



**Semi-Annual Report**

March 31, 2015

Fund Adviser:

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April 17, 2015

Dear Appleseed Shareholder,

*“At a flea market, I always head for the junk jewelry table first.”*  
– Ethel Merman

Etsy is an online marketplace for handmade and vintage objects, and we have at least one jewelry-maker shareholder who has had a fair amount of success marketing her handmade wares through the Etsy platform. Etsy’s business has grown at a rapid pace in recent years, and, as we are writing this letter, the company has offered its shares to the public market through an IPO. Etsy (NASDAQ: ETSY) opened trading at \$31 per share, suggesting a valuation of \$3.4 billion.

Having generated \$196 million in revenues and nearly \$2 billion in gross merchandise sales during 2014, Etsy’s implied valuation represents a price/sales multiple of almost *eighteen* times, which is an eye-popping valuation multiple, more than double that of established online marketplaces such as eBay and Amazon. We are not able to calculate Etsy’s price/earnings multiple, because the company has yet to produce any earnings. From biotech companies to still-unprofitable vintage jewelry websites, growth stocks are the current investment rage - value be damned! For Etsy’s venture capital investors, everything is coming up roses. For investors who bought Etsy shares at the IPO, we suspect a different outcome.<sup>1</sup>

In our last shareholder letter, we discussed the principles of value investing at length, which correspond closely to the principles of our investing approach. In summary, they include the following: 1) focus on downside protection; 2) act contrarian; 3) watch leverage; 4) be patient; 5) seek a margin of safety; and 6) be wary of the expression, “this time is different.”

These investing principles are the bedrock to value investors. Absent these, there is no telling what kind of imprudent capital allocation decisions could be made through a lack of discipline. In the short run, fashion matters to investors,

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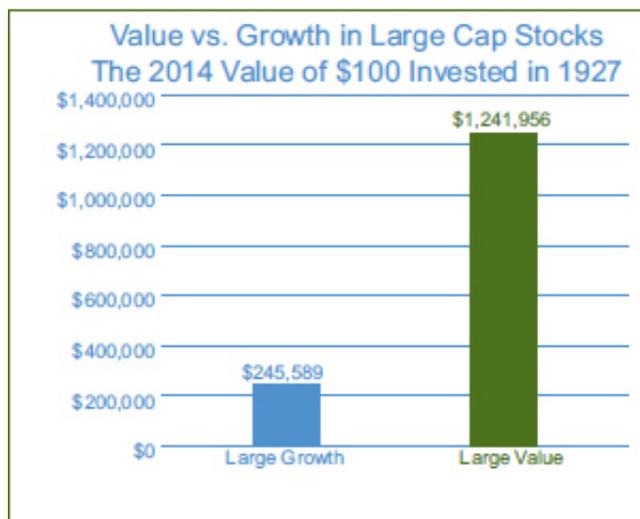
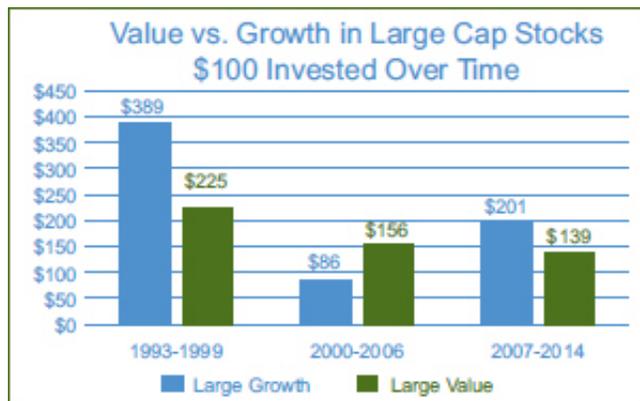
<sup>1</sup> University of Florida Professor Jay Ritter has examined the returns of every U.S. IPO since 1970. Excluding the first-day returns, Ritter’s research has demonstrated that the total returns from IPO-ed companies have underperformed the total investment return of other firms of similar size by an average of 3.3% annually during their first five years of trading in the public markets.



and companies like Etsy are without a doubt very fashionable among investors. In the long run, however, the investment record suggests that value will out. Long-term, cash flows and earnings drive valuations – not eyeballs or fashion.

Ibbotson Associates, an asset allocation research consultancy, provides historical data that demonstrates that value stocks have generated considerable outperformance over the long-term.<sup>2</sup> Between 1927 and 2014, large cap value stocks have outperformed large cap growth stocks by an average of 2.0% per annum, while small cap value stocks have outperformed small cap growth stocks by an average of 4.4% per annum.

While this difference in annual performance might seem to matter little at first glance, over long periods of time, the difference in performance between value and growth has compounded in a meaningful way, to the benefit of the value investor and to the detriment of the growth investor. Put simply, on a historical basis, value investing rewards investors who stick to a value discipline over long periods of time. In the two charts to the right, we show the current value of \$100 invested beginning in 1927 using large cap value and large cap growth investment strategies. By 2014, the large cap value investor ends up nearly \$1 million better off than the large cap growth



Source: Ibbotson, Morningstar.

<sup>2</sup> “Value stocks” in the Ibbotson data are defined by stocks with low price/book ratios, while “growth stocks” are defined by stocks with high price/book ratios.



investor from just a \$100 initial investment! Clearly there is a historically compelling rationale for disciplined long-term investors to purchase their stocks from the value jewelry table.

Unfortunately for value investors, the tendency for value stocks to outperform growth stocks is not at all an every-year occurrence. There have been numerous multi-year periods of time since 1927 when Mr. Market has shown a far greater appreciation for fashionable growth stocks than for value stocks.

For example, during the tech bubble of 1993-1999, technology investing was all the rage, and growth stocks far outperformed value stocks. A \$100 investment in 1993 would have appreciated by the end of 1999 to \$389 in large cap growth stocks, whereas that same investment would have appreciated to just \$225 in large cap value stocks. For value investors, 1993-1999 was a challenging era. Similarly, since 2007, growth stocks have taken the pole position once again, outperforming value stocks by an average of almost 5% per annum between 2007 and 2014. A sum of \$100 invested in 2007 appreciated to \$201 in large cap growth stocks by 2014, versus just \$139 in large cap value stocks.

Two important takeaways jump out from this analysis. First, an investment portfolio of fashionable growth stocks can outperform for multi-year periods of time, as it has since 2007, trying value investors' patience, ourselves included. Second, and most important, long-term investors have been far better off investing in value stocks. Put simply and repetitively: a patient and disciplined value investment strategy has historically been superior, but it requires patience and discipline.

### **Bond Yields (Still) Declining**

If being wary of the expression "this time is different" facilitates better investment decisions, what then does one make of recent, unprecedented developments in the bond markets?

Let's take a moment to review the current insanity in the fixed income markets. Bond yields have continued to decline (and bond prices have continued to climb), even to the point that more than 50% of sovereign bonds are currently yielding less than 1%, and more than 15% of the sovereign bonds outstanding are currently trading with a *negative* interest rate. Owning a bond with a negative interest rate means that an investor who buys a ten-year Swiss



bond, for example, and then holds that bond to maturity, will generate a negative return on that investment! The yields depicted in the table to the right represent historic lows for most countries, despite high levels of indebtedness for most of them.

Besides Switzerland, other European countries, such as Germany, France, and the Netherlands, also have bond issues that are trading at negative yields. Switzerland-domiciled Nestle recently offered a *corporate* bond issue due in 2016 at a negative interest rate, and Danish banks are offering *mortgages* with negative interest rates. With negative bond yields across much of Europe, it makes enormous sense (in hindsight) that the Euro has been declining in value as capital flees to the U.S. dollar seeking better returns.

### Sovereign Bond Yields

| <u>Country</u> | <u>Maturity</u> |                |                |
|----------------|-----------------|----------------|----------------|
|                | <u>5-Year</u>   | <u>10-Year</u> | <u>30-Year</u> |
| USA            | 0.84%           | 1.88%          | 2.53%          |
| UK             | 0.56%           | 1.58%          | 2.29%          |
| France         | <b>-0.07%</b>   | 0.36%          | 0.99%          |
| Germany        | <b>-0.15%</b>   | 0.11%          | 0.53%          |
| Japan          | 0.08%           | 0.32%          | 1.34%          |
| Switzerland    | <b>-0.44%</b>   | <b>-0.14%</b>  | 0.21%          |
| Spain          | 0.54%           | 1.27%          | 2.14%          |
| Italy          | 0.46%           | 1.24%          | 2.16%          |

Source: FactSet, 4/15/15.

