



## **Annual Report**

September 30, 2015

**Fund Adviser:**

**Pekin Singer Strauss Asset Management  
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[www.appleseedfund.com](http://www.appleseedfund.com)



November 13, 2015

*“I’m the straw that stirs the drink.”*

– Reggie Jackson (a.k.a., Mr. October), Baseball Hall of Fame Right Fielder

Dear Appleseed Shareholder,

Over the past year, U.S. dollar strength has been a major drag on the global economy and also on asset class returns, including many of the investments in Appleseed Fund’s portfolio. Since the end of World War II, the U.S. dollar has acted as a fundamental linchpin of the global monetary system. As the premier reserve currency, the dominant medium of exchange, and a store of value, the greenback deservedly warrants the moniker, “King Dollar.” Despite an ongoing tilt eastward and a concurrently diminished role of the United States in terms of global trade and GDP, roughly 60% of the global population still lives in a world in which their local currencies are either: 1) the dollar, or 2) pegged to the dollar.<sup>1</sup> Indeed, the dollar’s pivotal role as the “straw that stirs the drink” of the international monetary system has powerful repercussions, particularly so during dollar volatility spikes such as the one occurring now.



Issuing the world’s reserve currency confers significant benefits to the United States. First and foremost, it allows the U.S. government and its residents to borrow money at lower interest rates than might otherwise be available. The

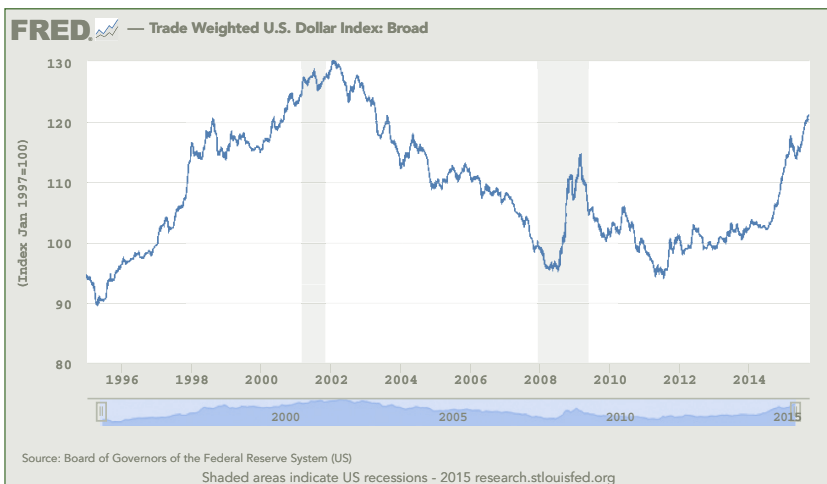
<sup>1</sup> Source: The International Monetary Fund.



United States also benefits from less expensive imported goods and services, despite a trade deficit that spans decades. Rather than exporting goods, the United States exports financial assets in the form of U.S. Treasuries, which have been purchased by central banks around the world to bolster their foreign currency reserves and to keep the value of their respective currencies low relative to the dollar.

However, as they say, there is no free lunch. The drawbacks of the outsized role of the dollar in the broader global economy have become more pronounced of late:

- Capital outflows from emerging market (EM) countries have accelerated, significantly hurting currencies and equity prices in several EM countries. While the local currency prices of Appleseed's emerging market holdings in **Sberbank (SBRCY)**, **SK Telecom (SKM)**, and **Hyundai Home Shopping (057050-South Korea)** have held up, the dollar value of those holdings has declined.
- Dollar strength is crimping the value of revenues and profits denominated in dollars that are generated by internationally diversified global companies, affecting companies such as **Novartis (NVS)** and **Samsung (055930-South Korea)**.





- U.S. exporters have lost a certain level of competitiveness due to the strength of the dollar. In August 2015, the U.S. trade deficit jumped by 16% to \$48.3 billion. Appleseed Fund holdings **Mosaic (MOS)**, a potash producer, **Rentech (RTK)**, a wood pellet producer, and **Titan International (TWI)**, a manufacturer of agricultural equipment, have been adversely affected by the reduced competitiveness of U.S. exports owing to the dollar's strength.

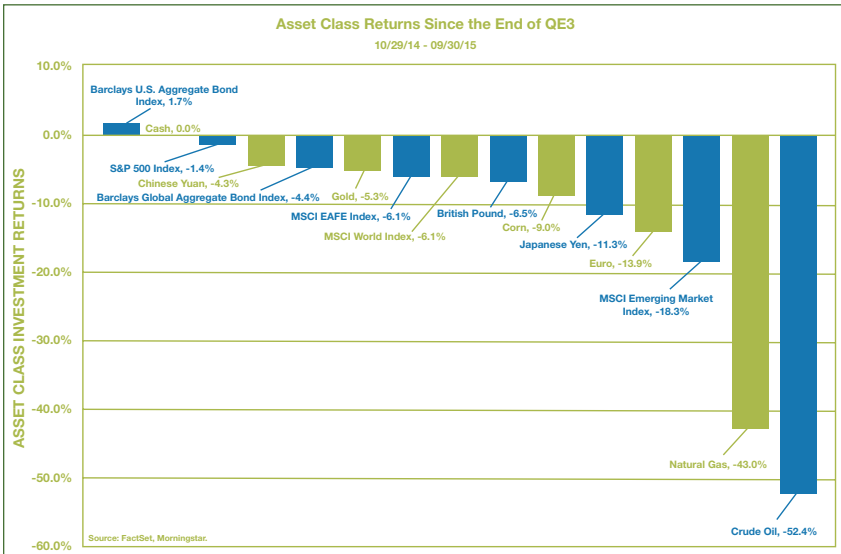
The trade-weighted U.S. dollar has been trending higher for over four years (see chart on the previous page), including by 13% in 2014 and an incremental 7% so far in 2015. Beyond the withdrawal of quantitative easing (QE) by the Federal Reserve, a number of factors working in concert have contributed to the dollar's strength:

- Significantly higher domestic oil production has pressured global oil prices, contributing to an improved U.S. trade deficit in recent years. The U.S. fiscal deficit has declined from 11% of GDP in 2010 to 3% at the end of 2014.
- The anticipation and subsequent arrival of QE by the European Central Bank (ECB), along with continued monetary stimulus from other foreign central banks, such as the Bank of Japan, the Bank of Canada, the Reserve Bank of Australia, and the Bank of England, have reduced the investment appeal of other developed market currencies relative to the U.S. dollar.
- Despite low nominal yields, U.S. Treasury yields remain materially higher than equivalent yields in important markets like Germany (0.5%), Switzerland (0.6%), Japan (0.3%), and the United Kingdom (1.7%). These interest rate differentials cause investors to sell foreign currencies to buy higher yielding dollar-denominated assets.
- In the face of domestic economic weakness and growing debt levels, the People's Bank of China began devaluing the Chinese yuan in August 2015. Given continued Chinese economic weakness, concerns about further yuan devaluation are proliferating.
- The U.S. economy has outperformed most foreign economies in recent years, driving incremental investment capital to dollars.



- The U.S. Federal Reserve continues to weigh the wisdom of hiking short-term interest rates.

As a result of the aforementioned factors, the dollar has accelerated in value at a rapid pace and for an extended duration. Since the end of QE3 (a year ago), as demonstrated in the chart below, *nearly every asset class has underperformed cash* (which, of course, pays a whopping rate of return of zero). Given the stark dichotomy between the underperformance of the vast majority of financial assets since the end of QE3 against the tremendous performance of many financial assets from the bottom of the Credit Crisis to the end of QE3, it makes one question the underlying strength of the economic recovery. Truth be told, these trends send a disconcerting signal that the economic gains generated since the Credit Crisis may be more related to easy monetary policies than to underlying productivity improvements and job advances.



While possibly overly simplistic and short-term in nature, the chart above demonstrates asset class returns during a specific period of time in which the dollar was strengthening at a rapid clip. October 29, 2014 was chosen as the start date because that was the day on which QE3 ended.



A similar “flight to the dollar” occurred in 2008, which eventually devolved into a full-fledged financial crisis. With that said, the Federal Reserve appears today to be more cognizant of systemic risks. If the dollar continues to strengthen, the Federal Reserve will be more likely to loosen monetary policy once again in order to weaken the dollar. Just since the end of September, the market has started to discount the potential for a continuation of accommodative monetary policies by the Federal Reserve in the months ahead, thus causing a partial dollar reversal and improved market sentiment of late.

Because central banks are on alert, our view is that an extended period of deflation does not seem to be in the cards. Our long-term view is that the dollar is headed down, not up, and recent events have not altered that view. In response to weaker than expected global growth, central banks outside the United States are providing additional monetary stimulus. If the U.S. economy slows further, the possibility of aggressive intervention on the part of the Federal Reserve to avoid deflation only increases. Thus, we are positioned with a diversified portfolio of asset classes, which, in our view, should outperform cash over the long-term.

### **Performance and Portfolio Changes**

Over the past twelve months, Appleseed Fund Investor Class has generated an absolute return of -8.90%, underperforming the MSCI World Index, which generated a total return of -5.09%. Our overweight positions in commodity related companies, in emerging markets, and in value oriented stocks have hurt the Fund’s relative performance over the past twelve months.

Appleseed Fund continues to exceed our long-term goal of outperforming the market over the long-term. Through September 30, 2015, Appleseed Fund Investor Class has outperformed the MSCI World Index by more than 2.5% per annum on average since its December 8, 2006 inception.

Within our equity portfolio, the largest detractors to performance over the past year have been **Titan International (TWI)**, **Toyo Tanso (5310-Tokyo)**, **Rentech (RTK)**, and **Aggreko (AGK-UK)**. Titan’s off-highway wheel and tire business has continued to struggle due to persistently weak



grain prices and diminished farmer income. When grain prices are low, farmers purchase less agricultural equipment. We expect the cyclical weakness in demand for agricultural equipment to eventually reverse, but we were too early with Titan and the wait has been painful. Toyo Tanso and Rentech have been hurt by weaker than expected demand for solar installations in Asia and wood pellet demand in Europe, respectively, while Aggreko's customer base, largely in emerging markets, is cutting back on projects which require power generation rentals. Our intrinsic value estimates for these companies have declined due to a stronger dollar and a weaker outlook for commodity prices and emerging markets, but the share prices of these holdings have declined by even more. We are optimistic that the market value of these companies will eventually reflect our estimations of fair value.

The biggest contributors to the Fund's performance over the past year were **Teva Pharmaceuticals (TEVA)**, **John B. Sanfilippo (JBSS)**, and **Western Union (WU)**. With Teva and John B. Sanfilippo, the majority of their revenues and profits are generated inside the United States, and their businesses have remained strong as the dollar has strengthened. Because the share prices of both companies increased and eventually exceeded our estimates of intrinsic value, we sold all of our remaining positions in Teva and John B. Sanfilippo. In the case of John B. Sanfilippo, the company's share price had increased ten-fold from the bottom that occurred during the financial crisis. Western Union, which was one of Appleseed's most significant detractors to performance a year ago, has seen the share price recover as earnings have increased and as the company has repurchased shares aggressively.

We recently sold Appleseed's positions in **Magicjack (CALL)**, **Teradata (TDC)**, and **PDI (PDII)**. We sold Magicjack for a modest profit after coming to the conclusion that management was likely to make a value-destroying acquisition with the company's considerable cash hoard, and we liquidated our PDI position for a loss due to a change in strategy which also involves aggressive acquisitions. We sold Appleseed's position in Teradata after reducing our intrinsic value estimate due to a significantly more competitive environment and sluggish spending for analytic data platforms.



