

SECURITIES AND EXCHANGE COMMISSION

FORM 485BPOS

Post-effective amendments [Rule 485(b)]

Filing Date: 2013-01-28
SEC Accession No. 0001193125-13-026232

(HTML Version on secdatabase.com)

FILER

UNIFIED SERIES TRUST

CIK: **1199046** | IRS No.: **000000000**

Type: **485BPOS** | Act: **33** | File No.: **333-100654** | Film No.: **13552273**

Mailing Address

2960 NORTH MERIDIAN
STREET, STE. 300
INDIANAPOLIS IN 46208

Business Address

2960 NORTH MERIDIAN
STREET, STE. 300
INDIANAPOLIS IN 46208
317-917-7000

UNIFIED SERIES TRUST

CIK: **1199046** | IRS No.: **000000000**

Type: **485BPOS** | Act: **40** | File No.: **811-21237** | Film No.: **13552274**

Mailing Address

2960 NORTH MERIDIAN
STREET, STE. 300
INDIANAPOLIS IN 46208

Business Address

2960 NORTH MERIDIAN
STREET, STE. 300
INDIANAPOLIS IN 46208
317-917-7000

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

**FORM N-1A
REGISTRATION STATEMENT**

UNDER
THE SECURITIES ACT OF 1933
Pre-Effective Amendment No.
Post-Effective Amendment No. 261

and/or

REGISTRATION STATEMENT

UNDER
THE INVESTMENT COMPANY ACT OF 1940

Unified Series Trust

(Exact Name of Registrant as Specified In Charter)

2960 North Meridian Street, Suite 300
Indianapolis, Indiana 46208

(Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone Number, Including Area Code: (317) 917-7000

John C. Swhear

Interim President

2960 N. Meridian St., Suite 300

Indianapolis, Indiana 46208

(Name and Address of Agent for Service)

Copies to:

Dee Anne Sjögren, Esq.

Thompson Coburn LLP

One US Bank Plaza

St. Louis, MO 63101

(314) 552-6295

It is proposed that this filing will become effective:

- immediately upon filing pursuant to paragraph (b)
- on (date) pursuant to paragraph (b)

- 60 days after filing pursuant to paragraph (a)(1)
- on (date) pursuant to paragraph (a)(1)
- 75 days after filing pursuant to paragraph (a)(2)
- on (date) pursuant to paragraph (a)(2) of rule 485

If appropriate check this box:

- this post-effective amendment designates a new effective date for a previously filed post-effective amendment
-
-

**FCI Value Equity Fund (FCIEX)
FCI Bond Fund (FCIZX)**

PROSPECTUS

January 28, 2013

442 West 47th Street
Kansas City, Missouri 64112
1-877-627-8504
www.fciadvisors.com

The Securities and Exchange Commission has not approved or disapproved these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Table of Contents

TABLE OF CONTENTS

	<u>Page</u>
<u>SUMMARY SECTION – FCI VALUE EQUITY FUND</u>	1
Investment Objective	1
Fees and Expenses of the Fund	1
Principal Investment Strategies	2
Principal Risks	2
Performance	4
Portfolio Management	5
Purchase and Sale of Fund Shares	5
Tax Information	5
Payments to Broker-Dealers and Other Financial Intermediaries	5
<u>SUMMARY SECTION – FCI BOND FUND</u>	6
Investment Objective	6
Fees and Expenses of the Fund	6
Principal Investment Strategies	7
Principal Risks	7
Performance	10
Portfolio Management	11
Purchase and Sale of Fund Shares	11
Tax Information	11
Payments to Broker-Dealers and Other Financial Intermediaries	11
<u>ADDITIONAL INFORMATION ABOUT THE VALUE EQUITY FUND’ S PRINCIPAL STRATEGIES AND RELATED RISKS</u>	12
Principal Investment Strategies of the Value Equity Fund	12
Principal Risks of Investing in the Value Equity Fund	13
Portfolio Holdings	15
<u>ADDITIONAL INFORMATION ABOUT THE BOND FUND’ S PRINCIPAL STRATEGIES AND RELATED RISKS</u>	15
Principal Investment Strategies of the Bond Fund	15
Principal Risks of Investing in the Bond Fund	16
Portfolio Holdings	19
<u>ADDITIONAL INFORMATION ABOUT MANAGEMENT OF THE FUNDS</u>	19
Investment Advisor	19
Portfolio Managers	20
<u>ACCOUNT INFORMATION</u>	21
How to Buy Shares	21
How to Exchange Shares	23
How to Redeem Shares	24
Determination of Net Asset Value	26
Dividends, Distributions and Taxes	27
<u>FINANCIAL HIGHLIGHTS</u>	30
FOR MORE INFORMATION	Back Cover

Table of Contents

SUMMARY SECTION - FCI VALUE EQUITY FUND

Investment Objective

The investment objective of the FCI Value Equity Fund (the “Fund”) is income and long-term capital appreciation.

Fees and Expenses of the Fund

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund.

Shareholder Fees (fees paid directly from your investment)

Redemption Fee (as a percentage of the amount redeemed within 60 days of purchase)... 1.00%

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)

Management Fees	0.60 %
Distribution (12b-1) Fees	0.00 %
Other Expenses	1.43 %
Acquired Fund Fees and Expenses	0.01 %
Total Annual Fund Operating Expenses	2.04 %
Fee Waiver/Expense Reimbursement ¹	(1.03)%
Total Annual Fund Operating Expenses (after waiver)	1.01 %

¹ Effective February 1, 2013, the Fund’s Advisor contractually has agreed to waive its management fee and/or reimburse expenses so that total annual operating expenses, excluding: brokerage fees and commissions; borrowing costs (such as (i) interest and (ii) dividend expenses on securities sold short); taxes; any 12b-1 fees; any indirect expenses such as acquired fund fees and expenses; and extraordinary litigation expenses do not exceed 1.00% of the Fund’s average daily net assets through January 31, 2014, subject to the Advisor’s right to recoup reimbursements on a rolling three-year basis so long as the reimbursement would not exceed the 1.00% expense cap. This expense cap may not be terminated prior to this date except by the Board of Trustees.

Expense Example:

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds.

The example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year, that all dividends and capital gain distributions are reinvested, and that the Fund’s operating expenses remain the same. Only the 1 year number shown below reflects the Advisor’s agreement to waive fees and/or reimburse Fund expenses. Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

<u>1 year</u>	<u>3 years</u>	<u>5 years</u>	<u>10 years</u>
\$103	\$592	\$1,108	\$2,526

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual operating expenses or in the Example, above, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 43.68% of the average value of its portfolio.

[Table of Contents](#)

Principal Investment Strategies

Using a proprietary security selection process employed by Financial Counselors, Inc., the Fund's investment advisor (the "Advisor"), the Fund invests primarily in a diversified portfolio of equity securities that the Advisor believes are undervalued by the market. The Advisor makes this determination primarily based on an analysis of a security's trading price as a multiple of its cash flow. The Fund invests in companies that the Advisor believes exhibit consistency in balance sheet strength, revenues, and cash flow.

Relying on a team of portfolio managers and equity analysts, the Advisor uses macroeconomic, industry-specific research and stock-specific research to identify investment opportunities for the Fund. Generally, each sector represented in the S&P 500 Index will be represented in the Fund's portfolio. The Fund may at times significantly overweight or underweight specific sectors based on the Advisor's research. The Fund may invest in securities regardless of market capitalization, which means that the Fund's portfolio will at times include small- and mid-capitalization securities. The Fund's investment strategy may result in a high portfolio turnover rate.

Under normal circumstances, the Fund will invest at least 80% of its net assets (plus any borrowings for investment purposes) in equity securities. The Fund may meet this objective by directly investing in equity securities, or by investing in other investment companies, including exchange-traded funds ("ETFs"), that invest primarily in equity securities. Equity securities in which the Fund may invest primarily include common stocks, securities convertible into common stocks and securities having common stock characteristics, derivative instruments, that have a value based on equity securities (such as rights, warrants or options to purchase common stocks, preferred stocks, and depositary receipts), as well as shares of other investment companies and ETFs that invest primarily in equity securities. The Fund may invest up to 25% of its assets in foreign companies operating in developed or undeveloped countries by investing in ETFs that invest primarily in equity securities of foreign companies, or by investing in American Depositary Receipts ("ADRs") traded on U.S. stock exchanges that represent shares of a foreign company.

The Fund's equity investments may generate some dividend income, as many of the larger companies in which the Fund typically invests pay dividends. Such dividends may generate taxable income for investors. Pending selection of suitable investments the Fund may invest in money market mutual funds and investment grade, short-term money market instruments, including U.S. Government and agency securities, commercial paper, certificates of deposit, repurchase agreements and other cash equivalents.

The Fund intends to use derivative instruments for hedging, managing risk or income enhancement. Derivative instruments in which the Fund may invest include options and futures contracts. For example, options may be used to hedge or adjust exposure to a security or market. In an effort to enhance income, the Fund may write a covered call option, in which the Fund holds a long position in a security combined with a short position in a call option on the same underlying security.

Principal Risks

All investments involve risks, and the Fund cannot guarantee that it will achieve its investment objective. An investment in the Fund is not insured or guaranteed by any government agency. As with any mutual fund investment, the Fund's returns and share price will fluctuate, and you may lose money by investing in the Fund. Below are some of the specific risks of investing in the Fund.

Market Risk. The prices of securities held by the Fund may decline in response to certain events taking place around the world, including those directly involving the companies whose securities are owned by the Fund; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency, interest rate and commodity price fluctuations.

Value Risk. A company may be undervalued due to market or economic conditions, temporary earnings declines, unfavorable developments affecting the company and other factors, or because it is

Table of Contents

associated with a market sector that generally is out of favor with investors. Undervalued stocks tend to be inexpensive relative to their earnings or assets compared to other types of stock. However, these stocks can continue to be inexpensive for long periods of time and may not realize their full economic value.

Management Risk. The Advisor's value-oriented approach may fail to produce the intended results. If the Advisor's perception of the value of a company is not realized in the expected time frame, the Fund's overall performance may suffer.

Industry or Sector Risk. Although the Advisor does not expect to concentrate the Fund's investments in any particular industry or sector, the Fund may allocate more of the Fund's investments to particular segments of the market. For example, the Fund, from time to time, may have over-weighted positions in particular sectors. A particular industry or market sector can be more volatile or underperform relative to the market as a whole. To the extent that the Fund has over-weighted holdings within a particular industry or sector, the Fund is subject to an increased risk that its investments in that particular industry or sector may decline because of changing expectations for the performance of that industry or sector.

Small/Mid Cap Risk. Stocks of mid- and small-cap companies are more risky than stocks of larger companies. Many of these companies are young and have a limited track record. Their securities may trade less frequently and in more limited volume than those of more mature companies. Mid- and/or small-cap companies also may lack the managerial, financial or other resources necessary to implement their business plans or succeed in the face of competition. The prospects for a company or its industry may deteriorate because of a variety of factors, including disappointing operating results or changes in the competitive environment.

Company Specific Risk. Common stock prices are subject to market, economic and business risks that will cause their prices to fluctuate over time. The value of individual stocks may decrease in response to company financial prospects or changing expectations for the performance of the company. While common stocks have historically been a leading choice of long-term investors, stock prices may decline over short or even extended periods.

Foreign Risk. Investing in foreign companies (whether directly or through ADRs or ETFs) may involve more risks than investing in U.S. companies. These risks can increase the potential for losses in the Fund and may include, among others, currency risks (fluctuations in currency exchange rates), country risks (political, diplomatic, regional conflicts, terrorism, war, social and economic instability, currency devaluations and policies that have the effect of limiting or restricting foreign investment or the movement of assets), different trading practices, less government supervision, less publicly available information, limited trading markets and greater volatility. ADRs do not eliminate all of the risks associated with direct investments in the securities of foreign issuers. The risks of foreign investing are of greater concern in the case of investments in companies located in emerging markets, which may exhibit greater price volatility and have less liquidity.