One of the basic tenets of finance is that investors require a (positive) return on their investment as payment for giving up the use of their capital. The current bond market appears to be breaking this fundamental, time-tested tenet. What rational investor would purchase a Swiss ten-year bond that trades at a negative yield to maturity? Could long-term yields go negative in the United States?

The answer is that negative yields are being driven by central banks, not investment fundamentals. Beginning this year, central banks are purchasing sovereign bonds at a faster rate than countries can issue them. With demand by central bank buyers, such as the Bank of Japan and the European Central Bank, outstripping the supply provided by government bond issuers, bond prices have increased and yields have decreased, even to the point where bond yields in several countries have turned negative. In addition, captive investors such as banks and insurance companies are purchasing sovereign bonds to meet regulatory requirements, regardless of price and yield.



Needless to say, the combination of monetary stimulus and liquidity-promoting regulatory requirements has created enormous distortions in the bond and currency markets, and the unintended consequences from such unprecedented actions have yet to be fully seen. Furthermore, we expect that this low-to-negative-yielding environment will continue until central banks' policies reverse course or until something breaks, whichever comes first. We are watching what is happening in the bond markets with trepidation. In this environment, it seems imprudent to do anything other than remain highly diversified across asset classes for most investors. It makes sense to have an allocation to undervalued stocks, because declining bond yields will continue to chase investors out of bonds and into stocks. It makes sense to own cash and low duration bonds (that generate a positive yield), because if and when central banks reverse course, it will be advantageous to have dry powder ready to put to work. And, it makes sense to own gold, real estate, and other real assets, just in case something untoward breaks amid the seemingly endless monetary experimentation on the part of central banks.

### **Appleseed Performance and Portfolio Changes**

During the first three months of 2015, Appleseed Fund Investor Class shares generated a 2.60% total return, exceeding the 2.31% return of the MSCI World Index. Appleseed Fund Investor Class shares have generated a 7.30% annual return since inception in 2006, exceeding the annual return of the MSCI World Index by 3.06%. During the quarter, the most significant contributors to performance were Adidas, McDermott, and Western Union, while the most significant detractors were Rentech, Titan International, and FTD Companies. Our bonds, cash, and gold generated approximately flat performance during the quarter.

We recently sold our Avon holdings for a loss, due to the company's ongoing business challenges, which have only increased over the past several years, and a deteriorating balance sheet. One of our more recent investments, Adidas, has a similar exposure to emerging market consumers, but with a stronger brand, a better balance sheet, and a highly profitable and growing business. Thus far, the trade-off has been a worthwhile one.



We have been active on the research front this quarter, initiating three new equity positions, two of which are now among our top ten equity holdings. We have purchased shares of Verizon (VZ), Oaktree Capital Group (OAK), and MagicJack Vocaltech (CALL):

- Oaktree Capital Group, LLC is a best-in-class alternative asset manager known primarily for its closed-end distressed debt funds. The company has built impressive track records across its investment strategies abiding by a distressed value strategy. As a leading alternative asset manager with an excellent reputation, Oaktree should grow revenues and assets under management as institutional investors continue to increase their exposure to this asset class. As Class A unit holders of Oaktree, we believe Appleseed shareholders should benefit as management grows total assets under management and invests these assets in ways that attempt to generate future returns for its funds. Because Oaktree is structured as a partnership, almost all of its profits are distributed to unit holders each year.

Given the relative newness of publicly-traded alternative asset managers like Oaktree, we believe the company is generally misunderstood by the market. As a result, we purchased units at a substantial discount to our estimated intrinsic value for Oaktree. With Oaktree, we will also be paid while we wait for the market to recognize its value. At the current unit price, we could receive an income yield in the 5-6% range (and growing) on average, although income distributions will undoubtedly fluctuate by quarter and by year.

- Verizon is a Dow Industrial company that, together with AT&T, accounts for seventy cents of every dollar Americans spend on wireless phone service. As of the end of 2014, Verizon remains the industry leader with a 37% market share. Relative to the competition, Verizon boasts the nation's best network coverage and its XLTE technology sets the benchmark for speed for the industry. Even more important, the company enjoys a tremendous scale advantage that allows it to generate attractive returns on capital. In this day and age, having a mobile device has become a virtual



necessity. Furthermore, we expect that data consumption will continue to rise for years to come (to Verizon's benefit), through increased use of tablets, increasing deployment of smart appliances, and enhanced connectivity in automobiles and other mobile devices. With continued growth in demand for data and a limited number of competitors, Verizon's pricing power should remain strong in coming years.

We purchased Verizon at a below market multiple of earnings and cash flow and at a price that is lower than where the stock was trading in 1998. In addition, the Company pays a healthy 4.5% dividend, which appears to be secured by a fairly sticky stream of recurring monthly subscription revenues.

- MagicJack sells voice-over-IP phone service to consumers at an incredibly affordable price of \$3/month (talk about value...a few of us are customers too). The stock trades at approximately \$7/share today, which compares to net cash of \$4.24/share on its balance sheet. MagicJack historically generates positive free cash flow every quarter, but the company has struggled in recent years to grow its active subscriber base. Although renewals have improved, new device sales have remained disappointing. Management's growth initiatives include new marketing campaigns (including a possible return of the late night infomercial), expanding device sales to Mexico, and monetizing its MagicJack app for mobile phones. It is hard to say whether any of these growth initiatives will work, but we believe our downside is protected by the depressed share price, a normalized double digit free cash flow yield, and a fortress-like balance sheet.



As a result of these recent purchases, our allocation to equities increased to 62% at the end of the quarter. We obviously still hold a lot of dry powder that is ready to take advantage of a market correction, which has not occurred in quite a while.

Finally, we wish to tell you in all sincerity how privileged we all feel to have you as shareholders. We are as focused as we have ever been in generating attractive risk-adjusted returns for you.

Sincerely,

Joshua Strauss, CFA

William Pekin, CFA

Adam Strauss, CFA

*At the end of the Fund's reporting period on March 31, 2014, Teva Pharmaceuticals represented 6.4%, SK Telecom (SKM) represented 2.5%, Herbalife (HLF) represented 2.1%, Toyo Tanso (Tokyo: 5310) represented 3.8%, Avon Products (AVP) represented 3.2%, Nabors Industries (NBR) represented 1.9%, Tesco PLC (London: TSCO) represented 3.2%, and Staples (SPLS) represented 2.4% of the portfolio, respectively.*

*The MSCI World Index is a widely followed, unmanaged group of stocks from 23 international markets and is not available for purchase. 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.*

*Diversification does not ensure a profit or guarantee against loss.*

*Investments in commodities such as gold may be affected by overall market movements, changes in interest rates, and other factors such as embargoes and international economic and political developments. Commodities are assets that have tangible properties, such as oil, metals, and agricultural products. These instruments may subject the Fund to greater volatility than investments in traditional securities.*

*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 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.***

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

**Total Returns\***  
(For the periods ended March 31, 2015)

|                                 | <u>6 Months</u> | <u>One Year</u> | <u>Average Annual Returns</u> |                          |
|---------------------------------|-----------------|-----------------|-------------------------------|--------------------------|
|                                 |                 |                 | <u>Five Years</u>             | <u>Since Inception**</u> |
| Appleseed Fund - Investor Class | 1.01%           | -1.11%          | 6.19%                         | 7.30%                    |
| MSCI World Index ***            | 3.35%           | 6.03%           | 10.01%                        | 4.24%                    |

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.

**Total Returns\***  
(For the periods ended March 31, 2015)

|                                      | <u>6 Months</u> | <u>One Year</u> | <u>Average Annual Returns</u> |                          |
|--------------------------------------|-----------------|-----------------|-------------------------------|--------------------------|
|                                      |                 |                 | <u>Five Years</u>             | <u>Since Inception**</u> |
| Appleseed Fund - Institutional Class | 1.11%           | -0.94%          | 7.74%                         |                          |
| MSCI World Index ***                 | 3.35%           | 6.03%           | 9.55%                         |                          |

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.