During the quarter, we initiated new positions in **Syntel (SYNT)**, **Suncor (SU)**, and **LPL Financial (LPLA)**. LPL Financial has become a top ten holding in Appleseed Fund. Based in Boston, LPL Financial is a well-positioned, well-run company that serves independent financial advisors with an integrated platform of technology, back-office, custodian, compliance, and self-clearing services. Over the past five years, assets under management at LPL have compounded at an 11% Compound Annual Growth Rate (with advisory assets growing at 17%), while revenues have compounded at a 10% clip. In our view, the company offers a superior value proposition to advisors who also have a commission-oriented brokerage business, and we expect LPL to continue growing market share. At the same time, LPL has become an out-of-favor stock in recent months, and we were able to purchase LPL shares at a steep discount to our estimate of intrinsic value.

\* \* \* \* \*

We have said in the past that, as portfolio managers, we “eat our own cooking” by investing in Appleseed Fund with our own personal capital. While frustrated with recent returns, our estimation of future returns has increased over the past year. During the past six months, all three of the portfolio managers have personally purchased additional shares in the Appleseed Fund, and we have been joined in our recent purchases by other members of our investment team. We are deeply appreciative of your decision to entrust Appleseed Fund with a portion of your long-term investable assets. Our purchases reflect our own commitment to be aligned with Appleseed Fund shareholders.

We continue to deploy the Fund’s capital with discipline and with an understanding of the importance of our task to your financial well-being. If you have any questions, please do not hesitate to reach out to Colin Rennich, our Director of Sales. His email address is [colin@appleseedfund.com](mailto:colin@appleseedfund.com).





Thank you again for your continued support and your trust in our ability to manage your Appleseed Fund investment.

Sincerely,

Billy Pekin, CFA

Adam Strauss, CFA

Josh Strauss, CFA

*Through 09/30/2015, the Appleseed Fund (APPLX) generated a one year return of -8.90%, a three year annualized return of 3.34%, a five year annualized return of 4.65% and an annualized return of 5.62% since the Fund's inception on 12/08/06.*

*Appleseed Fund has contractually agreed to limit the net expense rate to 1.20% of net assets of Investor shares and 0.95% of net assets of Institutional shares, exclusive of acquired fund fees, through January 31, 2016. The gross expense ratio of the Fund is 1.43%, and the net expense ratio after contractual fee waivers is 1.30%. The advisor has contracted with the Fund to waive fees to maintain a 1.20% expense ratio (excluding indirect expenses) through January 31, 2016. The Fund's ninety day redemption fee is 2.00%.*

*Mentioned holding at the end of the Fund's reporting period on September 30, 2015 – SBRCY 1.79%, SKM 2.23%, 057050-KR 3.32%, NVS 1.64%, 055930-KR 4.19%, MOS 3.77%, RTK 1.23%, TWI 1.54%, 5310-TOKYO 2.44%, AGK 2.37%, TEVA 0.00%, JBSS 0.00%, WU 2.00%, CALL 0.00%, TDC 0.00%, PDII 0.00%, SYNT 1.49%, SU 2.22%, LPLA 3.22%.*

*The MSCI World Index is a widely followed, unmanaged group of stocks from 23 international markets and is not available for purchase. These indices provide total returns in U.S. dollars with net dividends reinvested. These index returns do not reflect the deduction of expenses, which have been deducted from the Fund's returns. These index returns assume reinvestment of all distributions and do not reflect the deduction of taxes and fees. Individuals cannot invest directly in these indices, however, an individual can invest in exchange traded funds or other investment vehicles that attempt to track the performance of a benchmark index*

*Value-based investments are subject to the risk that the broad market may not recognize their intrinsic value. Investments in international markets present special risks such as erratic market conditions, economic and political instability and fluctuation in currency exchange rates; this may be enhanced when investing in emerging markets. Investments in commodities may be affected by overall market movements, changes in interest rates, and other factors such as weather, disease, embargoes and international economic and political developments. Commodities may subject the Fund to greater volatility than investment in traditional securities. Small and mid-cap stocks involve greater risks and they can fluctuate in price more than larger company stocks. Short-selling involves increased risks and transaction costs. You risk paying more for a security than you received from its sale.*

*The views and opinions expressed in this material are those of the authors. While we believe we have a reasonable basis for our appraisals and we have confidence in our opinions, actual results may differ materially from those we anticipate. These opinions are current as of the date of this letter but are subject to change. There is no guarantee that any forecasts or opinions in this material will be realized. Information should not be construed as investment advice nor be considered a recommendation to buy, sell or hold any particular security.*

***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 – (Unaudited)

## Average Annual Total Return\*

(For the periods ended September 30, 2015)

	One Year	Five Years	Since Inception**
Appleseed Fund - Investor Class	-8.90%	4.64%	5.62%
MSCI World Index ***	-5.09%	8.29%	3.00%

Total annual operating expenses, as disclosed in the Fund's prospectus dated January 28, 2015, were 1.43% of average daily net assets for the Investor Class (1.30% after fee waivers/expense reimbursements by the Adviser). The Adviser has contractually agreed to waive its management fee and/or reimburse expenses so that total annual operating expenses for each class (excluding brokerage fees and commissions; fees paid pursuant to the Administrative Services Plan (Investor Class Only); borrowing costs, such as (a) interest and (b) dividend expenses on securities sold short; any 12b-1 fees; taxes; extraordinary expenses; and any indirect expenses; such as acquired fund fees and expenses) do not exceed 0.95% of each Class' average daily net assets through January 31, 2016. Any waiver or reimbursement by the Adviser is subject to repayment by the Fund within three fiscal years; provided that the Fund is able to make the repayment without exceeding the 0.95% limitation. The expense cap may not be terminated prior to this date except by the Board of Trustees. Additional information pertaining to the Fund's expense ratios as of September 30, 2015, can be found in the financial highlights.

## Average Annual Total Return\*

(For the periods ended September 30, 2015)

	One Year	Since Inception**
Appleseed Fund - Institutional Class	-8.68%	4.58%
MSCI World Index ***	-5.09%	6.52%

Total annual operating expenses, as disclosed in the Fund's prospectus dated January 28, 2015, were 1.18% of average daily net assets for the Institutional Class (1.05% after fee waivers /expense reimbursements by the Adviser). The Adviser has contractually agreed to waive its management fee and/or reimburse expenses so that total annual operating expenses for each class (excluding brokerage fees and commissions; fees paid pursuant to the Administrative Services Plan (Investor Class Only); borrowing costs, such as (a) interest and (b) dividend expenses on securities sold short; any 12b-1 fees; taxes; extraordinary expenses; and any indirect expenses; such as acquired fund fees and expenses) do not exceed 0.95% of each Class' average daily net assets through January 31, 2016. Any waiver or reimbursement by the Adviser is subject to repayment by the Fund within three fiscal years; provided that the Fund is able to make the repayment without exceeding the 0.95% limitation. The expense cap may not be terminated prior to this date except by the Board of Trustees. Additional information pertaining to the Fund's expense ratios as of September 30, 2015, can be found in the financial highlights.

**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.

## INVESTMENT RESULTS – continued (Unaudited)

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\* Return figures reflect any change in price per share and assume the reinvestment of all distributions.

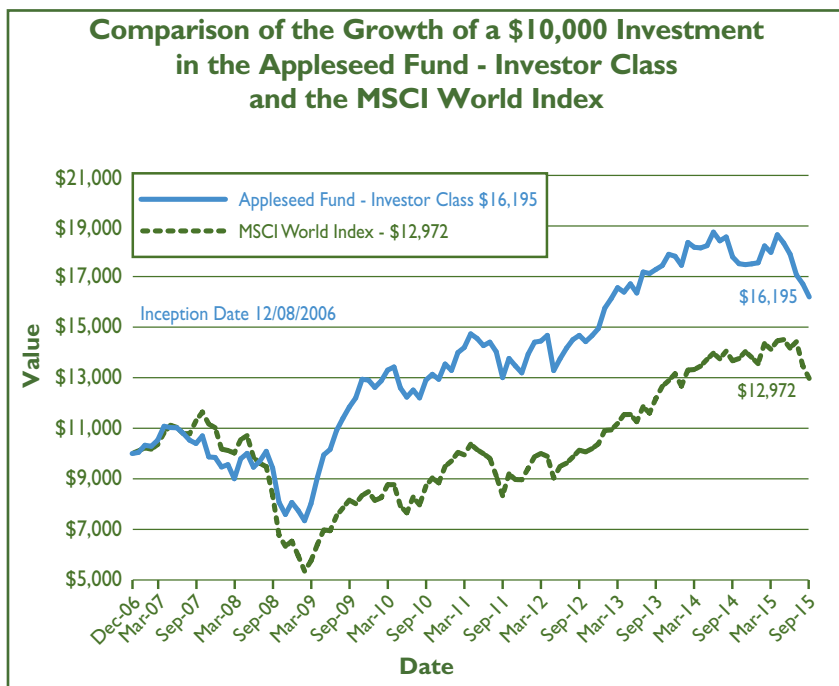
\*\* The Investor Class commenced operations on December 8, 2006. The Institutional class commenced operations on January 31, 2011.

\*\*\* The MSCI World Index is a widely followed, unmanaged group of stocks from 23 international markets. The Index returns do not reflect the deduction of expenses, which have been deducted from the Fund's returns. The Index returns assume reinvestment of all distributions and do not reflect the deduction of taxes and fees. 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.

**You should consider the fund's investment objectives, risks, charges and expenses carefully before you invest. The Fund's prospectus contain important information about the Fund's investment objectives, potential risks, management fees, charges and expenses, and other information and should be read carefully before investing. You may obtain a current copy of the Fund's prospectus or performance data current to the most recent month by calling 1-800-470-1029.**

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# INVESTMENT RESULTS – continued (Unaudited)

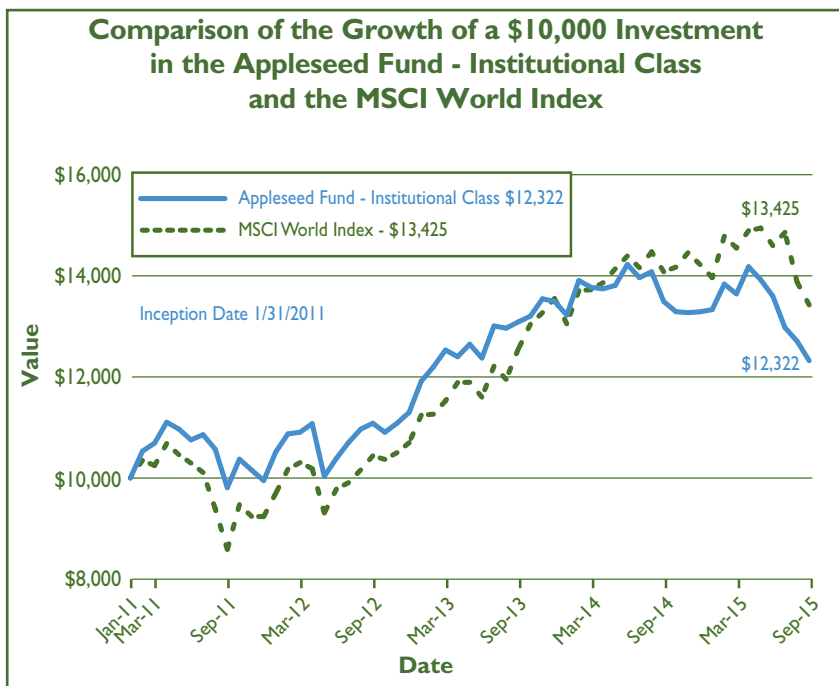


The chart above assumes an initial investment of \$10,000 made on December 8, 2006 (commencement of operations) for the Investor Class and held through September 30, 2015. The MSCI World Index is a widely followed, unmanaged group of stocks from 23 international markets and is representative of a broader market and range of securities than is found in the Fund's portfolio. Individuals cannot invest directly in an 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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# INVESTMENT RESULTS – continued (Unaudited)