Investment Company Securities Risk. When the Fund invests in another investment company (including ETFs), it will indirectly bear its proportionate share of any fees and expenses payable directly by the other investment company. Therefore, the Fund will incur higher expenses, many of which may be duplicative. In addition, the Fund may be affected by losses of the underlying funds and the level of risk arising from the investment practices of the underlying funds (such as the use of leverage by the funds). The Fund has no control over the risks taken by the underlying funds in which it invests.

ETF Risk. In addition to risks generally associated with investments in investment company securities, ETFs are subject to the following risks that do not apply to non-exchange traded funds: (i) an ETF's shares may trade at a market price that is above or below their net asset value; (ii) an active trading market for an ETF's shares may not develop or be maintained; (iii) the ETF may employ an investment

Table of Contents

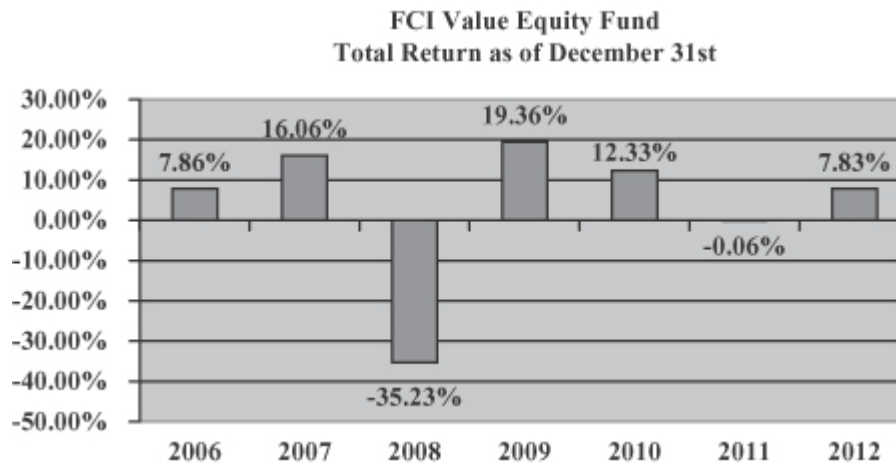
strategy that utilizes high leverage ratios; or (iv) trading of an ETF' s shares may be halted if the listing exchange' s officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally.

Derivatives Risk. The use of derivatives may not always be a successful strategy and using them could lower the Fund' s return. A small investment in derivatives could have a potentially large impact on the Fund' s performance; certain gains or losses could be amplified, increasing movements in the share price of the Fund. When writing put and call options, the Fund is exposed to declines in the value of the underlying asset against which the option was written. To the extent required, the Fund will cover the financial exposure created by writing put and call options either by purchasing or selling offsetting options or futures or designating liquid assets to cover such financial exposure. When purchasing options, the Fund is exposed to the potential loss of the option purchase price.

Portfolio Turnover Risk. The Fund' s investment strategy typically results in a high portfolio turnover rate. High portfolio turnover results in correspondingly greater brokerage commission expenses and may result in the distribution to shareholders of additional capital gains for tax purposes. These factors may negatively affect the Fund' s performance.

Performance

The bar chart below shows how the Fund' s investment results have varied from year to year. The table below shows how the Fund' s average annual total returns compare over time to those of a broad-based securities market index. This information provides some indication of the risks of investing in the Fund. Past performance of the Fund is not necessarily an indication of how it will perform in the future. Prior to November 7, 2011 the Fund was known as the FCI Equity Fund and followed an equity growth investment strategy. The Fund' s current equity value strategy would have produced different results during the time periods shown below.



Highest/Lowest quarterly results during this time period were:

Best Quarter:	2nd Quarter, 2009, 12.50 %
Worst Quarter:	4th Quarter, 2008, -20.95%

Table of Contents

AVERAGE ANNUAL TOTAL RETURNS (for the periods ended December 31, 2012)

FCI Value Equity Fund	1 Year	5 Year	Since Inception (October 5, 2005)
Return Before Taxes	7.83 %	-1.31%	2.62 %
Return After Taxes on Distributions	5.05 %	-1.93%	1.94 %
Return After Taxes on Distributions and Sale of Fund Shares	7.95 %	-1.19%	2.11 %
S&P 500 Index (reflects no deductions for fees, expenses and taxes)	16.00%	1.66 %	4.44 %

After-tax returns are calculated using the historical highest individual federal income tax rates in effect and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. After-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or IRAs. The index returns presented below assume reinvestment of all distributions and exclude the effect of taxes and fees (if expenses and taxes were deducted, the actual returns of the Index would be lower).

Current performance of the Fund may be lower or higher than the performance quoted above. Performance data current to the most recent month end may be obtained by calling (877) 627-8504.

Portfolio Management

Investment Advisor - Financial Counselors, Inc.

Portfolio Manager - David B. Anderson; Senior Vice President and Chief Investment Officer, Value Equity; Portfolio Manager of the Fund since November 2011.

Purchase and Sale of Fund Shares

Minimum Initial Investment

\$250,000

To Place Buy or Sell Orders

By Mail: FCI Value Equity Fund
c/o: Huntington Asset Services, Inc.
P.O. Box 6110
Indianapolis, IN 46206

Minimum Additional Investment

\$100

By Phone: (877) 627-8504

You may sell or redeem shares through your dealer or financial advisor. Please contact your financial intermediary directly to find out if additional requirements apply.

Tax Information

The Fund's distributions are taxable and will be taxed as ordinary income or capital gains, unless you are investing through a tax-deferred account, such as a 401(k) plan, individual retirement account (IRA) or 529 college savings plan. Tax-deferred arrangements may be taxed later upon withdrawal of monies from those accounts.

Payments to Broker-Dealers and Other Financial Intermediaries

If you purchase Fund shares through a broker-dealer or other financial intermediary (such as a bank or trust company), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create conflicts of

interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

Table of Contents

SUMMARY SECTION - FCI BOND FUND

Investment Objective

The investment objective of the FCI Bond Fund (the “Fund”) is total return, comprised of both income and capital appreciation.

Fees and Expenses of the Fund

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund.

Shareholder Fees (fees paid directly from your investment)

Redemption Fee (as a percentage of the amount redeemed within 60 days of purchase)... 1.00%

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)

Management Fees	0.40 %
Distribution (12b-1) Fees	0.00 %
Other Expenses	0.48 %
Acquired Fund Fees and Expenses	0.11 %
Total Annual Fund Operating Expenses	0.99 %
Fee Waiver/Expense Reimbursement ¹	(0.08%)
Total Annual Fund Operating Expenses (after waiver)	0.91 %

¹ Effective February 1, 2013, the Fund’s Advisor contractually has agreed to waive its management fee and/or reimburse expenses so that total annual operating expenses, excluding: brokerage fees and commissions; borrowing costs (such as (i) interest and (ii) dividend expenses on securities sold short); taxes; any 12b-1 fees; any indirect expenses such as acquired fund fees and expenses; and extraordinary litigation expenses do not exceed 0.80% of the Fund’s average daily net assets through January 31, 2014, subject to the Advisor’s right to recoup reimbursements on a rolling three-year basis so long as the reimbursement would not exceed the 0.80% expense cap. This expense cap may not be terminated prior to this date except by the Board of Trustees.

Expense Example:

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds.

The example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year, that all dividends and capital gain distributions are reinvested, and that the Fund’s operating expenses remain the same. Only the 1 year number shown below reflects the Advisor’s agreement to waive fees and/or reimburse Fund expenses. Although your actual costs may be different, based on these assumptions, your costs would be:

<u>1 year</u>	<u>3 years</u>	<u>5 years</u>	<u>10 years</u>
\$93	\$361	\$649	\$1,471

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes

Table of Contents

when Fund shares are held in a taxable account. These costs, which are not reflected in annual operating expenses or in the Example, above, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 65.56% of the average value of its portfolio.

Principal Investment Strategies

The Fund invests primarily in a diversified portfolio of intermediate-term (typically with maturities between one and 10 years), investment grade fixed income securities. The Fund may, on occasion, purchase long-term bonds. The Fund may also purchase various mortgage-backed and other asset-backed securities. The Fund's Advisor seeks to add value for Fund investors and to maximize the risk-adjusted returns versus the unmanaged Barclays Capital U.S. Intermediate Government/Credit Bond Index[®], by managing the duration of the Fund's portfolio, and through sector allocation and issue selection.

The Advisor evaluates each sector and manages the Fund's portfolio such that the Fund's investments may be over- or under-weighted in a particular sector relative to its benchmark index. Sector allocation decisions use many of the same inputs as those analyzed when formulating an interest rate forecast. Generally, the anticipation of narrowing credit spreads suggests a higher allocation to non-Treasury sectors, while widening credit spreads normally dictate a lower allocation.

The Advisor uses a proprietary process that combines economic momentum, inflationary expectations and technical factors to evaluate interest rate changes in order to manage the duration of the Fund's portfolio in an effort to mitigate risk and maximize total return. In addition to duration management, the Advisor invests in securities of varying maturities depending on market conditions. In general, the Fund maintains an effective weighted average duration of two to five years, and an effective weighted average maturity of three to six years.

The Fund may invest up to 10% of its assets in high yield bonds (commonly known as "junk bonds") or in exchange-traded funds ("ETFs") and closed-end funds that own junk bonds. Junk bonds are bonds rated below BBB or its equivalent by any nationally recognized securities rating organization, or that are unrated but determined by the Advisor to be of comparable quality.

Under normal conditions, the Fund will invest at least 80% of its net assets (plus any borrowings for investment purposes) in fixed income securities, including foreign fixed income securities from developed countries. The Fund may meet this objective by directly investing in fixed income securities, or by investing in other investment companies (including ETFs) that invest primarily in fixed income securities. Fixed income securities in which the Fund typically invests include securities issued or guaranteed by the U.S. government, its agencies or government-sponsored enterprises; corporate debt securities of U.S. and non-U.S. issuers, including convertible securities and corporate commercial paper; mortgage and other asset-backed securities; and money market instruments. All fixed income securities will be denominated in U.S. dollars.

The Fund may utilize derivative securities and/or contracts to gain or reduce exposure to certain sectors, industries, and specific credits. These derivatives may be used for hedging and non-hedging purposes and may be structured as swaps, options or notes. These derivatives may involve risks similar to those generally associated with swaps and other derivatives, but also involve investment risks similar to those associated with the direct investments in a component of the underlying financial instrument or index to the extent that the returns payable to the Fund from a derivative will be linked to the investment returns of such component.

Principal Risks

All investments involve risks, and the Fund cannot guarantee that it will achieve its investment objective. An investment in the Fund is not insured or guaranteed by any government agency. As with any mutual fund

[Table of Contents](#)

investment, the Fund's returns and share price will fluctuate, and you may lose money by investing in the Fund. Below are some of the specific risks of investing in the Fund.

Management Risk. The strategy used by the Advisor may fail to produce the intended results and may lose money.

Fixed Income Securities Risks.

Interest Rate Risk. The market value of fixed income securities in which the Fund invests and, thus, the Fund's net asset value, can be expected to vary inversely with changes in interest rates. Debt securities with longer maturities are subject to potentially greater price fluctuation than obligations with shorter maturities. Fluctuations in the market value of fixed income securities subsequent to their acquisition will not affect cash income from such securities but will be reflected in the Fund's net asset value.

Duration Risk. Prices of fixed income securities with longer effective maturities are more sensitive to interest rate changes than those with shorter effective maturities.

Credit Risk. The issuer of the fixed income security may not be able to make interest and principal payments when due, and the issuer may not be able to make dividend payments when due. Generally, the lower the credit rating of a security, the greater the risk that the issuer will default on its obligation.

High Yield Risk. The Fund may invest a portion of its assets in lower-rated, high-yielding bonds (commonly known as "junk bonds"). These bonds have a greater degree of default risk than higher-rated bonds. Default risk is the possibility that the issuer of a debt security will fail to make timely payments of principal or interest to the Fund.