***The performance quoted represents past performance, which does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. The returns shown do not reflect deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 1-800-470-1029.***

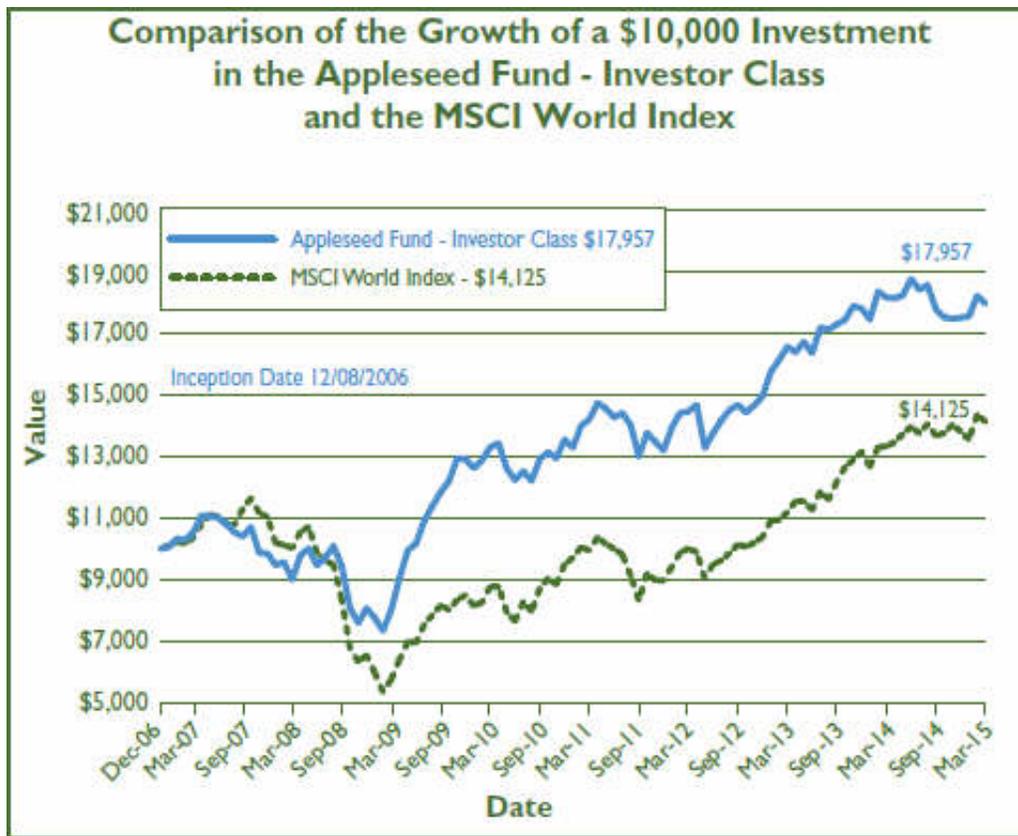
\* *Return figures reflect any change in price per share and assume the reinvestment of all distributions.*

\*\* *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.*

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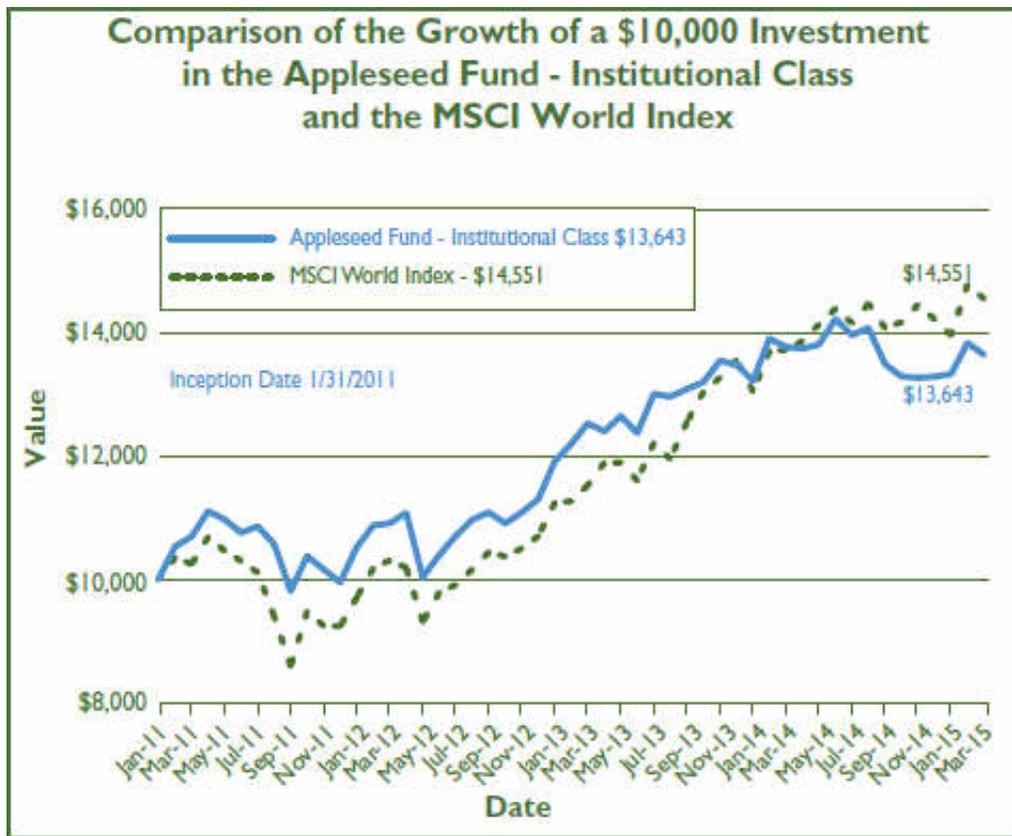
***The Fund is distributed by Unified Financial Securities, Inc., member FINRA.***



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 March 31, 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.**

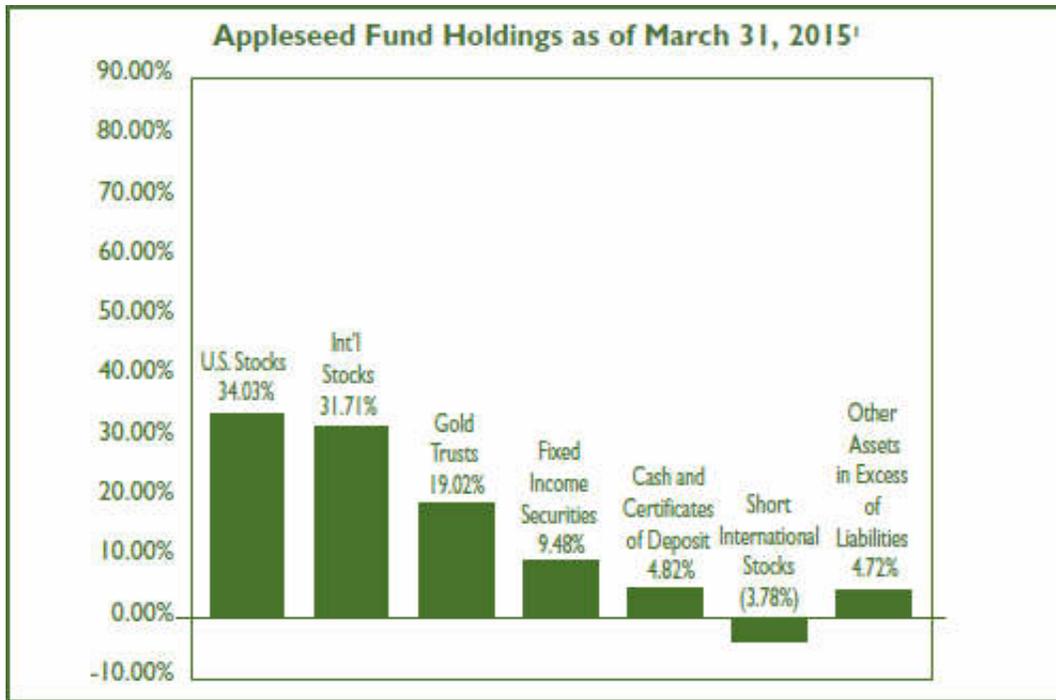
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The Fund is distributed by Unified Financial Securities, Inc., member FINRA.



<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.