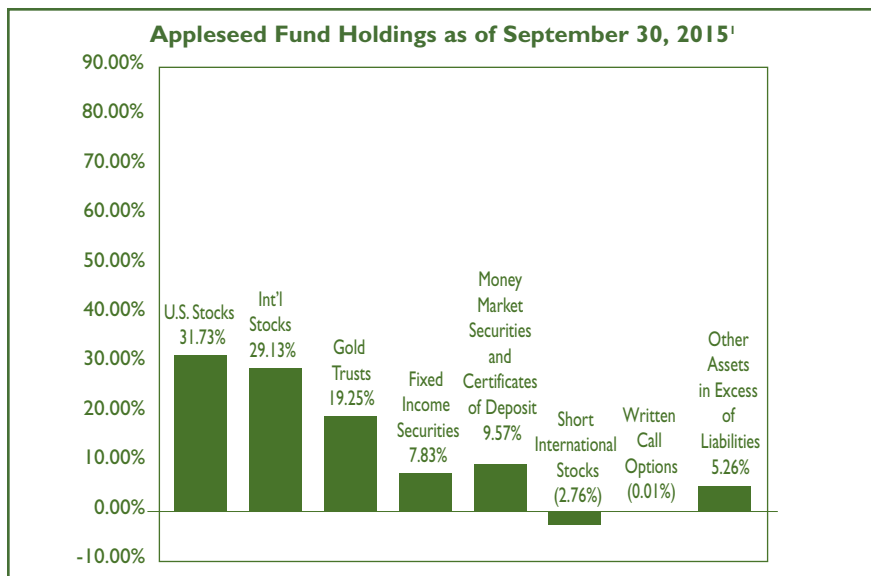


The chart above assumes an initial investment of \$10,000 made on January 31, 2011 (commencement of operations) for the Institutional Class and held through September 30, 2015. The MSCI World Index is a widely followed, unmanaged group of stocks from 23 international markets and is representative of a broader market and range of securities than is found in the Fund's portfolio. Individuals cannot invest directly in an 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 – (Unaudited)



<sup>1</sup> As a percentage 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. The investment objective of the Appleseed Fund is long-term capital appreciation.

## **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.

## **Summary of Fund 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.

# SUMMARY OF FUND EXPENSES – continued (Unaudited)

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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, 2015 to September 30, 2015.

## 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 The 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.

# SUMMARY OF FUND EXPENSES – continued (Unaudited)

<b><i>Appleseed Fund - Investor Class</i></b>	<b><i>Beginning Account Value April 1, 2015</i></b>	<b><i>Ending Account Value September 30, 2015</i></b>	<b><i>Expenses Paid During the Period April 1, 2015 – September 30, 2015*</i></b>
Actual	\$1,000.00	\$901.70	\$5.76
Hypothetical (5% return before expenses)	\$1,000.00	\$1,019.01	\$6.11

\* Expenses are equal to the Investor Class annualized expense ratio of 1.21%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

<b><i>Appleseed Fund - Institutional Class</i></b>	<b><i>Beginning Account Value April 1, 2015</i></b>	<b><i>Ending Account Value September 30, 2015</i></b>	<b><i>Expenses Paid During the Period April 1, 2015 – September 30, 2015*</i></b>
Actual	\$1,000.00	\$903.20	\$4.57
Hypothetical (5% return before expenses)	\$1,000.00	\$1,020.26	\$4.85

\* Expenses are equal to the Institutional Class annualized expense ratio of 0.96%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).



# APPLESEED FUND SCHEDULE OF INVESTMENTS

September 30, 2015

<b>Common Stocks - 60.86%</b>	<b>Shares</b>	<b>Fair Value</b>
<b>Business Services - 2.44%</b>		
Sykes Enterprises, Inc. *	49,645	\$ 1,265,947
Yusen Logistics Co. Ltd. (a)	365,300	3,730,321
		<u>4,996,268</u>
<b>Consumer Discretionary - 8.26%</b>		
adidas AG (a)	78,000	6,269,707
FTD Companies, Inc. *	128,667	3,834,277
Hyundai Home Shopping Network Corp. (a)	62,283	6,831,005
		<u>16,934,989</u>
<b>Consumer Staples - 0.03%</b>		
Female Health Co./The *	37,600	59,408
<b>Energy - 4.90%</b>		
McDermott International, Inc. (b)*	869,355	3,738,226
Nabors Industries Ltd. (a)	185,202	1,750,159
Suncor Energy, Inc. (a)	170,900	4,566,448
		<u>10,054,833</u>
<b>Financials - 13.58%</b>		
LPL Financial Holdings, Inc.	132,877	5,284,518
Oaktree Capital Group LLC	168,543	8,342,878
Sberbank of Russia ADR (a)	747,159	3,676,022
Western Union Co./The	223,953	4,111,777
Willis Group Holdings PLC (a)	157,144	6,438,190
		<u>27,853,385</u>
<b>Industrials - 6.37%</b>		
Aggreko PLC (a)	338,354	4,874,118
Titan International, Inc.	479,075	3,166,686
Toyo Tanso Co. Ltd. (a)	402,200	5,017,215
		<u>13,058,019</u>
<b>Information Technology - 8.86%</b>		
Samsung Electronics Co. Ltd. (a)	9,000	8,610,478
ScanSource, Inc. *	89,200	3,163,032
Syntel, Inc. *	67,760	3,070,206
Yahoo!, Inc. (c) *	114,900	3,321,759
		<u>18,165,475</u>

See accompanying notes which are an integral part of these financial statements.

# APPLESEED FUND SCHEDULE OF INVESTMENTS – continued

September 30, 2015

<b>Common Stocks - 60.86% – continued</b>	<b>Shares</b>	<b>Fair Value</b>
<b>Materials - 5.01%</b>		
Mosaic Co./The .....	248,778	\$ 7,739,484
Rentech, Inc. * .....	453,713	2,540,793
		<u>10,280,277</u>
<b>Pharmaceuticals - 1.65%</b>		
Novartis AG ADR (a) (c) .....	36,750	<u>3,378,060</u>
<b>Real Estate Investment Trusts - 3.04%</b>		
Equity Commonwealth* .....	228,899	<u>6,235,209</u>
<b>Telecommunication Services - 6.72%</b>		
SK Telecom Co. Ltd. ADR (a) .....	188,145	4,590,738
Verizon Communications, Inc. ....	211,065	9,183,438
		<u>13,774,176</u>
<b>Total Common Stocks</b> <b>(Cost \$135,837,914) .....</b>		<u>\$124,790,099</u>
<b>Closed-End Trusts - 19.25%</b>		
Central GoldTrust (a) (d) * .....	711,293	28,224,106
Sprott Physical Gold Trust (a) (d) * .....	1,226,524	<u>11,247,225</u>
<b>TOTAL CLOSED-END TRUSTS</b> <b>(Cost \$45,524,346) .....</b>		<u>39,471,331</u>
	<b>Principal Amount</b>	
<b>U.S. Government Securities - 1.46%</b>		
U.S. Treasury Note, 1.250%, 10/31/2015 .....	\$ 3,000,000	<u>3,002,694</u>
<b>Total U.S. Government Securities</b> <b>(Cost \$3,002,269) .....</b>		<u>3,002,694</u>

See accompanying notes which are an integral part of these financial statements.

# APPLESEED FUND SCHEDULE OF INVESTMENTS – continued

September 30, 2015

	<b>Principal Amount</b>	<b>Fair Value</b>
<b>Corporate Bonds - 4.25%</b>		
<b>Consumer Discretionary - 1.01%</b>		
Hanesbrands, Inc., 6.375%, 12/15/2020 .....	\$ 2,000,000	\$ 2,077,500
<b>Financials - 2.18%</b>		
Volkswagen Financial Services NV, 4.000%, 10/14/2015 (e) .....	11,300,000	1,325,256
Western Union Co./The, 5.930%, 10/1/2016 .....	3,000,000	3,131,499
		<u>4,456,755</u>
<b>Pharmaceuticals - 1.06%</b>		
Teva Pharmaceutical Industries Ltd., 2.400%, 11/10/2016 (a) .....	2,145,000	2,171,489
<b>TOTAL CORPORATE BONDS</b>		
(Cost \$9,297,737) .....		<u>8,705,744</u>
<b>Foreign Government Bonds - 2.12%</b>		
Singapore Government Bond, 2.500%, 6/1/2019 (f) ..	6,000,000	4,339,968
<b>TOTAL FOREIGN GOVERNMENT BONDS</b>		
(Cost \$4,999,596) .....		<u>4,339,968</u>
<b>Certificates of Deposit - 1.47%</b>		
Beneficial Bank , 0.100%, 10/18/2015 .....	250,000	250,000
Community Bank, 0.750%, 9/22/2016 (g) .....	1,007,507	1,007,507
New Resource Bank, 0.050%, 10/18/2015 .....	249,291	249,291
Self-Help Federal Credit Union, 0.250%, 11/10/2015 .	250,000	250,000
Self-Help Federal Credit Union, 0.250%, 11/28/2015 .	250,000	250,000
Spring Bank, 0.900%, 6/30/2016 .....	250,000	250,000
Sunrise Bank, 0.050%, 10/1/2015 (g) .....	500,728	500,728
Sunrise Bank, 0.118%, 10/3/2015 .....	250,000	250,000
<b>TOTAL CERTIFICATES OF DEPOSIT</b>		
(Cost \$3,007,526) .....		<u>3,007,526</u>

See accompanying notes which are an integral part of these financial statements.

# APPLESEED FUND SCHEDULE OF INVESTMENTS – continued

September 30, 2015

	<u>Shares</u>	<u>Fair Value</u>
<b>Money Market Securities - 8.10%</b>		
Dreyfus Treasury Prime Cash Management, 0.00% (c) (h) .....	1,374,910	\$ 1,374,910
Federated Government Obligations Fund, 0.01% (h) .....	15,240,916	15,240,916
<b>TOTAL MONEY MARKET SECURITIES</b> <b>(Cost \$16,615,826) .....</b>		<u>16,615,826</u>
<b>TOTAL INVESTMENTS - LONG - 97.51%</b> <b>(Cost \$218,285,214) .....</b>		<u>199,933,188</u>
<b>TOTAL INVESTMENTS - SHORT - (2.76%)</b> <b>(Proceeds Received \$8,000,212) .....</b>		<u>(5,667,258)</u>
<b>TOTAL WRITTEN OPTIONS - (0.01%)</b> <b>(Premiums Received \$59,394) .....</b>		<u>(20,130)</u>
<b>Other Assets in Excess of Liabilities - 5.26% .....</b>		<u>10,808,636</u>
<b>NET ASSETS - 100.00% .....</b>		<u>\$205,054,436</u>

(a) Foreign security denominated in U.S. dollars.