Prepayment and Extension Risk. As interest rates decline, the issuers of fixed income securities may prepay principal earlier than scheduled, forcing the Fund (or an underlying fund) to reinvest in lower yielding securities. As interest rates increase, slower than expected principal payments may extend the average life of fixed income securities, locking in below-market interest rates and reducing the value of these securities. There is a greater risk that the Fund will lose money due to prepayment and extension risks when the Fund invests in mortgage-backed and asset-backed securities.

Government Securities Risk. It is possible that the U.S. Government would not provide financial support to its agencies or instrumentalities if it is not required to do so by law. If a U.S. Government agency or instrumentality in which the Fund invests defaults, and the U.S. Government does not stand behind the obligation, the Fund's share price or yield could fall. Securities of certain U.S. Government sponsored entities, such as Freddie Mac or Fannie Mae, are neither issued nor guaranteed by the U.S. Government. The U.S. Government's guarantee of ultimate payment of principal and timely payment of interest of any U.S. Government securities owned by the Fund does not imply that the Fund's shares are guaranteed or that the price of the Fund's shares will not fluctuate.

Mortgage-Related and Other Asset-Backed Securities Risk. Mortgage-related securities include pass-through securities, collateralized mortgage obligations ("CMOs"), commercial mortgage-backed securities, mortgage dollar rolls, CMO residuals, stripped mortgage-backed securities and other securities that directly or indirectly represent a participation in, or are secured by and payable from, mortgage loans on real property. The value of some mortgage- or asset-backed securities may be particularly sensitive to changes in prevailing interest rates. Early repayment of principal on some mortgage-related securities may expose the Fund to a lower rate of return upon reinvestment of principal. When interest rates rise, the value of a mortgage-related security generally will decline; however, when interest rates are declining, the value of mortgage-related securities with prepayment features may not increase as much as other fixed income securities. The value of these securities may fluctuate in response to the market's perception of the creditworthiness of the issuers. Mortgage-backed securities ("MBS") may also possess credit risk.

Table of Contents

Because the assets providing cash flows to a MBS are comprised of home mortgage loans, the holders of MBS are subject to default and delinquency risks. If mortgage borrowers are delinquent or default on their payments, the holders of MBS may not realize full repayment of their investment or may experience delays in the repayment of their investment. The credit risk of MBS depends, in part, on the likelihood of the borrower paying the promised cash flows of principal and interest on time. The credit risk of a specific MBS may be influenced by a variety of factors including: (i) the mortgage borrower's lessened ability or willingness to repay in light of changed circumstances such as a job loss; (ii) the borrower's ability or willingness to make higher mortgage payments which may result from floating-rate interest resets; (iii) declines in the value of the property which serves as collateral for the mortgage loan; (iv) seniority or priority of the specific MBS relative to other claims on the cash flow from the pool of mortgage loans.

Prepayment Risk. Certain types of asset-backed securities, such as MBS, have yield and maturity characteristics corresponding to underlying assets. Unlike traditional debt securities, which may pay a fixed rate of interest until maturity when the entire principal amount comes due, payments on certain mortgage-backed securities include both interest and a partial payment of principal. Besides the scheduled repayment of principal, payments of principal may result from voluntary prepayment, refinancing, or foreclosure of the underlying mortgage loans.

Foreign Risk. Investing in foreign companies (whether directly or through ADRs or investment companies) may involve more risks than investing in U.S. companies. These risks can increase the potential for losses in the Fund and may include, among others, currency risks (fluctuations in currency exchange rates), country risks (political, diplomatic, regional conflicts, terrorism, war, social and economic instability, currency devaluations and policies that have the effect of limiting or restricting foreign investment or the movement of assets), different trading practices, less government supervision, less publicly available information, limited trading markets and greater volatility. ADRs do not eliminate all of the risks associated with direct investment in the securities of foreign issuers.

Derivatives Risk. The Fund is subject to credit risk on the amount it expects to receive from counterparties in privately negotiated derivatives contracts. For example, if a swap counterparty defaults on its payment obligations to the Fund, this default will cause the value of your investment in the Fund to decrease. Additionally, if a derivative instrument is used for hedging purposes, there is a risk that the correlation between the derivative and the investment being hedged will not be assessed correctly which could lead to the Fund being exposed to more risk. Derivatives may be illiquid and the market for derivatives is largely unregulated. The use of derivatives may not always be a successful strategy and using them could lower the Fund's return.

Investment Company Securities Risk. When the Fund invests in other investment companies (including ETFs, mutual funds, closed-end funds or money market funds) your cost of investing in the Fund may be higher than the cost of investing in a mutual fund that invests directly in fixed income securities. You will indirectly bear any fees and expenses charged by the underlying funds in addition to the Fund's direct fees and expenses. Therefore, the Fund could incur higher expenses, many of which may be duplicative. In addition, the Fund may be affected by losses of the underlying funds and the level of risk arising from the investment practices of the underlying funds (such as the use of leverage by the funds). The Fund has no control over the risks taken by the underlying funds in which it invests. At times, underlying funds in which the Fund invests may limit the Fund's ability to redeem out of the investment and, as a result, such investments may be deemed illiquid.

Sector Risk. Although the Advisor does not expect to concentrate the Fund's investments in any particular sector, the Fund may allocate more of the Fund's investments to particular segments of the market. For example, the Fund, from time to time, may have over-weighted positions in particular sectors. A particular market sector can be more volatile or underperform relative to the market as a whole. To the extent that the Fund has over-weighted holdings within a particular sector, the Fund is subject to an increased risk that its investments in that particular sector may decline because of changing expectations for the performance of that sector.

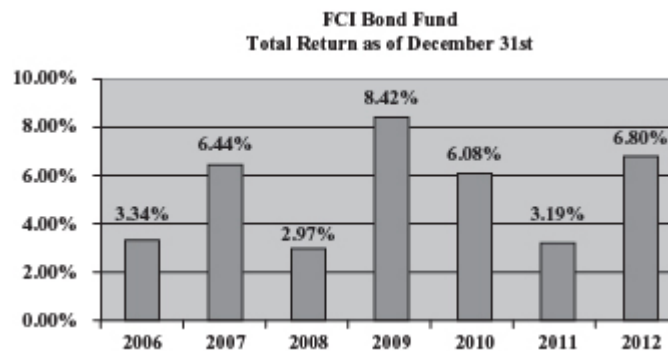
Table of Contents

ETF Risk. In addition to risks generally associated with investments in investment company securities, ETFs are subject to the following additional risks: (i) an ETF' s shares may trade at a market price that is above or below their net asset value; (ii) an active trading market for an ETF' s shares may not develop or be maintained; (iii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iv) trading of an ETF' s shares may be halted if the listing exchange' s officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide “circuit breakers” (which are tied to large decreases in stock prices) halts stock trading generally.

Closed-End Fund Risk. The market price of a closed-end fund' s shares may be affected by its dividend or distribution levels (which are dependent, in part, on expenses), stability of dividends or distributions, general market and economic conditions, and other factors beyond the control of a closed-end fund. This means that a closed-end fund' s shares may trade at a discount to its net asset value. Another risk generally associated with closed-end funds is that most closed-end funds leverage their assets (i.e., use borrowed money to buy additional assets) in the attempt to enhance their yield. The use of leverage can provide higher yields and potentially higher returns for closed-end fund investors, but it also increases overall risk and the volatility of the investment.

Performance

The bar chart below shows how the Fund' s investment results have varied from year to year. The table below shows how the Fund' s average annual total returns compare over time to those of a broad-based securities market index. This information provides some indication of the risks of investing in the Fund. Past performance of the Fund is no guarantee of how it will perform in the future.



Highest/Lowest quarterly results during this time period were:

Best Quarter:	4th Quarter, 2008, 5.38 %
Worst Quarter:	3rd Quarter, 2008, -3.26 %

AVERAGE ANNUAL TOTAL RETURNS

(for the periods ended December 31, 2012)

FCI Bond Fund	1 Year	5 Year	Since Inception (October 4, 2005)
Return Before Taxes	6.80 %	5.47 %	5.21 %
Return After Taxes on Distributions	5.44 %	4.01 %	3.78 %
Return After Taxes on Distributions and Sale of Fund Shares	4.57 %	3.88 %	3.66 %
Barclays Capital U.S. Intermediate Government/ Credit Bond Index (reflects no deductions for fees, expenses and taxes)	3.89 %	5.18 %	5.24 %

Table of Contents

After-tax returns are calculated using the historical highest individual federal income tax rates in effect and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. After-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or IRAs. The index returns presented below assume reinvestment of all distributions and exclude the effect of taxes and fees (if expenses and taxes were deducted, the actual returns of the Index would be lower).

Current performance of the Fund may be lower or higher than the performance quoted above. Performance data current to the most recent month end may be obtained by calling (877) 627-8504.

Portfolio Management

Investment Advisor - Financial Counselors, Inc.

Portfolio Managers - The following portfolio managers have been jointly responsible for the day-to-day management of the Fund since its October 2005 inception.

Gary B. Cloud, CFA; Senior Vice President and Co-Chief Investment Officer, Fixed Income

Peter G. Greig, CFA; Senior Vice President and Co-Chief Investment Officer, Fixed Income

Purchase and Sale of Fund Shares

Minimum Initial Investment

\$250,000

To Place Buy or Sale Orders

By Mail: FCI Bond Fund
c/o: Huntington Asset Services, Inc.
P.O. Box 6110
Indianapolis, IN 46206

Minimum Additional Investment

\$100

By Phone: (877) 627-8504

You may sell or redeem shares through your dealer or financial advisor. Please contact your financial intermediary directly to find out if additional requirements apply.

Tax Information

The Fund's distributions are taxable and will be taxed as ordinary income or capital gains, unless you are investing through a tax-deferred account, such as a 401(k) plan, individual retirement account (IRA) or 529 college savings plan. Tax-deferred arrangements may be taxed later upon withdrawal of monies from those accounts.

Payments to Broker-Dealers and Other Financial Intermediaries

If you purchase Fund shares through a broker-dealer or other financial intermediary (such as a bank or trust company), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create conflicts of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

[Table of Contents](#)

ADDITIONAL INFORMATION ABOUT THE VALUE EQUITY FUND' S PRINCIPAL STRATEGIES AND RELATED RISKS

Principal Investment Strategies of the Value Equity Fund

Using a proprietary security selection process employed by Financial Counselors, Inc., the Fund' s investment advisor (the "Advisor"), the Fund invests primarily in a diversified portfolio of equity securities that the Advisor believes are undervalued by the market. The Advisor makes this determination primarily based on an analysis of a security' s trading price as a multiple of its cash flow. The Fund invests in companies that the Advisor believes exhibit consistency in balance sheet strength, revenues, and cash flow.

The Advisor uses a multi-cap value approach to investing that employs top down macro economic and industry-specific research as well as bottom up stock specific research. Relying on a team of portfolio managers and equity analysts, the Advisor uses these styles synergistically to identify investment opportunities for the Fund. Generally, each sector represented in the S&P 500 Index will be represented in the Fund' s portfolio. The Fund may at times significantly overweight or underweight specific sectors based on the Advisor' s research.

Under normal circumstances, the Fund will invest at least 80% of its net assets (plus any borrowings for investment purposes) in equity securities. The Fund may meet this objective by directly investing in equity securities, or by investing in other investment companies (including ETFs) that invest primarily in equity securities. This investment policy may not be changed without at least 60 days prior written notice to shareholders. Equity securities in which the Fund typically invests include common stocks, securities convertible into common stocks and securities having common stock characteristics, derivative instruments that have a value based on equity securities (such as rights, warrants or options to purchase common stock, preferred stock, and depositary receipts) and shares of other investment companies and ETFs that invest primarily in equity securities. The Fund may invest up to 25% of its assets in foreign companies operating in developed or undeveloped countries through ETFs that invest primarily in equity securities of foreign companies or by investing in ADRs traded on U.S. stock exchanges. ADRs typically are issued by a U.S. bank or trust company and evidence ownership of underlying securities issued by a foreign company.

The Fund' s equity investments may generate some dividend income, as many of the larger companies in which the Fund invests pay dividends. Such dividends may generate taxable income for investors.