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## SUMMARY OF FUND EXPENSES – (Unaudited)

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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.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for six months from October 1, 2014 to March 31, 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)

| <u><i>Appleseed Fund -<br/>Investor Class</i></u> | <u><i>Beginning<br/>Account Value<br/>October 1, 2014</i></u> | <u><i>Ending<br/>Account Value<br/>March 31,<br/>2015</i></u> | <u><i>Expenses Paid<br/>During the Period<br/>October 1, 2014 –<br/>March 31, 2015*</i></u> |
|---------------------------------------------------|---------------------------------------------------------------|---------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| Actual                                            | \$ 1,000.00                                                   | \$ 1,010.10                                                   | \$ 6.08                                                                                     |
| Hypothetical (5% return before expenses)          | \$ 1,000.00                                                   | \$ 1,018.89                                                   | \$ 6.10                                                                                     |

\* Expenses are equal to the Investor Class annualized expense ratio of 1.21%, multiplied by the average account value over the period, multiplied by 182/365 (to reflect the one-half year period).

| <u><i>Appleseed Fund -<br/>Institutional Class</i></u> | <u><i>Beginning<br/>Account Value<br/>October 1, 2014</i></u> | <u><i>Ending<br/>Account Value<br/>March 31,<br/>2015</i></u> | <u><i>Expenses Paid<br/>During the Period<br/>October 1, 2014 –<br/>March 31, 2015*</i></u> |
|--------------------------------------------------------|---------------------------------------------------------------|---------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| Actual                                                 | \$ 1,000.00                                                   | \$ 1,011.10                                                   | \$ 4.82                                                                                     |
| Hypothetical (5% return before expenses)               | \$ 1,000.00                                                   | \$ 1,020.13                                                   | \$ 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 182/365 (to reflect the one-half year period).

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APPLESEED FUND  
SCHEDULE OF INVESTMENTS

March 31, 2015 (Unaudited)

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|                                       | <u>Shares</u> | <u>Fair Value</u> |
|---------------------------------------|---------------|-------------------|
| <b>Common Stocks - 65.74%</b>         |               |                   |
| <i>Business Services - 2.68%</i>      |               |                   |
| Sykes Enterprises, Inc. *             | 95,042        | \$ 2,361,794      |
| Yusen Logistics Co. Ltd. (a)          | 365,300       | <u>4,529,507</u>  |
|                                       |               | <u>6,891,301</u>  |
| <i>Consumer Discretionary - 6.11%</i> |               |                   |
| adidas AG (a)                         | 120,000       | 9,497,154         |
| FTD Companies, Inc. *                 | 206,546       | <u>6,183,987</u>  |
|                                       |               | <u>15,681,141</u> |
| <i>Consumer Staples - 0.04%</i>       |               |                   |
| Female Health Co./The                 | 37,600        | <u>106,408</u>    |
| <i>Energy - 5.38%</i>                 |               |                   |
| McDermott International, Inc. *       | 1,828,340     | 7,020,826         |
| Nabors Industries Ltd. (a)            | 497,652       | <u>6,792,950</u>  |
|                                       |               | <u>13,813,776</u> |
| <i>Financials - 11.61%</i>            |               |                   |
| Oaktree Capital Group LLC (b)         | 181,000       | 9,350,460         |
| Sberbank of Russia ADR (a)            | 1,127,796     | 4,928,469         |
| Western Union Co./The                 | 313,953       | 6,533,362         |
| Willis Group Holdings PLC (a)         | 187,144       | 9,016,598         |

29,828,889

***Health Care Services - 0.15%***

|             |         |                |
|-------------|---------|----------------|
| PDI, Inc. * | 278,618 | <u>376,134</u> |
|-------------|---------|----------------|

***Industrials - 9.34%***

|                 |         |           |
|-----------------|---------|-----------|
| Aggreko PLC (a) | 403,354 | 9,143,321 |
|-----------------|---------|-----------|

|                           |         |           |
|---------------------------|---------|-----------|
| Titan International, Inc. | 787,611 | 7,372,039 |
|---------------------------|---------|-----------|

|                         |         |                   |
|-------------------------|---------|-------------------|
| Toyo Tanso Co. Ltd. (a) | 402,200 | 7,468,830         |
|                         |         | <u>23,984,190</u> |

***Information Technology - 14.40%***

|                                  |       |            |
|----------------------------------|-------|------------|
| Samsung Electronics Co. Ltd. (a) | 9,000 | 11,689,576 |
|----------------------------------|-------|------------|

|                    |        |           |
|--------------------|--------|-----------|
| ScanSource, Inc. * | 89,200 | 3,625,980 |
|--------------------|--------|-----------|

|                  |         |            |
|------------------|---------|------------|
| Teradata Corp. * | 234,200 | 10,337,588 |
|------------------|---------|------------|

|                    |         |                   |
|--------------------|---------|-------------------|
| Yahoo!, Inc. (c) * | 254,900 | 11,326,481        |
|                    |         | <u>36,979,625</u> |

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

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APPLESEED FUND  
SCHEDULE OF INVESTMENTS – continued

March 31, 2015 (Unaudited)

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|                                                              | <u>Shares</u> | <u>Fair Value</u>  |
|--------------------------------------------------------------|---------------|--------------------|
| <b>Common Stocks - 65.74% – continued</b>                    |               |                    |
| <i>Materials - 5.90%</i>                                     |               |                    |
| Mosaic Co./The                                               | 217,778       | \$ 10,030,855      |
| Rentech, Inc. *                                              | 4,588,837     | <u>5,139,497</u>   |
|                                                              |               | <u>15,170,352</u>  |
| <i>Pharmaceuticals - 4.56%</i>                               |               |                    |
| Novartis AG ADR (a)(c)                                       | 51,750        | 5,103,067          |
| Teva Pharmaceutical Industries Ltd. ADR (a)                  | 106,209       | <u>6,616,821</u>   |
|                                                              |               | <u>11,719,888</u>  |
| <i>Telecommunication Services - 5.57%</i>                    |               |                    |
| magicJack VocalTec Ltd. (a) *                                | 227,462       | 1,555,840          |
| SK Telecom Co. Ltd. ADR (a)                                  | 188,145       | 5,119,425          |
| Verizon Communications, Inc.                                 | 157,065       | <u>7,638,071</u>   |
|                                                              |               | <u>14,313,336</u>  |
| <b>Total Common Stocks</b><br><b>(Cost \$159,563,456)</b>    |               | <u>168,865,040</u> |
| <i>Closed-End Trusts - 19.02%</i>                            |               |                    |
| Central GoldTrust (a)(d) *                                   | 721,643       | 29,074,996         |
| Sprott Physical Gold Trust (a)(d) *                          | 2,022,319     | <u>19,778,280</u>  |
| <b>TOTAL CLOSED-END TRUSTS</b><br><b>(Cost \$55,084,283)</b> |               | <u>48,853,276</u>  |

|                                                                                    | <u>Principal<br/>Amount</u> |                  |
|------------------------------------------------------------------------------------|-----------------------------|------------------|
| <i><b>U.S. Government Securities - 2.34%</b></i>                                   |                             |                  |
| U.S. Treasury Note, 1.250%, 10/31/2015                                             | \$3,000,000                 | 3,018,750        |
| U.S. Treasury Note, 0.375%, 11/15/2015                                             | 3,000,000                   | <u>3,003,282</u> |
| <i><b>Total U.S. Government Securities</b></i><br><i><b>(Cost \$6,016,994)</b></i> |                             | <u>6,022,032</u> |