(b) All or a portion of the security is held as collateral for written call options.

(c) All or a portion of the security is held as collateral for securities sold short. The total fair value of this collateral on September 30, 2015, was \$6,487,570.

(d) Passive Foreign Investment Company

(e) Foreign-denominated security. Principal amount is reported in Norwegian Krone.

(f) Foreign-denominated security. Principal amount is reported in Singapore Dollars.

(g) Certificates of Deposit purchased through Certificate of Deposit Account Registry Service ("CDARS"). This institution is a CDARS network member and is where the original deposit is made. Deposits are then made into other network member banks at increments below the standard Federal Deposit Insurance Corporation ("FDIC") insurance maximum so that both principal and interest are FDIC insured.

(h) Rate disclosed is the seven day yield as of September 30, 2015.

\* Non-income producing security.

ADR - American Depositary Receipt

See accompanying notes which are an integral part of these financial statements.

# APPLESEED FUND SCHEDULE OF SECURITIES SOLD SHORT

September 30, 2015

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<b><u>Common Stocks - (2.76%)</u></b>	<b><u>Shares</u></b>	<b><u>Fair Value</u></b>
<b><i>Consumer Discretionary - (2.18%)</i></b>		
Alibaba Group Holdings Ltd. (a)	(75,900)	\$ (4,475,823)
<b><i>Information Technology - (0.58%)</i></b>		
Yahoo Japan Corp. (a) .....	(314,300)	<u>(1,191,435)</u>
<b>TOTAL COMMON STOCKS - SHORT-</b>		
(Proceeds Received \$8,000,212)		<u>\$ (5,667,258)</u>

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(a) Foreign security denominated in U.S. dollars.

See accompanying notes which are an integral part of these financial statements.

# APPLESEED FUND SCHEDULE OF FUTURES CONTRACTS

September 30, 2015

	<b>Number of (Short) Contracts</b>	<b>Underlying Face Amount at Fair Value</b>	<b>Unrealized Appreciation (Depreciation)</b>
<b>Short Futures Contracts</b>			
British Pound Currency Futures Contract December 2015 ..	(36)	\$(3,400,425)	\$ 100,337
Euro Currency Futures Contract December 2015 .....	(84)	(11,737,950)	(112,905)
Japanese Yen Currency Futures Contract December 2015 ..	(94)	(9,803,025)	(370,147)
Korean Won Currency Futures Contract December 2015 ..	(117)	(12,305,475)	<u>9,464</u>
<b>Total Short Futures Contracts .....</b>	<u>(331)</u>		<u>\$ (373,251)</u>

See accompanying notes which are an integral part of these financial statements.

# APPLESEED FUND SCHEDULE OF WRITTEN OPTIONS

September 30, 2015

<b><u>Written Call Options - (0.01%)</u></b>	<b><u>Outstanding Contracts</u></b>	<b><u>Fair Value</u></b>
McDermott International, Inc./November 2015/ Strike Price \$5.50 (a) .....	(1,342)	\$ <u>(20,130)</u>
<b>TOTAL WRITTEN CALL OPTIONS</b> (Premiums Received \$59,394) .....		<u>(20,130)</u>

(a) The call contract has a multiplier of 100 shares.

# APPLESEED FUND STATEMENT OF ASSETS AND LIABILITIES

September 30, 2015

## Assets

Investments in securities at fair value (cost \$218,285,214)	\$199,933,188
Cash	11,112
Cash restricted at broker for securities sold short	7,262,383
Cash held at broker (a)	951,000
Receivable for fund shares sold	75,625
Receivable for investments sold	7,513,473
Dividends and interest receivable	387,326
Receivable for net variation margin on futures contracts	28,437
Prepaid expenses	15,235
<b>Total Assets</b>	<b>216,177,779</b>

## Liabilities

Investment securities sold short, at fair value (proceeds \$8,000,212)	5,667,258
Options written, at value (premium received \$59,394)	20,130
Payable for fund shares redeemed	215,397
Payable for investments purchased	5,049,364
Payable to Adviser	67,149
Payable for Administration Plan fee, Investor Class	23,833
Payable to administrator, fund accountant, and transfer agent	24,424
Payable to custodian	8,203
Payable to trustees	3,438
Other accrued expenses	44,147
<b>Total Liabilities</b>	<b>11,123,343</b>

<b>Net Assets</b>	<b>\$205,054,436</b>
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## Net Assets consist of:

Paid-in capital	\$219,724,435
Accumulated undistributed net investment income (loss)	(7,654)
Accumulated undistributed net realized gain from investment transactions	1,697,819
Net unrealized appreciation (depreciation) on:	
Investment securities	(18,352,026)
Securities sold short	2,332,954
Written options	39,264
Foreign currency translations	(7,105)
Futures contracts	(373,251)

<b>Net Assets</b>	<b>\$205,054,436</b>
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<b>Net Assets: Investor Class</b>	<b>\$112,447,331</b>
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<b>Shares outstanding</b> (unlimited number of shares authorized, no par value)	9,864,698
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Net asset value and offering price per share	\$ 11.40
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Redemption price per share (\$11.40 * 98%) (b)	\$ 11.17
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<b>Net Assets: Institutional Class</b>	<b>\$ 92,607,105</b>
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<b>Shares outstanding</b> (unlimited number of shares authorized, no par value)	8,071,652
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Net asset value and offering price per share	\$ 11.47
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Redemption price per share (\$11.47 * 98%) (b)	\$ 11.24
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(a) Cash used as collateral for futures contract transactions.

(b) The Fund charges a 2.00% redemption fee on shares redeemed within 90 calendar days of purchase.

See accompanying notes which are an integral part of these financial statements.



# APPLESEED FUND STATEMENT OF OPERATIONS

For the year ended September 30, 2015

## **Investment Income**

Dividend income (net of foreign taxes withheld of \$147,314) . . . . .	\$ 2,466,329
Interest income . . . . .	491,475
<b>Total investment income</b> . . . . .	<u>2,957,804</u>

## **Expenses**

Investment Adviser fee . . . . .	2,178,666
Administration plan fee, Investor Class . . . . .	361,675
Administration expenses . . . . .	155,635
Fund accounting expenses . . . . .	85,499
Transfer agent expenses . . . . .	81,291
Legal expenses . . . . .	124,614
Registration expenses . . . . .	43,233
Custodian expenses . . . . .	49,126
Audit expenses . . . . .	18,500
Trustee expenses . . . . .	16,969
Insurance expense . . . . .	19,566
Pricing expenses . . . . .	3,900
Report printing expense . . . . .	74,511
CCO expense . . . . .	9,587
Miscellaneous expenses . . . . .	7,820
Other expense - short sale and interest expense . . . . .	26,413
Dividend expense on securities sold short . . . . .	23,369

**Total expenses** . . . . . 3,280,374

Fees waived by Adviser . . . . . (436,598)

Net operating expenses . . . . . 2,843,776

**Net investment income** . . . . . 114,028

## **Net Realized and Unrealized Gain (Loss) on Investments**

Net realized gain (loss) on:

Investment securities . . . . .	4,962,828
Securities sold short . . . . .	(224,726)
Written options . . . . .	142,896
Foreign currency translations . . . . .	(85,857)
Futures contracts . . . . .	2,048,078

Change in unrealized appreciation (depreciation) on:

Investment securities . . . . .	(29,526,733)
Securities sold short . . . . .	2,234,338
Written options . . . . .	(97,307)
Foreign currency translations . . . . .	(2,597)
Futures contracts . . . . .	<u>(1,064,759)</u>

Net realized and unrealized gain (loss) on investment securities,  
securities sold short, written options, foreign currency  
translations and futures contracts . . . . . (21,613,839)

**Net decrease in net assets resulting from operations** . . . . . \$(21,499,811)

See accompanying notes which are an integral part of these financial statements.

# APPLESEED FUND

## STATEMENTS OF CHANGES IN NET ASSETS

	<i>For the Year Ended September 30, 2015</i>	<i>For the Year Ended September 30, 2014</i>
<b>Increase (Decrease) in Net Assets due to:</b>		
<b>Operations</b>		
Net investment income .....	\$ 114,028	\$ 1,248,232
Net realized gain (loss) on investment securities, written options, securities sold short, foreign currency translations and futures contracts ..	6,843,219	28,624,640
Change in unrealized appreciation (depreciation) on investment securities, written options, securities sold short, foreign currency translations and futures contracts .....	<u>(28,457,058)</u>	<u>(20,930,090)</u>
Net increase (decrease) in net assets resulting from operations .....	<u>(21,499,811)</u>	<u>8,942,782</u>
<b>Distributions</b>		
From net investment income - Investor Class ..	—	(47,752)
From net investment income - Institutional Class	(119,893)	(150,288)
From net realized gains - Investor Class .....	(16,002,495)	(20,408,857)
From net realized gains - Institutional Class ....	<u>(11,931,182)</u>	<u>(4,766,926)</u>
Total distributions .....	<u>(28,053,570)</u>	<u>(25,373,823)</u>
<b>Capital Transactions - Investor Class</b>		
Proceeds from shares sold .....	26,541,991	39,733,297
Reinvestment of distributions .....	15,794,505	20,209,627
Amount paid for shares redeemed .....	(71,711,449)	(127,273,258)
Proceeds from redemption fees (a) .....	<u>12,921</u>	<u>11,539</u>
Total Investor Class .....	<u>(29,362,032)</u>	<u>(67,318,795)</u>
<b>Capital Transactions - Institutional Class</b>		
Proceeds from shares sold .....	22,103,901	81,696,166
Reinvestment of distributions .....	11,816,717	4,796,457
Amount paid for shares redeemed .....	(40,575,183)	(15,904,762)
Proceeds from redemption fees (a) .....	<u>7,204</u>	<u>11,400</u>
Total Institutional Class .....	<u>(6,647,361)</u>	<u>70,599,261</u>
Net increase (decrease) in net assets resulting from capital transactions .....	<u>(36,009,393)</u>	<u>3,280,466</u>
<b>Total Decrease in Net Assets</b> .....	<u>(85,562,774)</u>	<u>(13,150,575)</u>

See accompanying notes which are an integral part of these financial statements.

# APPLESEED FUND STATEMENTS OF CHANGES IN NET ASSETS -

continued

	<i>For the Year Ended September 30, 2015</i>	<i>For the Year Ended September 30, 2014</i>
<b>Net Assets</b>		
Beginning of year .....	290,617,210	303,767,785
End of year .....	<u>\$205,054,436</u>	<u>\$290,617,210</u>
Accumulated undistributed net investment income included in net assets at end of year .....	\$ (7,654)	\$ 36,981
<b>Share Transactions - Investor Class</b>		
Shares sold .....	2,085,107	2,757,554
Shares issued in reinvestment of distributions ..	1,308,575	1,478,393
Shares redeemed .....	<u>(5,700,691)</u>	<u>(8,911,035)</u>
Total Investor Class .....	<u>(2,307,009)</u>	<u>(4,675,088)</u>
<b>Share Transactions - Institutional Class</b>		
Shares sold .....	1,736,448	5,701,653
Shares issued in reinvestment of distributions ..	974,173	350,106
Shares redeemed .....	<u>(3,249,409)</u>	<u>(1,101,250)</u>
Total Institutional Class .....	<u>(538,788)</u>	<u>4,950,509</u>
Net increase (decrease) in shares outstanding	<u>(2,845,797)</u>	<u>275,421</u>

(a) 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 these financial statements.