The Fund may invest in certain derivative investments, such as options and futures contracts, but generally intends to do so for hedging purposes only. The Fund may write covered call options, in which the Fund holds a long position in a security combined with a short position in a call option on the same underlying security.

If the Advisor believes that investment opportunities that meet the Fund' s investment criteria are not currently available, and to the extent consistent with the Fund' s policy to invest at least 80% of its net assets in equity securities during normal market conditions, the Fund may invest up to 100% of its assets in money market mutual funds, investment grade, short-term money market instruments, including U.S. Government and agency securities, commercial paper, certificates of deposit, repurchase agreements and other cash equivalents. The Fund may also invest in such instruments at any time to maintain liquidity or pending selection of investments in accordance with its investment strategies. To the extent the Fund makes these defensive investments, the Fund might not achieve its investment objective.

The Advisor will typically engage in active trading of the Fund' s portfolio securities due to its investment strategy, which may cause the Fund to have a higher portfolio turnover rate than other funds with similar investment objectives.

The Fund may sell holdings that the Advisor believes have reduced value potential, have underperformed the market or relevant economic sector, have exceeded their fair market value, have experienced a change in

[Table of Contents](#)

fundamentals or are subject to other factors that may contribute to relative underperformance. Generally, as a risk management technique, the Advisor will reduce a stock position when it becomes relatively oversized in the Fund's portfolio.

Principal Risks of Investing in the Value Equity Fund

All investments involve risks, and the Fund cannot guarantee that it will achieve its investment objective. An investment in the Fund is not insured or guaranteed by any government agency. As with any mutual fund investment, the Fund's returns and share price will fluctuate, and you may lose money by investing in the Fund. Below are some of the specific risks of investing in the Fund.

Market Risk. The prices of securities held by the Fund may decline in response to certain events taking place around the world, including those directly involving the companies whose securities are owned by the Fund; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency, interest rate and commodity price fluctuations.

Value Risk. A company may be undervalued due to market or economic conditions, temporary earnings declines, unfavorable developments affecting the company and other factors, or because it is associated with a market sector that generally is out of favor with investors. Undervalued stocks tend to be inexpensive relative to their earnings or assets compared to other types of stock. However, these stocks can continue to be inexpensive for long periods of time and may not realize their full economic value.

Management Risk. The Advisor's value-oriented approach may fail to produce the intended results and may underperform other mutual funds with similar investment objectives. If the Advisor's perception of the value of a company is not realized in the expected time frame, the Fund's overall performance may suffer.

Industry or Sector Risk. Although the Advisor does not expect to concentrate the Fund's investments in any particular industry or sector, the Fund may allocate more of the Fund's investments to particular segments of the market. For example, the Fund, from time to time, may have over-weighted positions in particular sectors such as technology or telecommunications. A particular industry or market sector can be more volatile or underperform relative to the market as a whole. To the extent that the Fund has over-weighted holdings within a particular industry or sector, the Fund is subject to an increased risk that its investments in that particular industry or sector may decline because of changing expectations for the performance of that industry or sector.

Small/Mid Cap Risk. Stocks of mid- and small-cap companies are more risky than stocks of larger companies. Many of these companies are young and have a limited track record. Their securities may trade less frequently and in more limited volume than those of more mature companies. Mid- and/or small-cap companies also may lack the managerial, financial or other resources necessary to implement their business plans or succeed in the face of competition. The prospects for a company or its industry may deteriorate because of a variety of factors, including disappointing operating results or changes in the competitive environment.

Company Specific Risk. Common stock prices are subject to market, economic and business risks that will cause their prices to fluctuate over time. The value of individual stocks may decrease in response to company financial prospects or changing expectations for the performance of the company. While common stocks have historically been a leading choice of long-term investors, stock prices may decline over short or even extended periods.

Foreign Risk. Investing in foreign companies (whether directly or through ADRs or investment companies) may involve more risks than investing in U.S. companies. These risks can increase the potential for losses in the Fund and may include, among others, currency risks (fluctuations in currency exchange rates),

Table of Contents

country risks (political, diplomatic, regional conflicts, terrorism, war, social and economic instability, currency devaluations and policies that have the effect of limiting or restricting foreign investment or the movement of assets), different trading practices, less government supervision, less publicly available information, limited trading markets and greater volatility. ADRs do not eliminate all of the risks associated with direct investment in the securities of foreign issuers. The risks of foreign investing are of greater concern in the case of investments in companies located in emerging markets, which may exhibit greater price volatility and have less liquidity.

Investment Company Securities Risk. When the Fund invests in another investment company (including ETFs), it will indirectly bear its proportionate share of any fees and expenses payable directly by the other investment company. Therefore, the Fund will incur higher expenses, many of which may be duplicative. In addition, the Fund may be affected by losses of the underlying funds and the level of risk arising from the investment practices of the underlying funds (such as the use of leverage by the funds). The Fund has no control over the risks taken by the underlying funds in which it invests.

ETF Risk. In addition to risks generally associated with investments in investment company securities, ETFs are subject to the following risks that do not apply to non-exchange traded funds: (i) an ETF' s shares may trade at a market price that is above or below their net asset value; (ii) an active trading market for an ETF' s shares may not develop or be maintained; (iii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iv) trading of an ETF' s shares may be halted if the listing exchange' s officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally.

Derivatives Risk. When writing put and call options, the Fund is exposed to declines in the value of the underlying asset against which the option was written. To the extent required, the Fund will cover the financial exposure created by writing put and call options either by purchasing or selling offsetting options or futures or designating liquid assets to cover such financial exposure. When purchasing options, the Fund is exposed to the potential loss of the option purchase price. Derivatives may be illiquid and the market for derivatives is largely unregulated. The use of derivatives may not always be a successful strategy and using them could lower the Fund' s return.

Portfolio Turnover Risk. The Fund' s investment strategy typically results in a high portfolio turnover rate. High portfolio turnover results in correspondingly greater brokerage commission expenses and may result in the distribution to shareholders of additional capital gains for tax purposes. These factors may negatively affect the Fund' s performance.

Is the Value Equity Fund right for you?

The Fund may be suitable for:

- Long-term investors seeking income and capital appreciation
- Investors willing to accept price fluctuations in their investments
- Investors willing to accept risks associated with equity investments

General

The investment objective and strategies of the Fund, including the Fund' s policy of investing under normal circumstances at least 80% of its net assets in equity securities, may be changed without shareholder approval upon 60 days' notice to shareholders.

[Table of Contents](#)

Portfolio Holdings

A description of the Fund's policies and procedures with respect to the disclosure of the Fund's portfolio securities is available in the Fund's Statement of Additional Information.

ADDITIONAL INFORMATION ABOUT THE BOND FUND'S PRINCIPAL STRATEGIES AND RELATED RISKS

Principal Investment Strategies of the Bond Fund

The Fund invests primarily in a diversified portfolio of intermediate-term (typically with maturities between one and 10 years), investment grade fixed income securities. The Fund may, on occasion, purchase long-term bonds. The Fund may also purchase various mortgage-backed and other asset-backed securities. The Advisor seeks to add value for Fund investors and to maximize the risk-adjusted returns versus the unmanaged Barclays Capital U.S. Intermediate Government/Credit Bond Index[®] by managing the duration of the Fund's portfolio, and through sector allocation and issue selection.

The Advisor uses a proprietary process that combines economic momentum, inflationary expectations and technical factors to evaluate interest rate changes in order to manage the duration of the Fund's portfolio in an effort to mitigate risk and maximize total return. The concept of duration is a measure of a security's price sensitivity to changes in interest rates. Changes in interest rates could result in fluctuation of prices in fixed income securities. For example, if the Advisor's interest rate forecast is positive, the Fund's portfolio may be positioned longer in duration than its benchmark index. If the outlook is negative, the Advisor may position the Fund's portfolio shorter than the benchmark index. In addition to duration management, the Advisor invests in securities of varying maturities depending on market conditions. In general, the Fund maintains an effective weighted average duration of two to five years, and an effective weighted average maturity of three to six years.

The Advisor evaluates each sector and manages the Fund's portfolio such that the Fund's investments may be over- or under-weighted in a particular sector relative to its benchmark index. Sector allocation decisions use many of the same inputs as those analyzed when formulating an interest rate forecast. Generally, the anticipation of narrowing credit spreads suggests a higher allocation to non-Treasury sectors, while widening credit spreads normally dictate a lower allocation.

The Fund may invest up to 10% of its assets in high yield bonds (commonly known as "junk bonds") or in exchange-traded funds and closed-end funds that own junk bonds. Junk bonds are bonds rated below BBB or its equivalent by any nationally recognized securities rating organization, or that are unrated but determined by the Advisor to be of comparable quality.

After duration and sector determinations are made, the Fund's Advisor focuses on individual security selection and the credit quality of various fixed income issues. The Advisor seeks to identify attractively priced fixed income securities within each permitted credit category, considering the degree of liquidity and risk of a potential downgrade. The Advisor's approach in this regard is intended to identify a favorable risk/reward profile of securities held in the Fund's portfolio.

Under normal conditions, the Fund will invest at least 80% of its net assets (plus any borrowings for investment purposes) in fixed income securities, including foreign fixed income securities from developed countries. The Fund may meet this objective by directly investing in fixed income securities, or by investing in other investment companies and ETFs that invest primarily in fixed income securities. This investment policy may not be changed without at least 60 days prior written notice to shareholders. Fixed income securities include securities issued or guaranteed by the U.S. government, its agencies or government-sponsored enterprises; corporate debt securities of U.S. and non-U.S. issuers, including convertible securities and corporate commercial paper; mortgage and other asset-backed securities; inflation-indexed bonds issued by both governments and corporations; structured

[Table of Contents](#)

notes, including hybrid or “indexed” securities, event-linked bonds and loan participations; delayed portfolio loans and revolving credit securities; bank certificates of deposit, fixed time deposits, bankers’ acceptances and money market instruments; repurchase agreements; debt securities issued by state or local governments and their agencies and government-sponsored enterprises; obligations of foreign governments or their subdivisions, agencies and government-sponsored enterprises; and obligations of international agencies or supranational entities. All fixed income securities will be denominated in U.S. dollars.

The Fund may utilize derivative securities and/or contracts to gain or reduce exposure to certain sectors, industries, and specific credits. These derivatives may be used for hedging and non-hedging purposes and may be structured as swaps, options or notes. These derivatives may involve risks similar to those generally associated with swaps and other derivatives, but also involve investment risks similar to those associated with the direct investments in a component of the underlying financial instrument or index to the extent that the returns payable to the Fund from a derivative will be linked to the investment returns of such component.

The Advisor intends to purchase securities primarily for the long-term. As a result, the Advisor believes the Fund will have a low turnover, which should help minimize short-term capital gains and postpone long-term capital gains. However, when the Advisor deems that changes will benefit the Fund, portfolio turnover will not be a limiting factor.

The Fund may sell holdings that the Advisor believes have become unattractive, such as when fundamentals deteriorate or when other investment opportunities exist that may have more attractive yields.

From time to time, the Fund may take temporary defensive positions that are inconsistent with the Fund’ s principal investment strategies in attempting to respond to adverse market, economic, political or other conditions. For example, the Fund may invest up to 100% of its assets in money market mutual funds, investment grade, short-term money market instruments, including U.S. Government and agency securities, commercial paper, certificates of deposit, repurchase agreements and other cash equivalents. The Fund may also invest in such instruments at any time to maintain liquidity or pending selection of investments in accordance with its investment strategies. To the extent the Fund makes these investments, the Fund might not achieve its investment objective.

Principal Risks of Investing in the Bond Fund

All investments involve risks, and the Fund cannot guarantee that it will achieve its investment objective. An investment in the Fund is not insured or guaranteed by any government agency. As with any mutual fund investment, the Fund’ s returns and share price will fluctuate, and you may lose money by investing in the Fund. Below are some of the specific risks of investing in the Fund.

Management Risk. The strategy used by the Advisor may fail to produce the intended results and may under perform other mutual funds with similar investment objectives.

Fixed Income Securities Risks.