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

APPLESEED FUND  
SCHEDULE OF INVESTMENTS – continued  
March 31, 2015 (Unaudited)

|                                                             | <u>Principal<br/>Amount</u> | <u>Fair<br/>Value</u> |
|-------------------------------------------------------------|-----------------------------|-----------------------|
| <b>Corporate Bonds - 5.38%</b>                              |                             |                       |
| <i>Consumer Discretionary - 0.83%</i>                       |                             |                       |
| Hanesbrands, Inc., 6.375%, 12/15/2020                       | \$ 2,000,000                | <u>\$ 2,132,500</u>   |
| <i>Consumer Staples - 0.78%</i>                             |                             |                       |
| Avon Products, Inc., 2.375%, 3/15/2016                      | 2,000,000                   | <u>2,000,000</u>      |
| <i>Financials - 2.91%</i>                                   |                             |                       |
| AON Corp., 3.500%, 9/30/2015 (a)                            | 2,820,000                   | 2,858,586             |
| Volkswagen Financial Services NV, 4.000%, 10/14/2015 (e)    | 11,300,000                  | 1,420,779             |
| Western Union Co./The, 5.930%, 10/1/2016                    | 3,000,000                   | <u>3,200,370</u>      |
|                                                             |                             | <u>7,479,735</u>      |
| <i>Pharmaceuticals - 0.86%</i>                              |                             |                       |
| Teva Pharmaceutical Industries Ltd., 2.400%, 11/10/2016 (a) | 2,145,000                   | <u>2,192,921</u>      |
| <b>TOTAL CORPORATE BONDS</b>                                |                             |                       |
| <b>(Cost \$14,251,981)</b>                                  |                             |                       |
|                                                             |                             | <u>13,805,156</u>     |
| <i>Foreign Government Bonds - 1.76%</i>                     |                             |                       |
| Singapore Government Bond, 2.500%, 6/1/2019 (f)             | 6,000,000                   | <u>4,507,782</u>      |
| <b>TOTAL FOREIGN GOVERNMENT BONDS</b>                       |                             |                       |
| <b>(Cost \$5,026,802)</b>                                   |                             |                       |
|                                                             |                             | <u>4,507,782</u>      |
| <i>Certificates of Deposit - 1.37%</i>                      |                             |                       |

|                                             |           |           |
|---------------------------------------------|-----------|-----------|
| Beneficial State Bank, 0.070%, 6/4/2015 (g) | 501,275   | 501,275   |
| Beneficial Bank, 0.150%, 4/18/2015          | 250,000   | 250,000   |
| Community Bank, 0.250%, 5/14/2015           | 250,000   | 250,000   |
| Community Bank, 0.750%, 9/24/2015 (g)       | 1,007,507 | 1,007,507 |
| New Resource Bank, 0.050%, 4/18/2015        | 249,239   | 249,239   |

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

APPLESEED FUND  
SCHEDULE OF INVESTMENTS – continued

March 31, 2015 (Unaudited)

|                                                                                       | <u>Principal<br/>Amount</u> | <u>Fair<br/>Value</u>       |
|---------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b><i>Certificates of Deposit - 1.37% – continued</i></b>                             |                             |                             |
| Self-Help Federal Credit Union, 0.250%, 5/28/2015                                     | \$ 250,000                  | \$ 250,000                  |
| Spring Bank, 0.900%, 6/30/2016                                                        | 250,000                     | 250,000                     |
| Sunrise Bank, 0.050%, 4/2/2015 (g)                                                    | 500,602                     | 500,602                     |
| Sunrise Bank, 0.118%, 4/3/2015                                                        | 250,000                     | <u>250,000</u>              |
| <b><i>TOTAL CERTIFICATES OF DEPOSIT</i></b><br><b><i>(Cost \$3,508,623)</i></b>       |                             | <u>3,508,623</u>            |
| <b>Money Market Securities - 3.45%</b>                                                |                             |                             |
|                                                                                       | <u>Shares</u>               |                             |
| Federated Government Obligations Fund - Institutional Shares, 0.01% (h)               | 8,873,436                   | <u>8,873,436</u>            |
| <b>TOTAL MONEY MARKET SECURITIES</b><br><b>(Cost \$8,873,436)</b>                     |                             | <u>8,873,436</u>            |
| <b>TOTAL INVESTMENTS - LONG - 99.06%</b><br><b>(Cost \$252,325,575)</b>               |                             | <u>254,435,345</u>          |
| <b>TOTAL INVESTMENTS - SHORT - (3.78%)</b><br><b>(Proceeds Received \$10,154,704)</b> |                             | <u>(9,698,835)</u>          |
| <b>Other Assets in Excess of Liabilities - 4.72%</b>                                  |                             | <u>12,119,183</u>           |
| <b>TOTAL NET ASSETS - 100.00%</b>                                                     |                             | <u><u>\$256,855,693</u></u> |

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

(b) Master Limited Partnership.

(c) All or a portion of the security is held as collateral for securities sold short. The total fair value of this collateral on March 31, 2015, was \$13,990,068.

(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”). Deposits occur in 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 March 31, 2015.
  - \* Non-income producing security.
- ADR - American Depositary Receipt

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

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APPLESEED FUND  
SCHEDULE OF SECURITIES SOLD SHORT

March 31, 2015 (Unaudited)

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|                                             | <u>Shares</u> | <u>Fair<br/>Value</u> |
|---------------------------------------------|---------------|-----------------------|
| <b><u>Common Stocks - (3.78%)</u></b>       |               |                       |
| <br><i>Consumer Discretionary - (3.27%)</i> |               |                       |
| Alibaba Group Holdings Ltd. (a)             | (100,900)     | \$(8,398,916)         |
| <br><i>Information Technology - (0.51%)</i> |               |                       |
| Yahoo Japan Corp. (a)                       | (314,300)     | <u>(1,299,919)</u>    |
| <b>TOTAL COMMON STOCKS</b>                  |               |                       |
| (Proceeds Received \$10,154,704)            |               | <u>\$ (9,698,835)</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.*

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APPLESEED FUND  
SCHEDULE OF FUTURES CONTRACTS

March 31, 2015 (Unaudited)

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| <u>Short Futures Contracts</u>                   | <u>Number of<br/>(Short)<br/>Contracts</u> | <u>Underlying Face<br/>Amount at<br/>Fair Value</u> | <u>Unrealized<br/>Appreciation<br/>(Depreciation)</u> |
|--------------------------------------------------|--------------------------------------------|-----------------------------------------------------|-------------------------------------------------------|
| Japanese Yen Currency Futures Contract June 2015 | (41)                                       | \$ (4,277,325)                                      | \$ (26,142)                                           |
| <b>Total Short Futures Contracts</b>             | (41)                                       |                                                     | <u>\$ (26,142)</u>                                    |

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

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APPLESEED FUND  
STATEMENT OF ASSETS AND LIABILITIES

March 31, 2015 (Unaudited)

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***Assets***

|                                                              |                           |
|--------------------------------------------------------------|---------------------------|
| Investments in securities at fair value (cost \$252,325,575) | \$254,435,345             |
| Cash restricted at broker for securities sold short          | 8,452,212                 |
| Cash held at broker (a)                                      | 123,000                   |
| Receivable for fund shares sold                              | 70,111                    |
| Receivable for investments sold                              | 3,813,856                 |
| Dividends and interest receivable                            | 585,403                   |
| Prepaid expenses                                             | <u>66,792</u>             |
| <b><i>Total Assets</i></b>                                   | <b><u>267,546,719</u></b> |

***Liabilities***

|                                                                            |           |
|----------------------------------------------------------------------------|-----------|
| Investment in securities sold short, at fair value (proceeds \$10,154,704) | 9,698,835 |
| Payable for fund shares redeemed                                           | 330,719   |
| Payable for investments purchased                                          | 416,060   |
| Payable for net variation margin on futures contracts                      | 8,713     |
| Payable to Adviser                                                         | 157,286   |
| Payable for Administration Plan fees, Investor Class                       | 31,002    |
| Payable to administrator, fund accountant, and transfer agent              | 23,140    |
| Payable to custodian                                                       | 6,938     |
| Payable to trustees                                                        | 2,599     |

|                                                                                 |                             |
|---------------------------------------------------------------------------------|-----------------------------|
| Other accrued expenses                                                          | 15,734                      |
|                                                                                 | <u>15,734</u>               |
| <b>Total Liabilities</b>                                                        | <u>10,691,026</u>           |
| <b>Net Assets</b>                                                               | <u><u>\$256,855,693</u></u> |
| <b>Net Assets consist of:</b>                                                   |                             |
| Paid-in capital                                                                 | \$247,748,543               |
| Accumulated undistributed net investment (loss)                                 | (67,205)                    |
| Accumulated undistributed net realized gain from investment transactions        | 6,638,108                   |
| Net unrealized appreciation (depreciation) on:                                  |                             |
| Investment securities                                                           | 2,109,770                   |
| Securities sold short                                                           | 455,869                     |
| Foreign currency translations                                                   | (3,250)                     |
| Futures contracts                                                               | <u>(26,142)</u>             |
| <b>Net Assets</b>                                                               | <u><u>\$256,855,693</u></u> |
| <b>Net Assets: Investor Class</b>                                               | <u>\$144,201,811</u>        |
| <b>Shares outstanding</b> (unlimited number of shares authorized, no par value) | <u>11,407,178</u>           |
| Net asset value and offering price per share                                    | <u>\$ 12.64</u>             |
| Redemption price per share (\$12.64 * 98%) (b)                                  | <u>\$ 12.39</u>             |
| <b>Net Assets: Institutional Class</b>                                          | <u>\$112,653,882</u>        |
| <b>Shares outstanding</b> (unlimited number of shares authorized, no par value) | <u>8,867,408</u>            |
| Net asset value and offering price per share                                    | <u>\$ 12.70</u>             |