# APPLESEED FUND – INVESTOR CLASS FINANCIAL HIGHLIGHTS

(For a share outstanding during each period)

	Year ended September 30, 2015	Year ended September 30, 2014
<b>Selected Per Share Data:</b>		
Net asset value, beginning of year	\$ 13.96	\$ 14.80
Income from investment operations:		
Net investment income (loss)	(0.01)	0.03
Net realized and unrealized gain (loss) on investments	(1.15)	0.36
Total from investment operations	(1.16)	0.39
Less distributions to shareholders:		
From net investment income	—	—(c)
From net realized gain	(1.40)	(1.23)
Total distributions	(1.40)	(1.23)
Paid in capital from redemption fees	—(c)	—(c)
Net asset value, end of year	<u>\$ 11.40</u>	<u>\$ 13.96</u>
<b>Total Return (d)</b>	<b>(8.90)%</b>	<b>2.85%</b>
<b>Ratios and Supplemental Data:</b>		
Net assets, end of year (000)	\$ 112,447	\$ 169,903
Ratio of net expenses to average net assets (e)	1.22%(f)	1.26%
Ratio of net expenses to average net assets (excluding short sale and interest expense) (e)	1.20%(f)	1.24%
Ratio of net expenses to average net assets before waiver and reimbursement (e)	1.39%	1.48%
Ratio of net investment income (loss) to average net assets (e)	(0.06)%	0.40%
Ratio of net investment income (loss) to average net assets before waiver and reimbursement (e)	(0.23)%	0.18%
Portfolio turnover rate	52%	53%

- (a) Net investment income per share is based on average shares outstanding during the year.
- (b) Realized and unrealized gains and losses per share in this caption are balancing amounts necessary to reconcile the change in net asset value per share in the period. It does not agree to the aggregate gains and losses in the Statement of Operations due to the fluctuation in share transactions.
- (c) Rounds to less than \$0.005 per share.
- (d) 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.
- (e) These ratios exclude the impact of expenses of the underlying security holdings as represented in the Schedule of Investments.
- (f) Effective October 1, 2014, the Adviser has contractually agreed to cap the Fund's expenses at 0.95% excluding fees paid pursuant to an Administrative Services Plan. Prior to October 1, 2014, the Fund's expense cap was 0.99%.
- (g) Effective January 28, 2011, the Adviser contractually agreed to cap the Fund's expenses at 0.99% excluding fees paid pursuant to an Administrative Services Plan. Prior to January 28, 2011, the Fund's expense cap was 1.24%. Also effective January 28, 2011, the Fund adopted an Administrative Services Plan with respect to Investor Class shares, pursuant to which the Fund pays an annual fee equal to 0.25% of the average daily net assets of the Investor Class shares.

See accompanying notes which are an integral part of these financial statements.

<u>Year ended September 30, 2013</u>	<u>Year ended September 30, 2012</u>	<u>Year ended September 30, 2011</u>
\$ 13.07	\$ 12.32	\$ 12.45
0.07	0.05(a)	0.04
<u>2.17</u>	<u>1.44</u>	<u>0.06(b)</u>
<u>2.24</u>	<u>1.49</u>	<u>0.10</u>
(0.23)	(0.12)	(0.12)
<u>(0.28)</u>	<u>(0.63)</u>	<u>(0.11)</u>
<u>(0.51)</u>	<u>(0.75)</u>	<u>(0.23)</u>
—(c)	0.01	—(c)
<u>\$ 14.80</u>	<u>\$ 13.07</u>	<u>\$ 12.32</u>
17.79%	12.86%	0.74%
\$249,372	\$ 205,232	\$ 168,961
1.29%	1.25%	1.24%(g)
1.24%	1.24%	1.24%(g)
1.51%	1.52%	1.48%
0.34%	0.38%	0.25%
0.12%	0.11%	0.01%
63%	76%	68%

See accompanying notes which are an integral part of these financial statements.

# APPLESEED FUND — INSTITUTIONAL CLASS FINANCIAL HIGHLIGHTS

(For a share outstanding during each period)

	<b>Year ended September 30, 2015</b>
<b>Selected Per Share Data:</b>	
Net asset value, beginning of period . . . . .	\$ 14.02
<b>Income from investment operations:</b>	
Net investment income . . . . .	0.02
Net realized and unrealized gain (loss) on investments . . . . .	(1.16)
Total from investment operations . . . . .	(1.14)
<b>Less Distributions to shareholders:</b>	
From net investment income . . . . .	(0.01)
From net realized gain . . . . .	(1.40)
Total distributions . . . . .	(1.41)
Paid in capital from redemption fees . . . . .	—(c)
Net asset value, end of period . . . . .	\$ 11.47
<b>Total Return (d)</b> . . . . .	<b>(8.68)%</b>
<b>Ratios and Supplemental Data</b>	
Net assets, end of period (000) . . . . .	\$ 92,607
Ratio of expenses to average net assets (f) . . . . .	0.97%(h)
Ratio of net expenses to average net assets (excluding short sale and interest expense) (f) . . . . .	0.95%(h)
Ratio of expenses to average net assets before waiver and reimbursement (f) . . . . .	1.14%
Ratio of net investment income (loss) to average net assets (f) . . . .	0.18%
Ratio of net investment income (loss) to average net assets before waiver and reimbursement (f) . . . . .	0.01%
Portfolio turnover rate . . . . .	52%

- (a) For the period January 31, 2011 (commencement of operations) through September 30, 2011.  
 (b) Net investment income per share is based on average shares outstanding during the period.  
 (c) Rounds to less than \$0.005 per share.  
 (d) Total return in the above table represents the rate that the investor would have earned on an investment in the Fund, assuming reinvestment of dividends.  
 (e) Not annualized.  
 (f) These ratios exclude the impact of expenses of the underlying security holdings as represented in the Schedule of Investments.  
 (g) Annualized.  
 (h) Effective October 1, 2014, the Adviser contractually agreed to cap the Fund's expenses at 0.95%. Prior to October 1, 2014, the Fund's expense cap was 0.99%.

See accompanying notes which are an integral part of these financial statements.

<u>Year ended September 30, 2014</u>	<u>Year ended September 30, 2013</u>	<u>Year ended September 30, 2012</u>	<u>Year ended September 30, 2011(a)</u>
\$ 14.86	\$ 13.09	\$ 12.35	\$ 12.59
0.13	0.08(b)	0.08(b)	0.05(b)
0.30	2.20	1.44	(0.30)
<u>0.43</u>	<u>2.28</u>	<u>1.52</u>	<u>(0.25)</u>
(0.04)	(0.23)	(0.15)	—
<u>(1.23)</u>	<u>(0.28)</u>	<u>(0.63)</u>	<u>—</u>
<u>(1.27)</u>	<u>(0.51)</u>	<u>(0.78)</u>	<u>—</u>
—(c)	—(c)	—(c)	0.01
<u>\$ 14.02</u>	<u>\$ 14.86</u>	<u>\$ 13.09</u>	<u>\$ 12.35</u>
3.10%	18.07%	13.00%	(1.91)%(e)
\$120,714	\$ 54,396	\$ 32,996	\$ 11,856
1.01%	1.04%	1.01%	0.99%(g)
0.99%	0.99%	0.99%	0.99%(g)
1.23%	1.26%	1.27%	1.34%(g)
0.44%	0.55%	0.64%	0.58%(g)
0.22%	0.33%	0.38%	0.23%(g)
53%	63%	76%	68%(e)

See accompanying notes which are an integral part of these financial statements.

# APPLESEED FUND NOTES TO THE FINANCIAL STATEMENTS

September 30, 2015

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## NOTE I. 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’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.

The Fund currently offers two classes of shares, Investor Class and Institutional Class. Investor Class shares were first offered to the public on December 8, 2006; and Institutional Class shares were first offered to the public on January 31, 2011. Each share represents an equal proportionate interest in the assets and liabilities belonging to the applicable class and is entitled to such dividends and distributions out of income belonging to the applicable class as are declared by the Board. The primary difference between the two classes is attributable to the administrative service fee arrangement for the Investor Class. On matters that affect the Fund as a whole, each class has the same voting and other rights and preferences as any other class. On matters that affect only one class, only shareholders of that class may vote. Each class votes separately on matters affecting only that class, or on matters expressly required to be voted on separately by state or federal law. Shares of each class of a series have the same voting and other rights and preferences as the other classes and series of the Trust for matters that affect the Trust as a whole. The Fund may offer additional classes of shares in the future.

*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.



# APPLESEED FUND NOTES TO THE FINANCIAL STATEMENTS -

continued

September 30, 2015

## NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The Fund is an investment company and follows accounting and reporting guidance under Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 946, “Financial Services-Investment Companies”. The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements. These policies are in conformity with generally accepted accounting principles in the United States of America (“GAAP”).

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

*Foreign Currency Translation* - The accounting record of the Fund is maintained in U.S. dollars. Foreign currency amounts are translated into U.S. dollars at the current rate of exchange each business day to determine the value of investments, and other assets and liabilities. Purchases and sales of foreign securities, and income and expenses, are translated at the prevailing rate of exchange on the respective date of these transactions. The Fund does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from fluctuation arising from changes in market prices of securities held. These fluctuations are included with the net realized and unrealized gain or loss from investments.

*Short Sales* - The Fund may make short sales as part of its overall portfolio management strategies or to offset a potential decline in value of a security. The Fund may engage in short sales with respect to various types of securities, including exchange traded funds (ETFs) and futures. A short sale involves the sale of a security that is borrowed from a broker or other institution to complete the sale. The Fund may engage in short sales with respect to securities it owns, as well as securities that it does not own. Short sales expose the Fund to the risk that it will be required to acquire, convert, or exchange securities to replace the borrowed securities (also known as “covering” the short position) at a time when the securities sold short have appreciated in value, thus resulting in a loss to the Fund. The Fund’s investment performance may also suffer if the Fund is required to close out a short position earlier than it had intended. The Fund must segregate assets determined to be liquid in accordance with procedures established by the Board of Trustees, or otherwise cover its position in a permissible manner. The Fund will be required to pledge its liquid assets to the broker in order to secure its performance on short sales. As a result,

# APPLESEED FUND NOTES TO THE FINANCIAL STATEMENTS –

continued

September 30, 2015

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

the assets pledged may not be available to meet the Fund’s needs for immediate cash or other liquidity. In addition, the Fund may be subject to expenses related to short sales that are not typically associated with investing in securities directly, such as costs of borrowing and margin account maintenance costs associated with the Fund’s open short positions. These types of short sales expenses are sometimes referred to as the “negative cost of carry,” and will tend to cause the Fund to lose money on a short sale even in instances where the price of the underlying security sold short does not change over the duration of the short sale. Dividend expenses on securities sold short and borrowing costs are not covered under the Advisor’s expense limitation agreement with the Fund and, therefore, these expenses will be borne by the shareholders of the Fund. The Fund’s social and environmental screens are not applied to short sales.