Interest Rate Risk. The market value of fixed income securities in which the Fund invests and, thus, the Fund’ s net asset value, can be expected to vary inversely with changes in interest rates. Debt securities with longer maturities are subject to potentially greater price fluctuation than obligations with shorter maturities. Fluctuations in the market value of fixed income securities subsequent to their acquisition will not affect cash income from such securities but will be reflected in the Fund’ s net asset value.

Duration Risk. Prices of fixed income securities with longer effective maturities are more sensitive to interest rate changes than those with shorter effective maturities.

Credit Risk. The issuer of the fixed income security may not be able or willing to make interest and principal payments when due, and the issuer may not be able or willing to make dividend payments when

Table of Contents

due. Generally, the lower the credit rating of a security, the greater the risk that the issuer will default on its obligation.

High Yield Risk. The Fund may invest a portion of its assets in lower-rated, high-yielding bonds (commonly known as “junk bonds”). These bonds have a greater degree of default risk than higher-rated bonds. Default risk is the possibility that the issuer of a debt security will fail to make timely payments of principal or interest to the Fund.

Prepayment and Extension Risk. As interest rates decline, the issuers of fixed income securities may prepay principal earlier than scheduled, forcing the Fund (or an underlying fund) to reinvest in lower yielding securities. As interest rates increase, slower than expected principal payments may extend the average life of fixed income securities, locking in below-market interest rates and reducing the value of these securities. There is a greater risk that the Fund will lose money due to prepayment and extension risks when the Fund invests in mortgage-backed and asset-backed securities.

Government Securities Risk. It is possible that the U.S. Government would not provide financial support to its agencies or instrumentalities if it is not required to do so by law. If a U.S. Government agency or instrumentality in which the Fund invests defaults, and the U.S. Government does not stand behind the obligation, the Fund’s share price or yield could fall. Securities of certain U.S. Government sponsored entities, such as Freddie Mac or Fannie Mae are neither issued nor guaranteed by the U.S. Government. The U.S. Government’s guarantee of ultimate payment of principal and timely payment of interest of any U.S. Government securities owned by the Fund does not imply that the Fund’s shares are guaranteed or that the price of the Fund’s shares will not fluctuate.

Mortgage-Related and Other Asset-Backed Securities Risk. Mortgage-related securities include pass-through securities, collateralized mortgage obligations (“CMOs”), commercial mortgage-backed securities, mortgage dollar rolls, CMO residuals, stripped mortgage-backed securities and other securities that directly or indirectly represent a participation in, or are secured by and payable from, mortgage loans on real property. The value of some mortgage- or asset-backed securities may be particularly sensitive to changes in prevailing interest rates. Early repayment of principal on some mortgage-related securities may expose the Funds to a lower rate of return upon reinvestment of principal. When interest rates rise, the value of a mortgage-related security generally will decline; however, when interest rates are declining, the value of mortgage-related securities with prepayment features may not increase as much as other fixed income securities. The value of these securities may fluctuate in response to the market’s perception of the creditworthiness of the issuers. Mortgage-backed securities (“MBS”) may also possess credit risk. Because the assets providing cash flows to a MBS are comprised of home mortgage loans, the holders of MBS are subject to default and delinquency risks. If mortgage borrowers are delinquent or default on their payments, the holders of MBS may not realize full repayment of their investment or may experience delays in the repayment of their investment. The credit risk of MBS depends, in part, on the likelihood of the borrower paying the promised cash flows of principal and interest on time. The credit risk of a specific MBS may be influenced by a variety of factors including: (i) the mortgage borrower’s lessened ability or willingness to repay in light of changed circumstances such as a job loss; (ii) the borrower’s ability or willingness to make higher mortgage payments which may result from floating-rate interest resets; (iii) declines in the value of the property which serves as collateral for the mortgage loan; (iv) seniority or priority of the specific MBS relative to other claims on the cash flow from the pool of mortgage loans.

Prepayment Risk. Certain types of asset-backed securities, such as mortgage-backed securities, have yield and maturity characteristics corresponding to underlying assets. Unlike traditional debt securities, which may pay a fixed rate of interest until maturity when the entire principal amount comes due, payments on certain mortgage-backed securities include both interest and a partial payment of

Table of Contents

principal. Besides the scheduled repayment of principal, payments of principal may result from voluntary prepayment, refinancing, or foreclosure of the underlying mortgage loans.

Foreign Risk. Investing in foreign companies (whether directly or through ADRs or ETFs) may involve more risks than investing in U.S. companies. These risks can increase the potential for losses in the Fund and may include, among others, currency risks (fluctuations in currency exchange rates), country risks (political, diplomatic, regional conflicts, terrorism, war, social and economic instability, currency devaluations and policies that have the effect of limiting or restricting foreign investment or the movement of assets), different trading practices, less government supervision, less publicly available information, limited trading markets and greater volatility. ADRs do not eliminate all of the risks associated with direct investment in the securities of foreign issuers.

Derivatives Risk. The Fund is subject to credit risk on the amount it expects to receive from counterparties in privately negotiated derivatives contracts. For example, if a swap counterparty defaults on its payment obligations to the Fund, this default will cause the value of your investment in the Fund to decrease. Additionally, if a derivative instrument is used for hedging purposes, there is a risk that the correlation between the derivative and the investment being hedged will not be assessed correctly which could lead to the Fund being exposed to more risk. Derivatives may be illiquid and the market for derivatives is largely unregulated. The use of derivatives may not always be a successful strategy and using them could lower the Fund' s return.

Investment Company Securities Risk. When the Fund invests in other investment companies (including ETFs, mutual funds or money market funds) your cost of investing in the Fund may be higher than the cost of investing in a mutual fund that invests directly in fixed income securities. You will indirectly bear any fees and expenses charged by the underlying funds in addition to the Fund' s direct fees and expenses. Therefore, the Fund could incur higher expenses, many of which may be duplicative. In addition, the Fund may be affected by losses of the underlying funds and the level of risk arising from the investment practices of the underlying funds (such as the use of leverage by the funds). The Fund has no control over the risks taken by the underlying funds in which it invests. At times, underlying funds in which the Fund invests may limit the Fund' s ability to redeem out of the investment and, as a result, such investments may be deemed illiquid.

Sector Risk. Although the Advisor does not expect to concentrate the Fund' s investments in any particular sector, the Fund may allocate more of the Fund' s investments to particular segments of the market. For example, the Fund, from time to time, may have over-weighted positions in particular sectors. A particular market sector can be more volatile or underperform relative to the market as a whole. To the extent that the Fund has over-weighted holdings within a particular sector, the Fund is subject to an increased risk that its investments in that particular sector may decline because of changing expectations for the performance of that sector.

ETF Risk. In addition to risks generally associated with investments in investment company securities, ETFs are subject to the following additional risks: (i) an ETF' s shares may trade at a market price that is above or below their net asset value; (ii) an active trading market for an ETF' s shares may not develop or be maintained; (iii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iv) trading of an ETF' s shares may be halted if the listing exchange' s officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally.

Closed-End Fund Risk. The market price of a closed-end fund' s shares may be affected by its dividend or distribution levels (which are dependent, in part, on expenses), stability of dividends or distributions, general market and economic conditions, and other factors beyond the control of a closed-end fund. This means that a closed-end fund' s shares may trade at a discount to its net asset value. Another risk generally associated with closed-end funds is that most closed-end funds leverage their assets (i.e., use borrowed money to buy additional assets) in the attempt to enhance their yield.

[Table of Contents](#)

The use of leverage can provide higher yields and potentially higher returns for closed-end fund investors, but it also increases overall risk and the volatility of the investment.

Is the Bond Fund right for you?

The Fund may be suitable for:

Long-term investors seeking total return

Investors seeking a fixed income allocation

General

The investment objective and strategies of the Fund, including the Fund's policy of investing under normal circumstances at least 80% of its net assets in fixed income securities, may be changed without shareholder approval upon 60 days' notice to shareholders.

Portfolio Holdings

A description of the Fund's policies and procedures with respect to the disclosure of the Fund's portfolio securities is available in the Fund's Statement of Additional Information.

ADDITIONAL INFORMATION ABOUT MANAGEMENT OF THE FUNDS

Investment Advisor

Financial Counselors, Inc., 442 West 47th Street, Kansas City, Missouri 64112, www.fciadvisors.com, serves as Advisor to the Funds. The Advisor has overall supervisory management responsibility for the general management and investment of the Funds and their securities portfolios. The Advisor sets each Fund's overall investment strategies, identifies securities for investment, determines when securities should be purchased or sold by a Fund, selects brokers or dealers to execute transactions for each Fund's portfolio and votes any proxies solicited by portfolio companies.

The Advisor provides investment consulting and administrative services to personal trust and employee benefit accounts, endowments and other institutional and high net worth individual investment management accounts and, currently, advises in excess of \$4.9 billion in assets. The Advisor has over 46 years of experience in managing large cap, core equity portfolios and high quality, fixed income portfolios. The Advisor has a disciplined investment process that it believes will produce superior performance while managing risk. The FCI Funds are the first mutual funds managed by the Advisor.

For the fiscal year ended September 30, 2012, the Advisor was entitled to receive a fee from the Equity Fund equal to 0.60% of its average daily net assets (and received 0.00% after fee waivers and reimbursements), and a fee from the Bond Fund equal to 0.40% of its average daily net assets (and received 0.32% after fee waivers and reimbursements). The Advisor contractually has agreed to waive its fee and reimburse certain operating expenses of each Fund so that total annual fund operating expenses, excluding brokerage fees and commissions, 12b-1 fees, borrowing costs (such as interest and dividend expenses on securities sold short), taxes, extraordinary litigation expenses and any indirect expenses (such as acquired fund fees and expenses), do not exceed 1.00% for the Equity Fund and 0.80% for the Bond Fund. The contractual arrangement is in place through January 31, 2014. Each waiver or reimbursement by the Advisor with respect to a Fund is subject to repayment by that Fund within the three fiscal years following the fiscal year in which that particular expense is incurred; provided that such Fund is able to make the repayment without exceeding its expense limitation set forth above.

Table of Contents

The Advisor, not the Funds, may pay certain financial institutions (which may include banks, broker-dealers and other industry professionals) a fee for providing distribution related services and/or for performing certain administrative servicing functions for a Fund' s shareholders to the extent these institutions are allowed to do so by applicable statute, rule or regulation. The Funds may from time to time purchase securities issued by financial institutions that provide such services; however, in selecting investments for a Fund, no preference will be shown for such securities.

The Funds' annual report to shareholders for the fiscal year ended September 30, 2012 contains information about the factors that the Board of Trustees considered in approving each Fund' s management agreement.

Portfolio Managers

The investment decisions for each Fund are made by the Advisor' s investment team, which is primarily responsible for the day-to-day management of the Funds' portfolio. The members of the investment team are David Anderson, Gary B. Cloud and Peter G. Greig. David Anderson is responsible for the day-to-day management of the Value Equity Fund and has decision-making authority relating to the Value Equity Fund' s investments. Gary Cloud and Peter Greig generally are equally responsible for the day-to-day management of the Bond Fund, although Mr. Cloud has ultimate decision-making authority related to the Bond Fund' s investments.

David B. Anderson - Mr. Anderson re-joined the Advisor in 2006 and currently serves as the lead portfolio manager for the Value Equity Strategy. He is also a member of the Value Equity Investment Committee. Mr. Anderson earned his bachelor' s of science degree in economics from the University of Missouri, Columbia in 1969 and his master' s degree in finance from Central Missouri State University in 1972. Mr. Anderson has been managing client accounts on a discretionary basis for 40 years and he has been working in the financial industry for 43 years. He began his investment career in 1969 with Farmland and joined H.O. Peet & Company/FCI the first time in 1972 as an analyst. In 1975, Dave joined Commerce Trust as vice president of marketing. In 1979 he moved to UMB Bank and in 1990 became the executive vice president in charge of the entire trust investment division. From 2000-2006 Dave was the head of investments at Gold Trust Company. Dave is a member and former board member of the Kansas City Society of Chartered Financial Analysts and is a member of the CFA Institute.