Redemption price per share ( $\$12.70 * 98\%$ ) (b)

\$ 12.45

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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.*

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APPLESEED FUND  
STATEMENT OF OPERATIONS

For the six months ended March 31, 2015 (Unaudited)

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***Investment Income***

Dividend income (net of foreign taxes withheld of \$38,680) \$ 1,208,237

Interest income 291,685

***Total investment income***

1,499,922

***Expenses***

Investment Adviser fee 1,142,244

Administration plan fee, Investor Class 192,230

Administration expenses 80,194

Fund accounting expenses 44,845

Transfer agent expenses 37,877

Legal expenses 26,849

Registration expenses 20,581

Custodian expenses 23,085

Audit expenses 8,975

Trustee expenses 7,487

Insurance expenses 9,931

Pricing expenses 1,953

Report printing expenses 34,594

CCO expenses 4,487

|                                                                                                                                                               |                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| Miscellaneous expenses                                                                                                                                        | 3,255                      |
| Other expense - short sale and interest expense                                                                                                               | <u>16,393</u>              |
| <b><i>Total Expenses</i></b>                                                                                                                                  | 1,654,980                  |
| Fees waived and expenses reimbursed by Adviser                                                                                                                | <u>(170,765)</u>           |
| Net operating expenses                                                                                                                                        | <u>1,484,215</u>           |
| <b><i>Net Investment Income</i></b>                                                                                                                           | <u>15,707</u>              |
| <b><i>Net Realized and Unrealized Gain (Loss) on Investments</i></b>                                                                                          |                            |
| Net realized gain (loss) on:                                                                                                                                  |                            |
| Investment securities                                                                                                                                         | 9,809,059                  |
| Written options                                                                                                                                               | 142,895                    |
| Foreign currency translations                                                                                                                                 | (34,741)                   |
| Futures contracts                                                                                                                                             | 1,905,065                  |
| Change in unrealized appreciation (depreciation) on:                                                                                                          |                            |
| Investment securities                                                                                                                                         | (9,064,937)                |
| Securities sold short                                                                                                                                         | 357,253                    |
| Written options                                                                                                                                               | (136,571)                  |
| Foreign currency translations                                                                                                                                 | 1,258                      |
| Futures contracts                                                                                                                                             | <u>(717,650)</u>           |
| Net realized and unrealized gain (loss) on investment securities, securities sold short, written options, foreign currency translations and futures contracts | <u>2,261,631</u>           |
| <b><i>Net increase in net assets resulting from operations</i></b>                                                                                            | <u><u>\$ 2,277,338</u></u> |

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

APPLESEED FUND  
STATEMENTS OF CHANGES IN NET ASSETS

|                                                                                                                                                                        | <i>For the<br/>Six Months Ended<br/>March 31, 2015<br/>(Unaudited)</i> | <i>For the<br/>Year Ended<br/>September 30,<br/>2014</i> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|----------------------------------------------------------|
| <b><i>Decrease in Net Assets due to:</i></b>                                                                                                                           |                                                                        |                                                          |
| <b><i>Operations</i></b>                                                                                                                                               |                                                                        |                                                          |
| Net investment income                                                                                                                                                  | \$ 15,707                                                              | \$ 1,248,232                                             |
| Net realized gain (loss) on investment securities, written options, securities sold short, foreign currency translations and futures contracts                         | 11,822,278                                                             | 28,624,640                                               |
| Change in unrealized appreciation (depreciation) on investment securities, written options, securities sold short, foreign currency translations and futures contracts | <u>(9,560,647)</u>                                                     | <u>(20,930,090)</u>                                      |
| Net increase in net assets resulting from operations                                                                                                                   | <u>2,277,338</u>                                                       | <u>8,942,782</u>                                         |
| <b><i>Distributions</i></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><i>Capital Transactions - Investor Class</i></b>                                                                                                                    |                                                                        |                                                          |
| Proceeds from shares sold                                                                                                                                              | 16,554,560                                                             | 39,733,297                                               |
| Reinvestment of distributions                                                                                                                                          | 15,794,505                                                             | 20,209,627                                               |
| Amount paid for shares redeemed                                                                                                                                        | (43,199,336)                                                           | (127,273,258)                                            |
| Proceeds from redemption fees (a)                                                                                                                                      | 5,363                                                                  | 11,539                                                   |

|                                                                           |                     |                     |
|---------------------------------------------------------------------------|---------------------|---------------------|
| Total Investor Class                                                      | <u>(10,844,908)</u> | <u>(67,318,795)</u> |
| <b><i>Capital Transactions - Institutional Class</i></b>                  |                     |                     |
| Proceeds from shares sold                                                 | 9,950,433           | 81,696,166          |
| Reinvestment of distributions                                             | 11,816,717          | 4,796,457           |
| Amount paid for shares redeemed                                           | (18,910,907)        | (15,904,762)        |
| Proceeds from redemption fees (a)                                         | <u>3,380</u>        | <u>11,400</u>       |
| Total Institutional Class                                                 | <u>2,859,623</u>    | <u>70,599,261</u>   |
| Net increase (decrease) in net assets resulting from capital transactions | <u>(7,985,285)</u>  | <u>3,280,466</u>    |
| <b><i>Total Decrease in Net Assets</i></b>                                | <u>(33,761,517)</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<br/>Six Months Ended<br/>March 31, 2015<br/>(Unaudited)</i> | <i>For the<br/>Year Ended<br/>September 30,<br/>2014</i> |
|------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|----------------------------------------------------------|
| <b><i>Net Assets</i></b>                                                                       |                                                                        |                                                          |
| Beginning of period                                                                            | <u>290,617,210</u>                                                     | <u>303,767,785</u>                                       |
| End of period                                                                                  | <u>\$ 256,855,693</u>                                                  | <u>\$290,617,210</u>                                     |
| Accumulated undistributed net investment income (loss) included in net assets at end of period | <u>\$ (67,205)</u>                                                     | <u>\$ 36,981</u>                                         |
| <b><i>Share Transactions - Investor Class</i></b>                                              |                                                                        |                                                          |
| Shares sold                                                                                    | 1,284,843                                                              | 2,757,554                                                |
| Shares issued in reinvestment of distributions                                                 | 1,308,576                                                              | 1,478,393                                                |
| Shares redeemed                                                                                | <u>(3,357,948)</u>                                                     | <u>(8,911,035)</u>                                       |
| Total Investor Class                                                                           | <u>(764,529)</u>                                                       | <u>(4,675,088)</u>                                       |
| <b><i>Share Transactions - Institutional Class</i></b>                                         |                                                                        |                                                          |
| Shares sold                                                                                    | 767,735                                                                | 5,701,653                                                |
| Shares issued in reinvestment of distributions                                                 | 974,173                                                                | 350,106                                                  |
| Shares redeemed                                                                                | <u>(1,484,940)</u>                                                     | <u>(1,101,250)</u>                                       |
| Total Institutional Class                                                                      | <u>256,968</u>                                                         | <u>4,950,509</u>                                         |
| Net increase (decrease) in shares outstanding                                                  | <u>(507,561)</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.*



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APPLESEED FUND — INVESTOR CLASS  
FINANCIAL HIGHLIGHTS

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(For a share outstanding during each period)