*Federal Income Taxes* – The Fund makes no provision for federal income or excise tax. The Fund intends to qualify each year as a “regulated investment company” (“RIC”) under subchapter M of the Internal Revenue Code of 1986, as amended, by complying with the requirements applicable to RICs and by distributing substantially all of its taxable income. The Fund also intends to distribute sufficient net investment income and net capital gains, if any, so that it will not be subject to excise tax on undistributed income and gains. If the required amount of net investment income or gains is not distributed, the Fund could incur a tax expense.

As of and during the year ended September 30, 2015, 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 subject to examination by U.S. federal tax authorities for the last three year ends, including the most recent fiscal year end which has yet to be filed.

*Expenses* – Expenses incurred by the Trust that do not relate to a specific fund of the Trust are allocated to the individual funds by or under the direction of the Trustees in such a manner as the Trustees determine to be fair and equitable. Income, realized gains and losses, unrealized appreciation and depreciation, and Fund-wide expenses not allocated to a particular class shall be allocated to each class based on the net assets of that class in relation to the net assets of the entire Fund.

# APPLESEED FUND NOTES TO THE FINANCIAL STATEMENTS -

continued

September 30, 2015

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

*Security Transactions and Related Income* - The Fund follows industry practice and records security transactions on the trade date for financial reporting purposes. 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. Dividend income from Real Estate Investment Trusts (REITS) and distributions from Limited Partnerships are recognized on the ex-date. The calendar year end classification of distributions received from REITS during the fiscal year are reported subsequent to year end; accordingly, the Fund estimates the character of REIT distributions based on the most recent information available. Income or loss from Limited Partnerships is reclassified in the components of net assets upon receipt of K-1's. 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. 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.

*Redemption Fees* – The Fund charges a 2.00% redemption fee for shares redeemed within 90 calendar days of purchase. These fees are deducted from the redemption proceeds otherwise payable to the shareholder. The Fund will retain the fee charged as an increase in paid-in capital and such fees become part of the Fund's daily NAV calculation.

*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

# APPLESEED FUND NOTES TO THE FINANCIAL STATEMENTS -

continued

September 30, 2015

## NOTE 2. SIGNIFICANT ACCOUNTING POLICIES – continued

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 value per share of the Fund. For the fiscal year ended September 30, 2015, the Fund made the following reclassifications to increase (decrease) the components of net assets:

<u>Paid-in Capital</u>	<u>Accumulated Undistributed Net Investment Income</u>	<u>Accumulated Net Realized Gain from Investments</u>
\$ —	\$ (38,770)	\$ 38,770

## 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 orderly 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.

# APPLESEED FUND NOTES TO THE FINANCIAL STATEMENTS -

continued

September 30, 2015

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

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 – unadjusted quoted prices in active markets for identical investments and/or registered investment companies where the value per share is determined and published and is the basis for current transactions for identical assets or liabilities at the valuation date
- 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)

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 stocks, closed-end trusts and limited partnerships 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

# APPLESEED FUND NOTES TO THE FINANCIAL STATEMENTS -

continued

September 30, 2015

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

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, including corporate bonds, foreign government bonds and U.S. Government Securities, 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 uses various inputs and techniques, which include broker-dealer quotations, live trading levels, recently executed transactions in securities of the issuer or comparable issuers, and option adjusted spread models that include base curve and spread curve inputs. Adjustments to individual bonds can be applied to recognize trading differences compared to other bonds issued by the same issuer. The broker-dealer quotations received are supported by credit analysis of the issuer that takes into consideration credit quality assessments, daily trading activity, and the activity of the underlying equities, listed bonds and sector-specific trends. To the extent that these inputs are observable, the fixed income securities are 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.

# APPLESEED FUND NOTES TO THE FINANCIAL STATEMENTS –

continued

September 30, 2015

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

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) may be valued by using the amortized cost method of valuation, which the Board has determined represents fair value. Certificates of deposit are priced at their original cost, which approximates their fair value, through maturity date. These securities will be classified as Level 2 securities.

Option contracts are generally valued using the closing price based on quoted data from the six major U.S. options exchanges on which such options are traded, and are typically categorized as Level 1 in the fair value hierarchy.

Futures contracts that the Fund invests in are valued at the settlement price established each day by the board of trade or exchange on which they are traded, and when the market is considered active, will generally be categorized as Level 1 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

# APPLESEED FUND NOTES TO THE FINANCIAL STATEMENTS –

continued

September 30, 2015

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

market quotations. Good faith pricing may also be used in instances when the bonds the Fund invests 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, 2015.

<i>Valuation Inputs</i>				
<i>Assets</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Common Stocks *	\$124,790,099	\$ —	\$ —	\$124,790,099
Closed-End Trusts	39,471,331	—	—	39,471,331
U.S. Government Securities	—	3,002,694	—	3,002,694
Corporate Bonds *	—	8,705,744	—	8,705,744
Foreign Government Bonds	—	4,339,968	—	4,339,968
Certificates of Deposit	—	3,007,526	—	3,007,526
Money Market Securities	16,615,826	—	—	16,615,826
Total	\$180,877,256	\$19,055,932	\$ —	\$199,933,188

\* Refer to Schedule of Investments for industry classifications.

<i>Valuation Inputs</i>				
<i>Liabilities</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Short Common Stocks	\$(5,667,258)	\$ —	\$ —	\$(5,667,258)
Short Futures Contracts *	(373,251)	—	—	(373,251)
Written Option Contracts	(20,130)	—	—	(20,130)
Total	\$(6,060,639)	\$ —	\$ —	\$(6,060,639)

\* The amount shown represents the net unrealized depreciation of the futures contracts.

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 recognizes transfers between fair value hierarchy levels at the reporting period end. There were no transfers between any Levels for the year ended September 30, 2015.



# APPLESEED FUND NOTES TO THE FINANCIAL STATEMENTS -

continued

September 30, 2015

## NOTE 4. DERIVATIVE TRANSACTIONS

*Currency Futures Contracts* – The Fund entered into currency futures contracts (long and short) to hedge its foreign currency exposure during the fiscal year. A currency futures contract involves an obligation to purchase or sell a specific currency at a future date. Such contracts are used to sell unwanted currency exposure that comes from holding securities in a market. The contracts are marked to market daily and change in value is recorded as unrealized appreciation or depreciation. Variation margin receivables or payables represent the difference between the change in unrealized appreciation and depreciation on the open contracts and the cash deposits made on the margin accounts. When a currency futures contract is closed, the Fund records a realized gain or loss equal to the difference between the value at the time it was opened and the value at the time it was closed. The Fund could be exposed to risks if the counterparties to the contracts are unable to meet the terms of their contracts and from unanticipated movements in the currency exchange rates. Cash held at broker as of September 30, 2015, is held for collateral for futures transactions and is restricted from withdrawal.

*Written Options Contracts* - The Fund may write options contracts for which premiums received are recorded as liabilities and are subsequently adjusted to the current value of the options written. Premiums received from writing options which expire are treated as realized gains. Premiums received from writing options which are either exercised or closed are offset against the proceeds received or the amount paid on the transaction to determine realized gains or losses. Investing in written options contracts exposes a Fund to equity price risk.

The following tables identify the location and fair value of derivative instruments on the Statement of Assets and Liabilities as of September 30, 2015, and the effect of derivative instruments on the Statement of Operations for the year ended September 30, 2015.

At September 30, 2015:

<u>Derivatives</u>	<u>Location of Derivatives on Statement of Assets &amp; Liabilities</u>	
Foreign Exchange Risk:		
Short currency futures contracts	Receivable for net variation margin on futures contracts	\$ 28,437
Equity Price Risk:		
Written option contracts	Options, written, at value	\$(20,130)

# APPLESEED FUND

## NOTES TO THE FINANCIAL STATEMENTS -

continued

September 30, 2015

### NOTE 4. DERIVATIVE TRANSACTIONS – continued

For the year ended September 30, 2015:

<u>Derivatives</u>	<u>Location of Gain (Loss) on Derivatives on Statement of Operations</u>	<u>Contracts Sold Short/ Written</u>	<u>Contracts Closed</u>	<u>Realized Gain (Loss) on Derivatives</u>	<u>Change in Unrealized Appreciation (Depreciation) on Derivatives</u>
Foreign Exchange Risk:					
Short currency futures contracts	Net realized and unrealized gain (loss) on futures contracts	488	357	\$2,048,078	\$(1,064,759)
Equity Price Risk:					
Written option contracts	Net realized and unrealized gain (loss) on written options	1,342	1,150	\$142,896	\$(97,307)

### Balance Sheet Offsetting Information

The following table provides a summary of offsetting financial liabilities and derivatives and the effect of derivative instruments on the Statement of Assets and Liabilities.

<u>Futures Contracts</u>	<u>Gross Amounts of Recognized Assets</u>	<u>Gross Amount Offset in Statement of Assets and Liabilities</u>	<u>Net Amount of Assets Presented in Statement of Assets and Liabilities</u>	<u>Gross Amounts Not Offset in Statement of Assets and Liabilities</u>		
				<u>Financial Instruments</u>	<u>Cash Collateral Pledged</u>	<u>Net Amount (not less than 0)</u>
Short currency futures contracts	\$132,275	\$(103,838)	\$28,437	\$—	\$—	\$28,437

For financial reporting purposes, it is the Fund's policy to disclose the net variation margin receivable or payable on futures contracts at the reporting period end.

# APPLESEED FUND NOTES TO THE FINANCIAL STATEMENTS -

continued

September 30, 2015

## NOTE 4. DERIVATIVE TRANSACTIONS – continued

Transactions in written options by the Fund during the fiscal year ended September 30, 2015, were as follows:

	<b><u>Number of Contracts</u></b>	<b><u>Premiums Received</u></b>
Options outstanding at September 30, 2014 .....	1,150	\$142,896
Options written .....	1,342	59,394
Options closed .....	(1,150)	(142,896)
Options exercised .....	<u>—</u>	<u>—</u>
Options outstanding at September 30, 2015	<u>1,342</u>	<u>\$59,394</u>

## NOTE 5. 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 0.85% of the Fund’s average net assets. For the fiscal year ended September 30, 2015, before the waiver described below, the Adviser earned a fee of \$2,178,666 from the Fund. The Adviser has contractually agreed to waive its management fee and/or reimburse certain Fund operating expenses through January 31, 2016, so that the total annual Fund operating expenses, excluding brokerage fees and commissions, fees paid pursuant to the Administrative Services Plan (Investor Class only), borrowing costs (such as interest and dividend expense on securities sold short), taxes, any indirect expenses such as expenses incurred by other investment companies in which the Fund may invest, any 12b-1 fees, and extraordinary expenses do not exceed 0.95%. For the fiscal year ended September 30, 2015, the Adviser waived fees of \$436,598. At September 30, 2015, the Adviser was owed \$67,149 from the Fund for advisory services.

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 of the waiver and any expense limitation in place at the time of repayment.

# APPLESEED FUND NOTES TO THE FINANCIAL STATEMENTS -

continued

September 30, 2015

## **NOTE 5. FEES AND OTHER TRANSACTIONS WITH AFFILIATES – continued**

The amounts subject to repayment by the Fund, pursuant to the aforementioned conditions, at September 30, 2015, are as follows:

<u>Amount</u>	<u>Recoverable through September 30,</u>
\$603,276	2016
\$657,451	2017
\$436,598	2018

The Trust retains Huntington Asset Services, Inc. (“HASI”), 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 year ended September 30, 2015, HASI earned fees of \$155,635 for administrative services provided to the Fund. At September 30, 2015, the Fund owed HASI \$11,126 for administrative services.