Gary B. Cloud, CFA - Mr. Cloud joined the Advisor in 2003 and currently serves as Senior Vice President and Co-Chief Investment Officer, Fixed Income. Mr. Cloud manages fixed income portfolios for the Advisor. He also serves as a member of the Advisor' s fixed income and equity investment committees, and is a member of the asset allocation committee. Mr. Cloud has been managing client accounts on a discretionary basis for 10 years. He began his investment career in 1986 working in the secondary marketing department of a mortgage banking company. Mr. Cloud' s experience with mortgage-backed securities led him to Bank One Corporation where he spent 10 years in a variety of consumer lending, asset acquisition and portfolio management roles. He moved to Kansas City in 1988 and managed a \$1.5 billion portfolio of corporate, mortgage and asset-backed securities for a local insurance company. From 1998 to 2003, he was a Vice President of Securities for Business Men' s Assurance. Mr. Cloud is a member of the Kansas City CFA Society and the CFA Institute. He received his bachelor' s degree in business administration from Bowling Green State University and his master' s degree in business administration from the University of Dayton.

Peter G. Greig, CFA - Mr. Greig is a Senior Vice President and Co-Chief Investment Officer, Fixed Income of the Advisor. He joined the Advisor in 1989 as a trader and fixed income analyst. Mr. Greig manages fixed income portfolios for institutional clients with various objectives. In addition, he oversees the Advisor' s fixed income trading operations, provides fixed income expertise to other managers, and is chairman of the Advisor' s fixed income investment committee. Mr. Greig has been managing client accounts on a discretionary basis for 24 years. Prior to joining the Advisor, Mr. Greig' s experience included working in the pension fund investment department at the Chrysler Corporation, as well as working in managerial positions for several small businesses. Mr. Greig received his Masters of Business Administration degree, with a major in Finance, from

[Table of Contents](#)

Indiana University and his undergraduate degree in business administration from the University of Kansas. He is a member of the Kansas City CFA Society and is a Chartered Financial Analyst.

The Statement of Additional Information provides additional information about the portfolio managers, including their compensation, other accounts managed by the portfolio managers, and the portfolio managers' ownership of shares of the Funds.

ACCOUNT INFORMATION

How To Buy Shares

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. This means that when you open an account, we will ask for your name, residential address, date of birth, government identification number and other information that will allow us to identify you. We also may ask to see your driver's license or other identifying documents, and may take additional steps to verify your identity. If we do not receive these required pieces of information, there may be a delay in processing your investment request, which could subject your investment to market risk. If we are unable to immediately verify your identity, the Funds may restrict further investment until your identity is verified. However, if we are unable to verify your identity, the Funds reserve the right to close your account without notice and return your investment to you at the applicable Fund's NAV determined on the day in which your account is closed. If we close your account because we are unable to verify your identity, your investment will be subject to market fluctuation, which could result in a loss of a portion of your principal investment.

The minimum initial investment in each Fund is \$250,000 and minimum subsequent investments are \$100. The Advisor may, in its sole discretion, waive these minimums for individual retirement accounts (IRAs) and in certain other circumstances. Each Fund may waive or lower investment minimums for investors who invest in the Fund through an asset-based fee program made available through a financial intermediary. If your investment is aggregated into an omnibus account established by an investment advisor, broker or other intermediary, the account minimums apply to the omnibus account, not to your individual investment; however, the financial intermediary may also impose minimum requirements that are different from those set forth in this prospectus. If you choose to purchase or redeem shares directly from a Fund, you will not incur charges on purchases and redemptions (other than for short-term redemptions). However, if you purchase or redeem shares through a broker-dealer or another intermediary, you may be charged a fee by that intermediary.

BY DEPOSITING SECURITIES – Shares of a Fund may be purchased in exchange for an investor's securities if the securities are acceptable to the Advisor and satisfy applicable investment objectives and policies of that Fund. Investors interested in exchanging securities should first contact the Advisor and acquire instructions regarding submission of a written description of the securities which the investor wishes to exchange. A Fund must receive a written representation that all such securities offered to the Fund are not subject to any sale restrictions. Within five business days of receipt of the written description of securities and the required representation, the Advisor will notify the investor whether the securities to be exchanged are acceptable. There is no charge for this review by the Advisor. Securities accepted by a Fund must have a readily ascertainable value as determined by the Fund's administrator and fund accountant. Securities are valued in the manner described for valuing Fund assets in the section entitled "Determination of Net Asset Value." Acceptance of an order may occur on any day during the five-day period afforded the Advisor to review the acceptability of the securities. Upon acceptance of such order, the securities must be delivered in fully negotiable form within five days. The Advisor will provide delivery instructions at the time of acceptance. A gain or loss for federal income tax purposes may be realized by the investor upon the exchange of securities, depending upon the adjusted tax basis and value of the securities tendered. A Fund will accept securities in this manner only for purposes of investment, and not for resale.

Table of Contents

Initial Purchase

By Mail - To be in proper form, your initial purchase request must include:

a completed and signed investment application form; and

a personal check with name pre-printed (subject to the minimum amounts) made payable to the appropriate Fund

Mail the application and check to:

U.S. Mail:

FCI Value Equity Fund or
FCI Bond Fund
c/o Huntington Asset Services, Inc.
P.O. Box 6110
Indianapolis, Indiana 46206-6110

Overnight:

FCI Value Equity Fund or
FCI Bond Fund
c/o Huntington Asset Services, Inc.
2960 North Meridian Street, Suite 300
Indianapolis, Indiana 46208

By Wire - You may also purchase shares of each Fund by wiring federal funds from your bank, which may charge you a fee for doing so. To wire money, you must call Shareholder Services at 1-877-627-8504 to obtain instructions on how to set up your account and to obtain an account number.

You must provide a signed application to Huntington Asset Services, Inc., at the above address in order to complete your initial wire purchase. Wire orders will be accepted only on a day on which the Funds, their custodian and transfer agent are open for business. A wire purchase will not be considered made until the wired money is received and the purchase is received by the appropriate Fund. The purchase price per share will be the net asset value next determined after the wire purchase is received by a Fund. Any delays which may occur in wiring money, including delays which may occur in processing by the banks, are not the responsibility of the Funds or the transfer agent. There is presently no fee for the receipt of wired funds, but the Funds may charge shareholders for this service in the future.

Additional Investments

You may purchase additional shares of the Funds at any time (subject to minimum investment requirements) by mail, wire or automatic investment. Each additional mail purchase request must contain:

- your name
- the name on your account(s)
- your account number(s)
- a check made payable to your Fund

Checks should be sent to the appropriate Fund at the address listed under the heading "Initial Purchase - By Mail" in this prospectus. To send a bank wire, follow the instructions outlined under the heading "Initial Purchase - By Wire" in this prospectus.

Automatic Investment Plan

You may make regular investments in the Funds with an Automatic Investment Plan by completing the appropriate section of the account application or completing a systematic investment plan form with the proper signature guarantee and attaching a voided personal check. Investments may be made monthly to allow dollar-cost averaging by automatically deducting \$100 or more from your bank checking account. You may change the amount of your monthly purchase at any time. If an Automatic Investment Plan purchase is rejected by your bank, your shareholder account will be charged a fee to defray bank charges.

[Table of Contents](#)

Tax Sheltered Retirement Plans

Shares of the Funds may be an appropriate investment medium for tax-sheltered retirement plans, including: individual retirement plans (IRAs); simplified employee pensions (SEPs); 401(k) plans; qualified corporate pension and profit-sharing plans (for employees); tax-deferred investment plans (for employees of public school systems and certain types of charitable organizations); and other qualified retirement plans. You should contact the Funds' transfer agent for the procedure to open an IRA or SEP plan, as well as more specific information regarding these retirement plan options. Please consult with an attorney or tax advisor regarding these plans. You must pay custodial fees for your IRA by redemption of sufficient shares of the applicable Fund from the IRA unless you pay the fees directly to the IRA custodian. Call Shareholder Services about the IRA custodial fees.

Distribution Plan

Each Fund has adopted a distribution plan in accordance with Rule 12b-1 under the Investment Company Act of 1940. Under this plan, each Fund may pay a fee of 0.25% of its average daily net assets to the Advisor and/or certain broker-dealers, investment advisors, banks or other financial institutions to help defray the cost of servicing Fund shareholders. Because these fees are an ongoing expense, over time they reduce the net investment results of a Fund and may cost you more than paying other types of sales charges. Neither Fund has implemented its 12b-1 Plan, although a Fund may do so at any time after January 31, 2014 upon notice to shareholders.

Other Purchase Information

The Funds may limit the amount of purchases and refuse to sell shares to any person. If your check or wire does not clear, you will be responsible for any loss incurred by a Fund. You may be prohibited or restricted from making future purchases in either Fund. Checks must be made payable to the appropriate Fund. The Funds and their transfer agent may refuse any purchase order for any reason. Cash, third party checks (except for properly endorsed IRA rollover checks), counter checks, starter checks, traveler' s checks, money orders, (other than money orders issued by a bank), credit card checks, and checks drawn on non-U.S. financial institutions will not be accepted. Cashier' s checks, bank official checks, and bank money orders may be accepted in amounts greater than \$10,000. In such cases, a fifteen (15) business day hold will be applied to the funds (which means that you may not redeem your shares until the holding period has expired). Cashier' s checks and bank official checks in amounts less than \$10,000 will also be accepted for IRA transfers from other financial institutions.

The Funds have authorized certain broker-dealers and other financial institutions (including their designated intermediaries) to accept on their behalf purchase and sell orders. A Fund is deemed to have received an order when the authorized person or designee accepts the order, and the order is processed at the net asset value next calculated thereafter. It is the responsibility of the broker-dealer or other financial institution to transmit orders promptly to the Funds' transfer agent.

How To Exchange Shares

You may exchange your shares of one Fund for shares of the other Fund. In general, the same rules and procedures that apply to sales and purchases apply to exchanges. You may call Shareholder Services at 1-877-627-8504 to exchange shares. An exchange may also be made by written request signed by all registered owners of the account mailed to the address listed above. Requests for exchanges received prior to close of trading on the New York Stock Exchange (normally 4:00 p.m. Eastern time) will be processed based on the next determined net asset value ("NAV") as of the close of business on the same day.

An exchange is made by selling shares of one Fund and using the proceeds to buy shares of another Fund, with the NAV for the sale and the purchase calculated on the same day. An exchange results in a sale of shares for federal income tax purposes. If you make use of the exchange privilege, you may realize either a long term or short term capital gain or loss on the shares sold.

[Table of Contents](#)

Before making an exchange, you should consider the investment objective of the Fund to be purchased. If your exchange creates a new account, you must satisfy the requirements of the Fund in which shares are being purchased. You may make an exchange to a new account or an existing account; however, the account ownership must be identical. Exchanges may be made only in states where an exchange may legally be made. The Funds reserve the right to terminate or modify the exchange privilege at any time.

How To Redeem Shares

You may receive redemption payments by check, ACH or federal wire transfer. The proceeds may be more or less than the purchase price of your shares, depending on the market value of a Fund' s securities at the time of your redemption. A wire transfer fee of \$15 is charged to defray custodial charges for redemptions paid by wire transfer. This fee is subject to change. Any charges for wire redemptions will be deducted from your account by redemption of shares. The Funds do not intend to redeem shares in any form except cash. However, if the amount you are redeeming is over the lesser of \$250,000 or 1% of a Fund' s net asset value, each Fund has the right to redeem your shares by giving you the amount that exceeds the lesser of \$250,000 or 1% of the Fund' s net asset value in securities instead of cash. In the event that an in-kind distribution is made, a shareholder may incur additional expenses, such as the payment of brokerage commissions, on the sale or other disposition of the securities received from the Fund. If you redeem your shares through a broker-dealer or other institution, you may be charged a fee by that institution.