*For the Six  
Months Ended  
March 31,  
2015  
(Unaudited)*

***Selected Per Share Data:***

|                                                                                             |             |
|---------------------------------------------------------------------------------------------|-------------|
| Net asset value, beginning of period                                                        | \$ 13.96    |
| Income from investment operations:                                                          |             |
| Net investment income (loss)                                                                | (0.01)      |
| Net realized and unrealized gain (loss) on investments                                      | 0.09        |
| Total from investment operations                                                            | 0.08        |
| Less distributions to shareholders:                                                         |             |
| From net investment income                                                                  | — (c)       |
| From net realized gain                                                                      | (1.40)      |
| Total distributions                                                                         | (1.40)      |
| Paid in capital from redemption fees                                                        | — (c)       |
| Net asset value, end of period                                                              | \$ 12.64    |
| <b><i>Total Return (d)</i></b>                                                              | 1.01%(e)    |
| <b><i>Ratios and Supplemental Data:</i></b>                                                 |             |
| Net assets, end of period (000)                                                             | \$ 144,202  |
| Ratio of net expenses to average net assets (f)                                             | 1.21%(g)(h) |
| Ratio of net expenses to average net assets (excluding short sale and interest expense) (f) | 1.20%(h)    |

|                                                                                                 |            |
|-------------------------------------------------------------------------------------------------|------------|
| Ratio of net expenses to average net assets before waiver and reimbursement (f)                 | 1.34%(g)   |
| Ratio of net investment income (loss) to average net assets (f)                                 | (0.10)%(g) |
| Ratio of net investment income (loss) to average net assets before waiver and reimbursement (f) | (0.22)%(g) |
| Portfolio turnover rate                                                                         | 27%(e)     |

- 
- (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) 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 has contractually agree 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%.
- (i) Effective January 28, 2011, the Adviser has 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<br/>September 30,<br/>2014</u> | <u>Year ended<br/>September 30,<br/>2013</u> | <u>Year ended<br/>September 30,<br/>2012</u> | <u>Year ended<br/>September 30,<br/>2011</u> | <u>Year ended<br/>September 30,<br/>2010</u> |
|----------------------------------------------|----------------------------------------------|----------------------------------------------|----------------------------------------------|----------------------------------------------|
| \$ 14.80                                     | \$ 13.07                                     | \$ 12.32                                     | \$ 12.45                                     | \$ 11.46                                     |
| 0.03                                         | 0.07                                         | 0.05(a)                                      | 0.04                                         | 0.07(a)                                      |
| 0.36                                         | 2.17                                         | 1.44                                         | 0.06(b)                                      | 0.95                                         |
| <u>0.39</u>                                  | <u>2.24</u>                                  | <u>1.49</u>                                  | <u>0.10</u>                                  | <u>1.02</u>                                  |
| — (c)                                        | (0.23)                                       | (0.12)                                       | (0.12)                                       | (0.02)                                       |
| (1.23)                                       | (0.28)                                       | (0.63)                                       | (0.11)                                       | (0.02)                                       |
| <u>(1.23)</u>                                | <u>(0.51)</u>                                | <u>(0.75)</u>                                | <u>(0.23)</u>                                | <u>(0.04)</u>                                |
| — (c)                                        | — (c)                                        | 0.01                                         | — (c)                                        | 0.01                                         |
| <u>\$ 13.96</u>                              | <u>\$ 14.80</u>                              | <u>\$ 13.07</u>                              | <u>\$ 12.32</u>                              | <u>\$ 12.45</u>                              |
| 2.85%                                        | 17.79%                                       | 12.86%                                       | 0.74%                                        | 9.03%                                        |
| \$ 169,903                                   | \$ 249,372                                   | \$ 205,232                                   | \$ 168,961                                   | \$ 125,686                                   |
| 1.26%                                        | 1.29%                                        | 1.25%                                        | 1.24%(i)                                     | 1.24%                                        |
| 1.24%                                        | 1.24%                                        | 1.24%                                        | 1.24%(i)                                     | 1.24%                                        |
| 1.48%                                        | 1.51%                                        | 1.52%                                        | 1.48%                                        | 1.32%                                        |
| 0.40%                                        | 0.34%                                        | 0.38%                                        | 0.25%                                        | 0.54%                                        |
| 0.18%                                        | 0.12%                                        | 0.11%                                        | 0.01%                                        | 0.46%                                        |
| 53%                                          | 63%                                          | 76%                                          | 68%                                          | 61%                                          |

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

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APPLESEED FUND — INSTITUTIONAL CLASS  
FINANCIAL HIGHLIGHTS

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(For a share outstanding during each period)

*For the Six  
Months Ended  
March 31,  
2015  
(Unaudited)*

***Selected Per Share Data:***

Net asset value, beginning of period

\$ 14.02

***Income from investment operations:***

Net investment income

0.01

Net realized and unrealized gain (loss) on investments

0.08

Total from investment operations

0.09

***Less Distributions to shareholders:***

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

\$ 12.70

***Total Return (d)***

1.11%(e)

**Ratios and Supplemental Data**

Net assets, end of period (000)

\$ 112,654

Ratio of expenses to average net assets (f)

0.96%(g)(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)                     | 1.09%(g) |
| Ratio of net investment income (loss) to average net assets (f)                                 | 0.15%(g) |
| Ratio of net investment income (loss) to average net assets before waiver and reimbursement (f) | 0.03%(g) |
| Portfolio turnover rate                                                                         | 27%(e)   |

---

(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 has contractually agree 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%.

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

| <u>Year ended<br/>September 30,<br/>2014</u> | <u>Year ended<br/>September 30,<br/>2013</u> | <u>Year ended<br/>September 30,<br/>2012</u> | <u>Period ended<br/>September 30,<br/>2011(a)</u> |
|----------------------------------------------|----------------------------------------------|----------------------------------------------|---------------------------------------------------|
| \$ 14.86                                     | \$ 13.09                                     | \$ 12.35                                     | \$ 12.59                                          |
| 0.13                                         | 0.08(b)                                      | 0.08(b)                                      | 0.05(b)                                           |
| <u>0.30</u>                                  | <u>2.20</u>                                  | <u>1.44</u>                                  | <u>(0.30)</u>                                     |
| <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>                                          |
| <u>— (c)</u>                                 | <u>— (c)</u>                                 | <u>— (c)</u>                                 | <u>0.01</u>                                       |
| <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.

**NOTE 1. ORGANIZATION**

The Appleseed Fund (the “Fund”) was organized as a non-diversified series of the Unified Series Trust (the “Trust”) on September 11, 2006. The Trust is an open-end investment company established under the laws of Ohio by an Agreement and Declaration of Trust dated October 17, 2002 (the “Trust Agreement”). The Trust Agreement permits the Board of Trustees of the Trust (the “Board”) to issue an unlimited number of shares of beneficial interest of separate series. The Fund is one of a series of funds currently authorized by the Board. The Fund’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 arrangements 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.

**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 records of the Funds are 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 Funds do 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 and foreign currency transactions.

*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

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

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, 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 six months ended March 31, 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. Management of the Fund has reviewed tax positions taken in tax years that remain subject to examination by all major tax jurisdictions, including federal (i.e., the last three tax year ends and the interim tax period since then, as applicable). Management believes that there is no tax liability resulting from unrecognized tax benefits related to uncertain tax positions taken.

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

*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.

*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

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

capital gains and its net realized short-term capital gains at least once a year. Distributions to shareholders, which are determined in accordance with income tax regulations, are recorded on the ex-dividend date. The treatment for financial reporting purposes of distributions made to shareholders during the year from net investment income or net realized capital gains may differ from their ultimate treatment for federal income tax purposes. These differences are caused primarily by differences in the timing of the recognition of certain components of income, expenses or realized capital gain for federal income tax purposes. Where such differences are permanent in nature, they are reclassified in the components of the net assets based on their ultimate characterization for federal income tax purposes. Any such reclassifications will have no effect on net assets, results of operations or net asset value per share of the Fund.

**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.

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

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 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

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

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.

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.

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

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 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.