The Trust retains HASI to act as the Fund’s transfer agent and to provide fund accounting services. For the fiscal year ended September 30, 2015, HASI earned fees of \$81,291 from the Fund for transfer agent services. For the fiscal year ended September 30, 2015, HASI earned fees of \$85,499 from the Fund for fund accounting services. At September 30, 2015, the Fund owed HASI \$7,064 for transfer agent services and \$6,234 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 year ended September 30, 2015.

Certain officers of the Trust are members of management and/or employees of HASI. HASI operates as a wholly-owned subsidiary of Huntington Bancshares, Inc., the parent company of the principal Distributor of the Fund’s shares. 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; such persons may be deemed to be affiliates of the Distributor.

The Fund has an Administrative Services Plan with respect to Investor Class shares, pursuant to which the Fund pays an annual fee equal to 0.25%

# APPLESEED FUND NOTES TO THE FINANCIAL STATEMENTS -

continued

September 30, 2015

## **NOTE 5. FEES AND OTHER TRANSACTIONS WITH AFFILIATES – continued**

of the average daily net assets of the Fund's Investor Class shares to the Adviser to compensate financial intermediaries that provide administrative services to the Investor Class shareholders pursuant to a written agreement with the Fund or the Fund's distributor. Financial intermediaries eligible to receive payments under the Administrative Services Plan include mutual fund supermarkets and other platforms sponsored by any 401(k) plan, bank, trust company or broker-dealer that have entered into an agreement with the Fund or the Fund's distributor to sell the Fund's Investor Class shares. For purposes of the Plan, administrative services include, but are not limited to (i) acting as record holder and nominee of Investor Class shares beneficially owned by the financial intermediary's customers; (ii) providing sub-accounting services to such customers; (iii) processing and issuing confirmations with respect to orders to purchase, redeem or exchange Investor Class shares; (iv) processing dividend payments; and (v) providing periodic account statements. For the fiscal year ended September 30, 2015, the Investor Class incurred Service fees of \$361,675. At September 30, 2015, \$23,833 was owed to the Adviser pursuant to the Administrative Services Plan.

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 up to 0.25% of the average daily net assets of the Fund 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 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. The Fund does not currently intend to activate the Plan prior to January 31, 2016.

# APPLESEED FUND NOTES TO THE FINANCIAL STATEMENTS -

continued

September 30, 2015

## NOTE 6. INVESTMENT TRANSACTIONS

For the fiscal year ended September 30, 2015, purchases and sales of investment securities, other than short-term investments were as follows:

### **Purchases**

U.S. Government Obligations .....	\$	—
Other .....		129,492,588

### **Sales**

U.S. Government Obligations .....	\$	18,014,851
Other .....		173,252,913

## NOTE 7. ESTIMATES

The preparation of financial statements in conformity with GAAP 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.

## NOTE 8. 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, 2015, Pershing LLC., for the benefit of its customers, owned 32.65% of the Fund. As a result, Pershing LLC may be deemed to control the Fund.

## NOTE 9. FEDERAL TAX INFORMATION

At September 30, 2015, the appreciation (depreciation) of investments, including securities sold short, written options and futures contracts, for tax purposes, was as follows:

	<b><u>Amount</u></b>
Gross Appreciation .....	\$ 13,597,472
Gross (Depreciation) .....	<u>(29,903,030)</u>
Net Appreciation (Depreciation) on Investments .....	<u><u>\$(16,305,558)</u></u>

# APPLESEED FUND NOTES TO THE FINANCIAL STATEMENTS -

continued

September 30, 2015

## NOTE 9. FEDERAL TAX INFORMATION – continued

At September 30, 2015, the aggregate cost of securities, net of proceeds for securities sold short, for federal income tax purposes, was \$210,544,253.

The tax characterization of distributions for the fiscal years ended September 30, 2015 and 2014, were as follows:

Distributions paid from:	<u>2015</u>	<u>2014</u>
Ordinary Income*	\$ 2,683,852	\$ 6,354,328
Long-term Capital Gain	<u>25,369,718</u>	<u>19,019,495</u>
	<u>\$28,053,570</u>	<u>\$25,373,823</u>

\*Short term capital gain distributions are treated as ordinary income for tax purposes.

At September 30, 2015, the components of distributable earnings (accumulated losses) on a tax basis were as follows:

Undistributed ordinary income	\$ 124,810
Undistributed long-term capital gains	4,702,315
Accumulated capital and other losses	(3,191,567)
Unrealized appreciation (depreciation)	<u>(16,305,558)</u>
	<u>\$(14,670,000)</u>

At September 30, 2015, the difference between book basis and tax basis unrealized appreciation (depreciation) is attributable to the tax deferral of losses on wash sales of \$463,260 and basis adjustments for investments in passive foreign investment companies.

Certain capital and qualified late year losses incurred after October 31, and within the current taxable year, are deemed to arise on the first business day of the Fund's following taxable year. For the tax year ended September 30, 2015, the Fund deferred post October capital losses in the amount of \$2,914,488 and late year ordinary losses in the amount of \$277,079.

## NOTE 10. SUBSEQUENT EVENTS

Management of the Fund has evaluated the need for disclosures resulting from subsequent events through the date these financial statements were issued. Subsequent to the period end, on November 13, 2015, Huntington Bancshares Inc. entered in an agreement to sell Huntington Asset Services, Inc. and Unified Financial Services, Inc. to Ultimus Fund Solutions, Inc. The sale is expected to close by the end of December 2015, subject to customary closing conditions. Management has determined that there were no additional items requiring additional disclosure.

# REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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To the Shareholders of Appleseed Fund and  
Board of Trustees of Unified Series Trust

We have audited the accompanying statement of assets and liabilities, including the schedules of investments, securities sold short, futures contracts and written options, of Appleseed Fund (the "Fund"), a series of Unified Series Trust, as of September 30, 2015, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's 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, 2015, by correspondence with the 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, 2015, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

COHEN FUND AUDIT SERVICES, LTD.  
Cleveland, Ohio  
November 24, 2015



## OTHER FEDERAL TAX INFORMATION (Unaudited)

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For the year ended September 30, 2015, certain dividends paid by the Fund may be subject to a maximum tax rate of 15% as provided for by the Jobs and Growth Tax Relief Reconciliation Act of 2003. The Fund intends to designate the maximum amount allowable as taxed at a maximum rate of 15%. Complete information will be reported in conjunction with your 2015 Form 1099-DIV.

For the year ended September 30, 2015, the Fund paid qualified dividend income of 77.17%.

For the year ended September 30, 2015, 53.08% of ordinary income dividends paid by the Fund qualify for the dividends received deduction available to corporations.

For the year ended September 30, 2015, the Fund designated \$25,369,718 as long-term capital gain distributions.

## TRUSTEES AND OFFICERS – (Unaudited)

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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 Chairman of the Board and more than 75% of the Trustees are “Independent Trustees,” which means that they are not “interested persons” (as defined in the 1940 Act) of the Trust or any adviser, sub-adviser or distributor of the Trust

The following tables provide information regarding the Trustees and Officers.

<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 – 68)  Chairman of the Audit and Pricing Committees  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., a full service trust company, from September 1991 to September 2008; Chairman of the investment committee for W.H. Donner Foundation and Donner Canadian Foundation from June 2005 to September 2011; Chairman of investment committee for the Diana Davis Spencer Foundation from October 2011 to May 2014; Chairman and Founder, Constitution Education Foundation since February 2011.
Stephen A. Little (Age - 69)  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.
Daniel J. Condon (Age - 65)  Independent Trustee, December 2002 to present	CEO of Standard Steel, LLC, a manufacturer of forged steel wheels and axles, since August 2011; Director Steel Wheels Acquisition Corp., and Standard Steel, Inc., both holding companies which, through subsidiaries, produce steel wheels and axles, since August 2011; President and CEO of International Crankshaft Inc., an automotive supply manufacturing company, from 2004 to August 2011; Director International Crankshaft, Inc. since 2004; Chairman, SMI Crankshaft LLC, an automotive and truck supplier, from July 2010 to August 2011.

# TRUSTEES AND OFFICERS – (Unaudited) 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>
<p>Ronald C. Tritschler (Age - 63)</p> <p>Independent Trustee, January 2007 to present;</p> <p>Interested Trustee, December 2002 to December 2006</p>	<p>Chief Executive Officer, Director and Legal Counsel of The Webb Companies, a national real estate company, since 2001; Director of First State Financial, a full-service bank, since 1998; Director, Vice President and Legal Counsel of The Traxx Companies, an owner and operator of convenience stores, since 1989. Past Chairman, Bluegrass Tomorrow, nonprofit organization, and Chairman of The Lexington Convention and Visitors' Bureau.</p>
<p>Kenneth G.Y. Grant (Age – 66)</p> <p>Independent Trustee, May 2008 to present</p>	<p>Executive Vice President and Chief Officer, Corporate Development for Global Trust Company, a nondepository trust company, since 2008, Advisors Charitable Gift Fund since May 2005, Northeast Retirement Services, Inc., a provider of retirement and charitable services products, since February 2003 and Savings Banks Employees Retirement Association, a provider of qualified retirement benefit plans, since February 2003; Director, Lift Up Africa since 2008; Chair Investment Committee since January 2011 and past Chair, Board of Directors of Massachusetts Council of Churches; Member, Presbytery of Boston, Presbyterian Church (U.S.A.) since June 1975.</p>

\* The address for each trustee is 2960 N. Meridian St., Suite 300, Indianapolis, IN 46208.

\*\* The Trust currently consists of 13 series.

## TRUSTEES AND OFFICERS – (Unaudited) continued

The following table provides information regarding the interested Trustee and the officers of the Trust.

<b>Name, Address*, (Age), Position with Trust,** Term of Position with Trust</b>	<b>Principal Occupation During Past 5 Years and Other Directorships</b>
Nancy V. Kelly (Age - 60) <sup>***</sup> 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.
John C. Swhear (Age - 54) President, August 2013 to present	Vice President of Legal Administration and Compliance for Huntington Asset Services, Inc., the Trust's administrator, since April 2007, Director since May 2014; Chief Compliance Officer and Vice President of Valued Advisers Trust since August 2008; Interim President of Unified Series Trust from March 2012 to August 2013; Senior Vice President of Unified Series Trust from May 2007 to August 2013; Chief Compliance Officer of Unified Financial Securities, Inc., the Trust's distributor, since May 2007, Director since May 2014; Chief Compliance Officer and AML Officer of Capitol Series Trust since September 2013; Secretary of Huntington Funds from April 2010 to February 2012; President and Chief Executive Officer of Dreman Contrarian Funds, March 2010 to March 2011; Vice President and Acting Chief Executive Officer of Dreman Contrarian Funds, 2007 to March 2010.
Zachary Richmond (Age - 35) Treasurer and Chief Financial Officer, November 2014 to present	Manager, Fund Administration for Huntington Asset Services, Inc., the Trust's administrator, since January 2011; Treasurer and Chief Financial Officer of Capitol Series Trust since August 2014; Interim Treasurer and Chief Financial Officer of Unified Series Trust from August 2014 to November 2014; Assistant Treasurer of Unified Series Trust from May 2011 to August 2014; Supervisor, Fund Administration for Citi Fund Services Ohio, Inc. from October 2007 to December 2010.