By Mail - You may redeem any part of your account in a Fund at no charge by mail. Your request should be addressed to:

U.S. Mail:

FCI Value Equity Fund or
FCI Bond Fund
c/o Huntington Asset Services, Inc.
P.O. Box 6110
Indianapolis, Indiana 46206-6110

Overnight:

FCI Value Equity Fund or
FCI Bond Fund
c/o Huntington Asset Services, Inc.
2960 North Meridian Street, Suite 300
Indianapolis, Indiana 46208

Your request for a redemption must include your letter of instruction, including the Fund name, account number, account name(s), the address, and the dollar amount or number of shares you wish to redeem. Requests to sell shares that are received in good order are processed at the net asset value next calculated after a Fund receives your order in proper form. To be in proper order, your request must be signed by all registered share owner(s) in the exact name(s) and any special capacity in which they are registered. A Fund may require that signatures be guaranteed if you request the redemption check be made payable to any person other than the shareholder(s) of record, mailed to an address other than the address of record, or if the mailing address has been changed within 30 days of the redemption request, or in certain other circumstances, such as to prevent unauthorized account transfers or redemptions. A Fund may also require a signature guarantee for redemptions of \$50,000 or more. Signature guarantees are for the protection of shareholders. You can obtain a signature guarantee from most banks and securities dealers, but not from a notary public. All documentation requiring a signature guarantee stamp must utilize a New Technology Medallion stamp, generally available from the bank where you maintain a checking or savings account. For joint accounts, both signatures must be guaranteed. Please call Shareholder Services at 1-877-627-8504 if you have questions. At the discretion of the Funds or the Funds' transfer agent, a shareholder, prior to redemption, may be required to furnish additional legal documents to insure proper authorization.

By Telephone - You may redeem any part of your account (up to \$50,000) in a Fund by calling Shareholder Services at 1-877-627-8504. You must first complete the Optional Telephone Redemption and Exchange section of the investment application or provide a signed letter of instructions with the proper signature guarantee stamp to institute this option. The Funds, the transfer agent and the custodian are not liable for following redemption or exchange instructions communicated by telephone to the extent that they reasonably believe the telephone

[Table of Contents](#)

instructions to be genuine. However, if they do not employ reasonable procedures to confirm that telephone instructions are genuine, they may be liable for any losses due to unauthorized or fraudulent instructions. Procedures employed may include recording telephone instructions and requiring a form of personal identification from the caller.

The Funds or the transfer agent may terminate the telephone redemption procedures at any time. During periods of extreme market activity, it is possible that shareholders may encounter some difficulty in telephoning a Fund, although neither the Funds nor the transfer agent have ever experienced difficulties in receiving and in a timely fashion responding to telephone requests for redemptions or exchanges. If you are unable to reach the Funds by telephone, you may request a redemption or exchange by mail.

Additional Information - If you are not certain of the requirements for a redemption please call Shareholder Services at 1-877-627-8504. Redemptions specifying a certain date or share price cannot be accepted and will be returned. You will be mailed the proceeds on or before the fifth business day following the redemption. However, payment for redemption made against shares purchased by check will be made only after the check has been collected, which normally may take up to fifteen calendar days. Also, when the New York Stock Exchange is closed (or when trading is restricted) for any reason other than its customary weekend or holiday closing, or under any emergency circumstances (as determined by the Securities and Exchange Commission) the Funds may suspend redemptions or postpone payment dates. You may be assessed a fee if a Fund incurs bank charges because you direct the Fund to re-issue a redemption check.

Redemption proceeds sent by check by a Fund and not cashed within 180 days will be reinvested in the applicable Fund at the current day's NAV. Redemption proceeds that are reinvested are subject to market risk like any other investment in a Fund.

Because the Funds incur certain fixed costs in maintaining shareholder accounts, the Funds may require you to redeem all of your shares in a Fund on 30 days' written notice if the value of your shares in the Fund is less than \$1,000 due to redemptions, or such other minimum amount as the Fund may determine from time to time. You may increase the value of your shares in a Fund to the minimum amount within the 30-day period. All shares of a Fund are also subject to involuntary redemption if the Board of Trustees determines to liquidate a Fund. In such event, pursuant to the Agreement and Declaration of Trust, the Board may close a Fund with notice to shareholders but without having to obtain shareholder approval. An involuntary redemption will create a capital gain or capital loss which may have tax consequences about which you should consult your tax advisor.

Funds' Policy on Market Timing. The Funds discourage market timing. Market timing is an investment strategy using frequent purchases, redemptions and/or exchanges in an attempt to profit from short-term market movements. Market timing may result in dilution of the value of a Fund's shares held by long-term shareholders, disrupt portfolio management and increase a Fund's expenses for all shareholders. The Board of Trustees has adopted a policy directing each Fund to reject any purchase order with respect to any investor, a related group of investors or their agent(s), where it detects a pattern of purchases and sales of a Fund that indicates market timing or trading that it determines is abusive. This policy generally applies to all of the Funds' shareholders. The Board of Trustees has adopted a redemption policy to discourage short-term traders and/or market timers from investing in each Fund. A 1.00% short-term redemption fee will be assessed by each Fund against investment proceeds withdrawn within 60 calendar days of investment. Fund shares received from reinvested distributions or capital gains are not subject to the redemption fee. After excluding any shares that are associated with reinvested distributions from the redemption fee calculation, each Fund uses a "first-in, first-out" method to determine the 60-day holding period. Thus, if you bought shares on different days, the shares purchased first will be redeemed first for purposes of determining whether the redemption fee applies. The proceeds collected from redemption fees will be used for the benefit of existing shareholders. The Funds' Administrator performs automated monitoring of any short-term trading activity in each Fund's shares. Any instance of suspected short-term trading is investigated by the Administrator's compliance department. If such trades were deemed to be a violation of the Funds' short-term trading policy, then the Advisor would be notified and action taken, such as suspending future

Table of Contents

purchases by the short-term trader. The Administrator provides a quarterly certification to the Board of Trustees, confirming that it has monitored shareholders' trades for potential short-term trading activity and, if such activity were to be discovered, the Administrator would be required to report such short-term trading to the Board of Trustees.

If you invest in a Fund through a bank, broker-dealer, 401(k) plan, financial advisor or financial supermarket ("Financial Intermediary"), the Financial Intermediary may, in lieu of charging the redemption fee set forth in this Prospectus, enforce its own market timing policy. "Omnibus accounts" that include multiple customers of the Financial Intermediary also will be exempt from the redemption fee if the Financial Intermediary does not track and/or process redemption fees. Additionally, the transfer of shares from one retirement account to another, accounts participating in a wrap fee program and redemptions caused by decisions of employer-sponsored retirement plans may be exempt from the redemption fee. Redemption fees may be waived for mandatory retirement withdrawals, systematic withdrawals, redemptions made to pay for various administrative fees and, at the sole discretion of a Fund's Advisor, due to changes in an investor's circumstances, such as death. No exceptions will be granted to persons believed by a Fund to be "market-timers."

While both Funds attempt to deter market timing, there is no assurance that either Fund will be able to identify and eliminate all market timers. For example, certain accounts called "omnibus accounts" include multiple shareholders. Despite a Fund's efforts to detect and prevent abusive trading activities, it may be difficult to identify such activity in certain omnibus accounts traded through a financial intermediary. Omnibus accounts typically provide a Fund with a net purchase or redemption request on any given day where purchasers of Fund shares and redeemers of Fund shares are netted against one another and the identity of individual purchasers and redeemers whose orders are aggregated is not known by a Fund. Consequently, a Fund may not have knowledge of the identity of investors and their transactions. The netting effect often makes it more difficult to apply redemption fees, and there can be no assurance that either Fund will be able to apply the fee to such accounts in an effective manner. Under a federal rule, each Fund is required to have an agreement with many of its intermediaries obligating the intermediaries to provide, upon the Fund's request, information regarding the intermediaries' customers and their transactions. However, there can be no guarantee that all excessive, short-term or other abusive trading activities will be detected, even with such an agreement in place. Certain intermediaries, in particular retirement plan sponsors and administrators, may have less restrictive policies regarding short-term trading. In addition to the redemption fee, each Fund reserves the right to reject any purchase order for any reason, including purchase orders that it does not think are in the best interest of the Fund or its shareholders, or if the Fund thinks that trading is abusive. Neither Fund has entered into any arrangements with any person to permit frequent purchases and redemptions of Fund Shares.

Determination of Net Asset Value

The price you pay for your shares is based on the applicable Fund's net asset value per share ("NAV"). The NAV is calculated at the close of trading (normally 4:00 p.m. Eastern time) on each day the New York Stock Exchange is open for business (the Stock Exchange is closed on weekends, most Federal holidays and Good Friday). The NAV is calculated by dividing the value of a Fund's total assets (including interest and dividends accrued but not yet received) minus liabilities (including accrued expenses) by the total number of shares outstanding. Requests to purchase and sell shares are processed at the NAV next calculated after a Fund receives your order in proper form.

Each Fund's assets generally are valued at their market value. If market quotations are not readily available, or if an event occurs after the close of the trading market but before the calculation of a Fund's NAV that materially affects the value, the security will be valued by the Fund's Advisor at a fair value (the amount which the Fund might reasonably expect to receive for the security upon its current sale) as determined in good faith by the Advisor according to procedures approved by the Board of Trustees. Fair valuation also is permitted if, in the Advisor'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

[Table of Contents](#)

of a market but before a Fund's NAV calculation that may affect a security's value, or the Advisor is aware of any other data that calls into question the reliability of market quotations. Without fair valuation, short-term traders could take advantage of the arbitrage opportunity and dilute the NAV of long-term investors. Fair valuation of a Fund's portfolio securities can serve to reduce arbitrage opportunities available to short-term traders, but there is no assurance that fair value pricing policies will prevent dilution of a Fund's NAV by short-term traders, or that a Fund will realize fair valuation upon the sale of a security.

Dividends, Distributions and Taxes

Dividends and Distributions. Each Fund typically distributes to its shareholders as dividends substantially all of its net investment income and any realized net capital gains. These distributions are automatically reinvested in the applicable Fund unless you request cash distributions on your application or through a written request. The Value Equity Fund expects that its distributions will consist primarily of net realized capital gains. The Bond Fund expects that its distributions will consist primarily of net investment income. Each Fund declares and pays dividends at least annually, except that the Bond Fund declares and pays dividends on a quarterly basis.

Taxes. Net investment income distributed by the Funds generally will consist of interest income, if any, and dividends received on investments, less expenses. The dividends you receive, whether or not reinvested, will be taxed as ordinary income except as discussed below (including in the table).

Each Fund will typically distribute net realized capital gains to its shareholders once a year. Capital gains are generated when a Fund sells its capital assets for a profit. Capital gains are taxed differently depending on how long a Fund has held the capital asset sold. Distributions of gains recognized on the sale of capital assets held for one year or less are taxed at ordinary income rates; distributions of gains recognized on the sale of capital assets held longer than one year are taxed at long-term capital gains rates regardless of how long you have held your shares. If a Fund distributes an amount exceeding its income and gains, this excess will generally be treated as a non-taxable return of capital.

Unless you indicate another option on your account application, any dividends and capital gain distributions paid to you by a Fund automatically will be invested in additional shares of that Fund. Alternatively, you may elect to have: (1) dividends paid to you in cash and the amount of any capital gain distributions reinvested; or (2) the full amount of any dividends and capital gain distributions paid to you in cash. Each Fund will send dividends and capital gain distributions elected to be received as cash to the address of record or bank of record on the applicable account. Your distribution option will automatically be converted to having all dividends and other distributions reinvested in additional shares if any of the following occur:

Postal or other delivery service is unable to deliver checks to the address of record;

Dividends and capital gain distributions are not cashed within 180 days; or

Bank account of record is no longer valid.

Dividends and capital gain distribution checks issued by a Fund which are not cashed within 180 days will be reinvested in the applicable Fund at the current day's NAV. When reinvested, those amounts are subject to market risk like any other investment in a Fund.

You may want to avoid making a substantial investment when a Fund is about to make a taxable distribution because you would be responsible for any taxes on the distribution regardless of how long you have owned your shares.

Selling shares (including redemptions) and receiving distributions (whether reinvested or taken in cash) usually are taxable events to the Funds' shareholders. These transactions typically create the following tax liabilities for taxable accounts:

Table of Contents

Summary of Certain Federal Income Tax Consequences for Taxable Accounts

The following discussion reflects current law.

