the Fund's prospectus, which contains information about the Fund's management fee and expenses. Please read the prospectus carefully before investing.

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