## TRUSTEES AND OFFICERS – (Unaudited) 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 - 68) Chief Compliance Officer, October 2004 to present	Managing Member, Buttonwood Compliance Partners, LLC, since May 2013; Chief Compliance Officer of Unified Series Trust, since October 2004.
Latavia M. Evans (Age – 28) Secretary, February 2015 to present	Paralegal, Risk and Compliance, Huntington Asset Services, Inc., the Trust's administrator, since May 2014; Paralegal at private law firm from May 2012 to May 2014; Paralegal at Fayette County Attorney's Office from February 2011 to May 2012; Paralegal Intern at Kentucky Department of Public Advocacy from September 2010 to December 2010; Student from September 2009 to December 2010.

\* The address for each trustee and officer is 2960 N. Meridian St., Suite 300, Indianapolis, IN 46208.

\*\* The Trust currently consists of 13 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., one of the Trust's distributors.

# MANAGEMENT AGREEMENT RENEWAL – (Unaudited)

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The Appleseed Fund (the “Fund”) is a series of Unified Series Trust (the “Trust”). The Trust’s Board of Trustees oversees the management of the Fund and, as required by law, determines annually whether to approve the continuance of the Fund’s management agreement with its investment adviser, Pekin Singer Strauss Asset Management, Inc. (“Pekin Singer”).

The Board of Trustees, including the Trustees who are not “interested persons” (as that term is defined in the Investment Company Act of 1940, as amended) of the Trust or Pekin Singer, with the assistance of the Board’s Advisory Contract Renewal Committee (the “Committee”), requests and evaluates all information that the Trustees deem reasonably necessary under the circumstances in connection with this annual contract review.

The Committee convened in July 2015 via teleconference to consider the renewal of the management agreement between the Trust and Pekin Singer on behalf of the Fund. In advance of the Committee meeting, each Trustee received and reviewed materials compiled by Huntington Asset Services, Inc., the Trust’s administrator (“Huntington”). The materials provided to each Trustee in advance of the Committee meeting included the following information: (a) a detailed letter to Pekin Singer requesting information that the Board likely would consider in determining whether to renew the Fund’s management agreement, and Pekin Singer’s responses; (b) a description of factors considered by the Board in approving the Fund’s management agreement during the prior year; (c) commentary prepared by Pekin Singer discussing the Fund’s performance for the year ended May 31, 2015, factors affecting this performance, and why the performance varied from that of the Fund’s benchmark; (d) a schedule of the Fund’s investments as of March 31, 2015; (e) Huntington’s memorandum comparing the Fund’s performance returns to the returns of the Fund’s benchmark, Morningstar category average, and selected peer group for relevant periods ended May 31, 2015; comparing the Fund’s advisory fee and total expense ratio to those of its peer group; and providing certain other Fund performance and volatility information as reported by Morningstar; (f) a profitability analysis prepared by Pekin Singer with respect to the Fund; (g) a soft dollar report for the Fund prepared by Pekin Singer; (h) a balance sheet for Pekin Singer as of May 31, 2015, and profit & loss statement for the year ended May 31, 2015; (i) copies of the current management agreement and expense cap limitation agreement for the Fund; and (j) a report from the Trust’s Chief Compliance Officer summarizing his review of Pekin Singer’s compliance policies and procedures. After discussing the materials, the Committee interviewed certain executives of Pekin Singer, including Pekin Singer’s Chairman of the Board (who also

# MANAGEMENT AGREEMENT RENEWAL – (Unaudited)

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serves as a portfolio manager of the Fund), Pekin Singer’s Chief Compliance Officer (who also serves as Chief Operating Officer), and Pekin Singer’s Compliance Officer.

At the Trustees’ August 2015 in-person meeting, the Trustees reviewed and discussed an updated peer-group expense comparison for the Fund and updated performance information as of July 31, 2015. After discussing these materials, the Trustees approved the continuation of the management agreement between the Trust and Pekin Singer on behalf of the Fund for an additional year. The Trustees’ approval of the Fund’s management agreement was based on a consideration of all the information provided to the Trustees, and was not the result of any single factor. Some of the factors that figured particularly in the Trustees’ deliberations are described below, although individual Trustees may have evaluated this information differently, ascribing different weights to various factors. Because the Fund’s management agreement is reviewed and considered by the Board on an annual basis, the Trustees’ determinations may be based, in part, on their consideration of the management agreement in previous years.

- (a) The Nature, Extent and Quality of Services. The Trustees reviewed Pekin Singer’s responses regarding the resources provided to the Fund, and considered whether these resources are adequate in light of the desired growth in the level of the Fund’s assets. The Trustees determined that Pekin Singer’s resources appear adequate, and specifically noted that Pekin Singer continues to provide the services and support of various administrative and professional staff, including three portfolio managers, its Chief Compliance Officer, a second Compliance Officer, analysts, traders, and a sales person. The Trustees also noted Pekin Singer’s representation that it carries its own professional liability, fiduciary liability, employment practices liability, and D&O insurance policies.
- (b) Fund Performance. The Trustees considered the Fund’s performance for periods ended May 31, 2015. The Trustees considered that both Fund share classes underperformed the benchmark, the MSCI World Index, over the year-to-date and one-, three-, and five-year periods. The Trustees noted that both Fund share classes had also underperformed the peer group average and median for the one-, three-, and five-year periods, although they had outperformed the peer group average and median for the year-to-date period. The Trustees considered Pekin Singer’s representation that the Fund’s recent relative performance was hurt by its defensive exposure to gold, as the price of gold fell as equity markets

# MANAGEMENT AGREEMENT RENEWAL – (Unaudited)

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rallied. The Trustees considered Pekin Singer's representation that it manages the Fund with a long-term horizon, which means it may at times take a more conservative investment approach which will generally lead to relative underperformance when equity markets rally.

- (c) Fee Rate and Profitability. The Trustees considered peer group expense comparison information. They noted that the Fund's gross advisory fee is slightly above the level of the peer group's average and median gross advisory fee, though its net advisory fee is slightly below the level of the peer group's average and median net advisory fee. The Trustees considered Pekin Singer's explanation that screening potential investments against socially responsible investment guidelines requires it to spend additional time and incur additional expenses. The Trustees noted that, effective through January 31, 2016, Pekin Singer has agreed to waive its management fee and/or reimburse expenses of the Fund to the extent that the Fund's total annual operating expenses (excluding certain expenses) would exceed 0.95%. The Trustees also reviewed a profitability analysis prepared by Pekin Singer, which showed that, whether or not marketing expenses are taken into consideration, Pekin Singer is earning a profit as a result of managing the Fund. The Trustees determined that the profit is not excessive, in part based their consideration of comparative profitability information from a Management Practice Inc. survey on the profitability of publicly owned advisers to mutual funds. The Trustees concluded that the current advisory fee for the Fund represents reasonable compensation in light of the nature and quality of services being provided to the Fund, the fees paid by competitive mutual funds, and the costs incurred by Pekin Singer in providing services to the Fund.

The Trustees considered other potential benefits that Pekin Singer may receive in connection with its management of the Fund. These benefits include third-party research obtained using soft dollars generated by certain Fund transactions, which may be used to benefit the Fund along with other advisory clients. The Trustees noted that Pekin Singer directs the Fund's brokerage transactions to a broker who provide access to such research services. The Trustees considered that they review Broker Commission Reports quarterly, and determined to continue to monitor the Fund's brokerage transactions.

The Trustees also considered Pekin Singer's representation that it does not manage any other client accounts using a similar strategy as is used to manage the Fund. The Trustees determined that comparison between the



# MANAGEMENT AGREEMENT RENEWAL – (Unaudited)

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Fund's advisory fee and Pekin Singer's advisory fees charged to other accounts would therefore not be meaningful.

- (d) Economies of Scale. In determining the reasonableness of the advisory fee and Pekin Singer's profitability, the Trustees also considered whether economies of scale will be realized by Pekin Singer with respect to the Fund as the Fund grows larger, and the extent to which this is reflected in the Fund's advisory fee. The Trustees determined that, in light of the size of the Fund, the profitability of the Fund to Pekin Singer, and the advisory fee for the Fund, it does not appear that Pekin Singer is realizing benefits from economies of scale in managing the Fund to such an extent that the advisory fee should be reduced or that breakpoints in the advisory fee should be implemented at this time.
- (e) Settlement of Administrative Proceedings. In reaching their conclusions, the Trustees considered the administrative proceedings instituted by the Securities and Exchange Commission against Pekin Singer and certain of its management persons (including two of the Fund's portfolio managers) in June 2015, the settlement of those proceedings, and the conclusions of the Trust's Chief Compliance Officer based on his review of these matters. The proceedings related to Pekin Singer's failure to conduct timely annual compliance program reviews, and Pekin Singer's placement of a substantial number of its advisory clients in Investor Class shares of the Fund when those clients were eligible to purchase Institutional Class shares, which have lower expenses. The Trustees considered the actions taken by Pekin Singer and its senior management to address the compliance shortcomings identified in the proceedings and to otherwise strengthen its compliance program. The Trustees also noted Pekin Singer's voluntary reimbursement of its advisory clients affected by the share class issue.

## 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

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

### OFFICERS

John C. Swhear, President  
Zachary P. Richmond, Chief Financial Officer and Treasurer  
Latavia M. Evans, Secretary  
Lynn E. Wood, Chief Compliance Officer

### INVESTMENT ADVISER

Pekin Singer Strauss Asset Management, Inc.  
161 N. Clark Street, Suite 2200  
Chicago, IL 60601

### DISTRIBUTOR

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

### INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Cohen Fund Audit Services, Ltd.  
1350 Euclid Avenue, Suite 800  
Cleveland, OH 44115

### 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

U.S. Bank, N.A.  
425 Walnut St.  
Cincinnati, OH 45202

### ADMINISTRATOR, TRANSFER AGENT AND FUND ACCOUNTANT

Huntington Asset 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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Member FINRA/SIPC

## PRIVACY POLICY

The following is a description of the Fund's policies regarding disclosure of nonpublic personal information that you provide to the Fund or that the Fund collects from other sources. In the event that you hold shares of the Fund through a broker-dealer or other financial intermediary, the privacy policy of your financial intermediary would govern how your nonpublic personal information would be shared with nonaffiliated third parties.

**Categories of Information the Fund Collects.** The Fund collects the following nonpublic personal information about you:

- Information the Fund receives from you on applications or other forms, correspondence, or conversations (such as your name, address, phone number, social security number, and date of birth); and
- Information about your transactions with the Fund, its affiliates, or others (such as your account number and balance, payment history, cost basis information, and other financial information).

**Categories of Information the Fund Discloses.** The Fund does not disclose any nonpublic personal information about its current or former shareholders to unaffiliated third parties, except as required or permitted by law. The Fund is permitted by law to disclose all of the information it collects, as described above, to service providers (such as the Fund's custodian, administrator, transfer agent, accountant and legal counsel) to process your transactions and otherwise provide services to you.

**Confidentiality and Security.** The Fund restricts access to your nonpublic personal information to those persons who require such information to provide products or services to you. The Fund maintains physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

**Disposal of Information.** The Fund, through its transfer agent, has taken steps to reasonably ensure that the privacy of your nonpublic personal information is maintained at all times, including in connection with the disposal of information that is no longer required to be maintained by the Fund. Such steps shall include, whenever possible, shredding paper documents and records prior to disposal, requiring off-site storage vendors to shred documents maintained in such locations prior to disposal, and erasing and/or obliterating any data contained on electronic media in such a manner that the information can no longer be read or reconstructed.