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

The following is a summary of the inputs used to value the Fund’s investments as of March 31, 2015.

| <u>Assets</u>              | <i>Valuation Inputs</i>                                  |                                                              |                                                              | <u>Total</u>         |
|----------------------------|----------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|----------------------|
|                            | <u>Level 1 –<br/>Quoted Prices<br/>in Active Markets</u> | <u>Level 2 –<br/>Other Significant<br/>Observable Inputs</u> | <u>Level 3 –<br/>Significant<br/>Unobservable<br/>Inputs</u> |                      |
| Common Stocks*             | \$ 168,865,040                                           | \$ —                                                         | \$ —                                                         | \$168,865,040        |
| Closed-End Trusts          | 48,853,276                                               | —                                                            | —                                                            | 48,853,276           |
| U.S. Government Securities | —                                                        | 6,022,032                                                    | —                                                            | 6,022,032            |
| Corporate Bonds*           | —                                                        | 13,805,156                                                   | —                                                            | 13,805,156           |
| Foreign Government Bonds   | —                                                        | 4,507,782                                                    | —                                                            | 4,507,782            |
| Certificates of Deposit    | —                                                        | 3,508,623                                                    | —                                                            | 3,508,623            |
| Money Market Securities    | 8,873,436                                                | —                                                            | —                                                            | 8,873,436            |
| Total                      | <u>\$ 226,591,752</u>                                    | <u>\$ 27,843,593</u>                                         | <u>\$ —</u>                                                  | <u>\$254,435,345</u> |

\* Refer to Schedule of Investments for industry classifications.

| <u>Liabilities</u>       | <i>Valuation Inputs</i>                                  |                                                              |                                                              | <u>Total</u>         |
|--------------------------|----------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|----------------------|
|                          | <u>Level 1 –<br/>Quoted Prices<br/>in Active Markets</u> | <u>Level 2 –<br/>Other Significant<br/>Observable Inputs</u> | <u>Level 3 –<br/>Significant<br/>Unobservable<br/>Inputs</u> |                      |
| Short Common Stocks      | \$ (9,698,835)                                           | \$ —                                                         | \$ —                                                         | \$(9,698,835)        |
| Short Futures Contracts* | (26,142)                                                 | —                                                            | —                                                            | (26,142)             |
| Total                    | <u>\$ (9,724,977)</u>                                    | <u>\$ —</u>                                                  | <u>\$ —</u>                                                  | <u>\$(9,724,977)</u> |

\* The amount shown represents the gross 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 period ended March 31, 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 period. 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 March 31, 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 March 31, 2015, and the effect of derivative instruments on the Statement of Operations for the period ended March 31, 2015.

At March 31, 2015:

| <u>Derivatives</u>               | <i>Location of Derivatives on Statement<br/>of Assets &amp; Liabilities</i> |           |
|----------------------------------|-----------------------------------------------------------------------------|-----------|
|                                  | <hr/>                                                                       |           |
| Foreign Exchange Risk:           |                                                                             |           |
| Short currency futures contracts | Payable for net variation margin on futures contracts                       | \$(8,713) |

**NOTE 4. DERIVATIVE TRANSACTIONS – continued**

For the period ended March 31, 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             | 110                                  | 269                     | \$ 1,905,065                               | \$ (717,650)                                                           |
| Equity Price Risk:               |                                                                          |                                      |                         |                                            |                                                                        |
| Written option contracts         | Net realized and unrealized gain (loss) on written options               | —                                    | 1,150                   | \$ 142,895                                 | \$ (136,571)                                                           |

**Balance Sheet Offsetting Information**

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

|                                  | <u>Gross Amounts of Recognized Liabilities</u> | <u>Gross Amount Offset in Statement of Assets and Liabilities</u> | <u>Net Amount of Liabilities Presented in Statement of Assets and Liabilities</u> | <u>Gross Amounts Not Offset in Statement of Assets and Liabilities</u> |                                | <u>Net Amount (not less than 0)</u> |
|----------------------------------|------------------------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------|------------------------------------------------------------------------|--------------------------------|-------------------------------------|
|                                  |                                                |                                                                   |                                                                                   | <u>Financial Instruments</u>                                           | <u>Cash Collateral Pledged</u> |                                     |
| Futures Contracts                |                                                |                                                                   |                                                                                   |                                                                        |                                |                                     |
| Short currency futures contracts | \$ 8,713                                       | \$ —                                                              | \$ 8,713                                                                          | \$ —                                                                   | \$ 8,713                       | \$ —                                |

**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 period ended March 31, 2015, before the waiver described below, the Adviser earned a fee of \$1,142,244 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 period ended March 31, 2015, the Adviser waived fees of \$170,765. At March 31, 2015, the Adviser was owed \$157,286 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. The amounts subject to repayment by the Fund, pursuant to the aforementioned conditions, at March 31, 2015 are as follows:

| <u>Amount</u> | <u>Recoverable through<br/>September 30,</u> |
|---------------|----------------------------------------------|
| \$573,176     | 2015                                         |
| \$603,276     | 2016                                         |
| \$657,451     | 2017                                         |
| \$170,765     | 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 period ended March 31, 2015, HASI earned fees of \$80,194 for administrative services provided to the Fund. At March 31, 2015, the Fund owed HASI \$13,698 for administrative services.

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

The Trust retains HASI to act as the Fund’s transfer agent and to provide fund accounting services. For the period ended March 31, 2015, HASI earned fees of \$37,877 from the Fund for transfer agent services. For the period ended March 31, 2015, HASI earned fees of \$44,845 from the Fund for fund accounting services. At March 31, 2015, the Fund owed HASI \$1,698 for transfer agent services and \$7,744 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 period ended March 31, 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% 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 period

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

ended March 31, 2015, the Investor Class incurred Service fees of \$192,230. At March 31, 2015, \$31,002 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.

**NOTE 6. INVESTMENT TRANSACTIONS**

For the period ended March 31, 2015, purchases and sales of investment securities, other than short-term investments and short securities were as follows:

*Purchases*

|                             |    |            |
|-----------------------------|----|------------|
| U.S. Government Obligations | \$ | —          |
| Other                       |    | 66,493,398 |

*Sales*

|                             |              |
|-----------------------------|--------------|
| U.S. Government Obligations | \$15,012,520 |
| Other                       | 79,364,919   |

**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 March 31, 2015, Pershing LLC., for the benefit of its customers, owned 28.86% of the Fund. As a result, Pershing LLC may be deemed to control the Fund.

**NOTE 9. FEDERAL TAX INFORMATION**

At March 31, 2015, the appreciation (depreciation) of investments, including securities sold short, written options and futures contracts, for tax purposes, was as follows:

|                                 | <u>Amount</u>       |
|---------------------------------|---------------------|
| Gross Appreciation              | \$ 22,240,360       |
| Gross (Depreciation)            | <u>(19,722,960)</u> |
| Net Appreciation on Investments | <u>\$ 2,517,400</u> |

At March 31, 2015, the aggregate cost of securities, net of proceeds for securities sold short, for federal income tax purposes, was \$242,215,860.

The tax characterization of distributions for the fiscal years ended September 30, 2014 and 2013 were as follows:

|                          | <u>2014</u>          | <u>2013</u>         |
|--------------------------|----------------------|---------------------|
| Distributions paid from: |                      |                     |
| Ordinary Income*         | \$ 6,354,328         | \$ 9,201,418        |
| Long-term Capital Gain   | <u>19,019,495</u>    | <u>90,655</u>       |
|                          | <u>\$ 25,373,823</u> | <u>\$ 9,292,073</u> |

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

**NOTE 9. FEDERAL TAX INFORMATION – continued**

At September 30, 2014, the components of distributable earnings (accumulated losses) on a tax basis were as follows:

|                                        |                     |
|----------------------------------------|---------------------|
| Undistributed ordinary income          | \$ 2,431,390        |
| Undistributed long-term capital gains  | 21,174,356          |
| Accumulated capital and other losses   | (82,761)            |
| Unrealized appreciation (depreciation) | 11,360,397          |
|                                        | <u>\$34,883,382</u> |

At September 30, 2014, the difference between book basis and tax basis unrealized appreciation (depreciation) is attributable to the tax deferral of losses on wash sales of \$44,833 and basis adjustments for investments in passive foreign investment companies.

As of September 30, 2014, accumulated capital and other losses consist of:

| <u>Qualified Late Year<br/>Ordinary Losses</u> | <u>Capital Loss<br/>Carryforwards</u> | <u>Total</u> |
|------------------------------------------------|---------------------------------------|--------------|
| \$ 82,761                                      | \$ —                                  | \$82,761     |

As of September 30, 2014, the Fund does not have available any capital loss carryforwards.

**NOTE 10. SUBSEQUENT EVENTS**

Management has evaluated events or transactions that may have occurred since March 31, 2015, that would merit recognition or disclosure in the financial statements. There were no items requiring adjustment of the financial statements or additional disclosure.

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## Other Information

The Funds' 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, Interim Secretary  
Lynn E. Wood, Chief Compliance Officer

### INVESTMENT ADVISER

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Chicago, IL 60601

### DISTRIBUTOR

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### INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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### LEGAL COUNSEL

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St. Louis, MO 63101

### LEGAL COUNSEL TO THE INDEPENDENT TRUSTEES

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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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## 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.