<u>Type of Transaction</u>	<u>Tax Status</u>
Qualified dividend income	Generally maximum 15% rate on non-corporate taxpayers whose income is equal to or less than \$400,000 (individual filers) or \$450,000 (married filing jointly) and 20% on individual taxpayers whose income exceeds these thresholds and on most trusts and estates.
Net short-term capital gain distributions	Ordinary income rate
Net long-term capital gain distributions	Generally maximum 15% rate on non-corporate taxpayers whose income is equal to or less than \$400,000 (individual filers) or \$450,000 (married filing jointly) and 20% on individual taxpayers whose income exceeds these thresholds and on most trusts and estates.
Sales of shares (including redemptions) owned more than one year	Gains taxed at generally maximum 15% rate on non-corporate taxpayers whose income is equal to or less than \$400,000 (individual filers) or \$450,000 (married filing jointly) and 20% on individual taxpayers whose income exceeds these thresholds and on most trusts and estates.
Sales of shares (including redemptions) owned for one year or less	Gains are taxed at the same rate as ordinary income; losses are subject to special rules.

For taxable years beginning after December 31, 2012, an additional 3.8% Medicare tax generally will be imposed on certain net investment income of non-corporate taxpayers, including dividends and capital gain distributions received from a Fund and gains from the sale of shares, including redemptions.

As described generally above, designated income dividends paid by a Fund to non-corporate shareholders generally will qualify for a maximum federal income tax rate of 15% or 20% to the extent such income dividends are attributable to qualified dividend income from a Fund's investment in common and preferred stock of U.S. and foreign corporations, provided that certain holding period and other requirements are met. However, to the extent that a Fund has ordinary income from investments in debt securities, for example, such as interest income, income dividends paid by a Fund and attributable to that income will not qualify for the reduced tax rate.

If shares of a Fund are purchased within 30 days before or after redeeming other shares of the Fund at a loss, all or a portion of that loss will not be deductible and will increase the basis of the newly purchased shares. If shares of a Fund are sold at a loss after being held by a shareholder for six months or less, the loss will be long-term, instead of short-term, capital loss to the extent of any capital gain distributions received on the shares.

If you are a non-corporate shareholder and if a Fund does not have your correct social security or other taxpayer identification number, federal law requires us to withhold and pay to the Internal Revenue Service 28% of your distributions and sales proceeds. If you are subject to back up withholding, we also will withhold and pay to the IRS 28% of your distributions (under current law). Any tax withheld may be applied against the tax liability on your federal income tax return.

[Table of Contents](#)

Because your tax situation is unique, you should consult your tax professional about federal, state and local tax consequences.

Cost Basis Reporting. As of January 1, 2012, federal law requires that mutual fund companies report their shareholders' cost basis, gain/loss, and holding period to the Internal Revenue Service on each Fund' s shareholders' Form 1099s when "covered" securities are sold. Covered securities include any regulated investment company and/or dividend reinvestment plan shares acquired on or after January 1, 2012.

The Funds have chosen Average Cost as the default tax lot identification method for all shareholders. This tax lot identification method is the way a Fund will determine which specific shares are deemed to be sold when there are multiple purchases (including reinvested dividends and capital gain distributions) on different dates at differing net asset values, and the entire position is not sold at one time. A Fund' s default tax lot identification method is the method covered securities will be reported on your Consolidated Form 1099 if you do not select a specific tax lot identification method. You may choose a method different from a Fund' s default lot identification method, at the time of your purchase or upon the sale of covered securities. Please refer to the appropriate Treasury Department regulations or consult your tax advisor with regard to your personal circumstances.

General Disclaimer. For covered securities, a Fund is responsible for maintaining accurate cost basis and tax lot identification information for tax reporting purposes. A Fund is not responsible for the reliability or accuracy of the information for those securities that are not "covered." A Fund and its service providers do not provide tax advice. You should consult independent sources, which may include a tax professional, with respect to any decisions you may make with respect to choosing a tax lot identification method.

FINANCIAL HIGHLIGHTS

The following tables are intended to help you better understand the financial performance of each Fund for the periods shown. Prior to November 7, 2011, the FCI Value Equity Fund was known as the FCI Equity Fund, and followed an equity growth (not value) investment strategy. Certain information reflects financial results for a single Fund share. Total return represents the rate you would have earned (or lost) on an investment in each Fund, assuming reinvestment of all dividends and distributions. The information was audited by Cohen Fund Audit Services, Ltd., Independent Registered Public Accounting Firm, whose report, along with each Fund's financial statements, is included in each Fund's Annual Report to Shareholders, which is available upon request without charge.

Table of Contents

FCI Funds

Financial Highlights

(For a share outstanding throughout each period)

	FCI Value Equity Fund				
	Year ended September 30, 2012	Year ended September 30, 2011	Year ended September 30, 2010	Year ended September 30, 2009	Year ended September 30, 2008
Selected Per Share Data:					
Net asset value, beginning of period	\$ 9.26	\$ 9.14	\$ 8.71	\$ 9.80	\$ 12.76
Income (loss) from investment operations:					
Net investment income	0.18	0.06	0.06	0.05	0.05
Net realized and unrealized gains (losses)	1.55	0.11	0.43	(1.09)	(2.21)
Total income from investment operations	1.73	0.17	0.49	(1.04)	(2.16)
Less distributions:					
From net investment income	(0.10)	(0.05)	(0.06)	(0.05)	(0.06)
From net realized gain	(0.04)	—	—	—	(0.74)
Total distributions	(0.14)	(0.05)	(0.06)	(0.05)	(0.80)
Paid in capital from redemption fees	— (a)	—	—	— (a)	— (a)
Net asset value, end of period	\$ 10.85	\$ 9.26	\$ 9.14	\$ 8.71	\$ 9.80
Total Return (b)	18.85 %	1.86 %	5.62 %	-10.47 %	-18.02 %

Ratios and Supplemental

Data:

Net assets, end of period (000)	\$ 9,996	\$ 11,887	\$ 12,788	\$ 12,786	\$ 10,168
Ratio of expenses to average net assets	1.00 %	1.00 %	1.00 %	1.00 %	1.00 %
Ratio of expenses to average net assets before reimbursement	2.03 %	1.64 %	1.84 %	1.95 %	1.88 %
Ratio of net investment income to average net assets	1.63 %	0.63 %	0.65 %	0.80 %	0.52 %
Ratio of net investment income (loss) to average net assets before reimbursement	0.60 %	(0.01)%	(0.19)%	(0.15)%	(0.36)%
Portfolio turnover rate	43.68 %	132.16 %	206.29 %	230.75 %	197.30 %

(a) Redemption fees resulted in less than \$0.005 per share in each period.

- (b) 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.

Table of Contents

FCI Funds

Financial Highlights

(For a share outstanding throughout each period)

	FCI Bond Fund				
	Year ended September 30, 2012	Year ended September 30, 2011	Year ended September 30, 2010	Year ended September 30, 2009	Year ended September 30, 2008
Selected Per Share Data:					
Net asset value, beginning of period	\$ 10.43	\$ 10.86	\$ 10.47	\$ 9.64	\$ 10.03
Income (loss) from investment operations:					
Net investment income	0.32	0.36	0.43	0.38	0.42
Net realized and unrealized gains (losses)	0.42	(0.22)	0.40	0.87	(0.37)
Total income from investment operations	0.73	0.14	0.83	1.25	0.05
Less distributions:					
From net investment income	(0.32)	(0.36)	(0.42)	(0.38)	(0.44)
From net realized gain	(0.05)	(0.21)	(0.02)	(0.04)	–
Total distributions	(0.37)	(0.57)	(0.44)	(0.42)	(0.44)
Paid in capital from redemption fees	– (a)	–	– (a)	– (a)	– (a)
Net asset value, end of period	\$ 10.79	\$ 10.43	\$ 10.86	\$ 10.47	\$ 9.64
Total Return (b)	7.17 %	1.45 %	8.12 %	13.16 %	0.37 %

Ratios and Supplemental

Data:

Net assets, end of period (000)	\$ 58,025	\$ 33,599	\$ 35,145	\$ 27,986	\$ 16,116
Ratio of expenses to average net assets	0.80 %	0.80 %	0.80 %	0.80 %	0.80 %
Ratio of expenses to average net assets before reimbursement	0.88 %	0.87 %	0.96 %	1.06 %	1.21 %
Ratio of net investment income to average net assets	2.93 %	3.37 %	3.97 %	3.92 %	4.15 %
Ratio of net investment income to average net assets before reimbursement	2.85 %	3.30 %	3.81 %	3.66 %	3.74 %
Portfolio turnover rate	65.56 %	54.86 %	63.02 %	61.35 %	25.99 %

(a) Redemption fees resulted in less than \$0.005 per share in each period.

- (b) 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.

[Table of Contents](#)

FOR MORE INFORMATION

Several additional sources of information are available to you. The Statement of Additional Information (SAI), incorporated by reference into this prospectus, contains detailed information on the FCI Funds' policies and operations, including their policies and procedures relating to the disclosure of portfolio holdings by the Funds' affiliates. Annual reports contain management' s discussion of market conditions and investment strategies that significantly affected the Funds' performance results as of the Funds' latest fiscal year end.

Call Shareholder Services at 1-877-627-8504 to request free copies of the SAI, to request other information about the FCI Funds and to make shareholder inquiries. The Funds' SAI and annual and semi-annual reports are not made available on a website, because the Funds currently do not have a website. The requested documents will be sent within three business days of receipt of the request.

You may review and copy information about the FCI Funds (including the SAI and other reports) at the Securities and Exchange Commission (SEC) Public Reference Room in Washington, D.C. Call the SEC at 1-202-551-8090 for room hours and operation. You may also obtain reports and other information about the FCI Funds on the EDGAR Database on the SEC' s Internet site at <http://www.sec.gov>, and copies of this information may be obtained, after paying a duplicating fee, by electronic request at the following e-mail address: publicinfo@sec.gov, or by writing the SEC' s Public Reference Section, Washington, D.C. 20549-1520.

[Table of Contents](#)

**FCI VALUE EQUITY FUND
FCI BOND FUND**

STATEMENT OF ADDITIONAL INFORMATION

January 28, 2013

This Statement of Additional Information (“SAI”) is not a prospectus. It should be read in conjunction with the Funds’ Prospectus dated January 28, 2013. This SAI incorporates by reference the annual report to shareholders of the FCI Value Equity Fund and the FCI Bond Fund for the fiscal year ended September 30, 2012 (“Annual Report”). A free copy of the Prospectus or Annual Report can be obtained by writing the transfer agent at Huntington Asset Services, Inc., 2960 North Meridian Street, Suite 300, Indianapolis, Indiana 46208, or by calling Shareholder Services at 1-877-627-8504.

TABLE OF CONTENTS

	<u>Page</u>
DESCRIPTION OF THE TRUST AND THE FUNDS	1
ADDITIONAL INFORMATION ABOUT THE FUNDS’ INVESTMENTS AND RISK CONSIDERATIONS	2
INVESTMENT LIMITATIONS	10
INVESTMENT ADVISOR	12
TRUSTEES AND OFFICERS	15
CONTROL PERSONS AND PRINCIPAL HOLDERS OF SECURITIES	20
ANTI-MONEY LAUNDERING COMPLIANCE PROGRAM	21
PORTFOLIO TURNOVER	21
PORTFOLIO TRANSACTIONS AND BROKERAGE	21
DISCLOSURE OF PORTFOLIO HOLDINGS	22
DISTRIBUTION PLAN	23
PROXY VOTING POLICY	24
DETERMINATION OF NET ASSET VALUE	24
REDEMPTION IN-KIND	25
STATUS AND TAXATION OF THE FUNDS	25
CUSTODIAN	28
FUND SERVICES	28
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	29
DISTRIBUTOR	29
FINANCIAL STATEMENTS	30
APPENDIX	31

[Table of Contents](#)

DESCRIPTION OF THE TRUST AND THE FUNDS

The FCI Value Equity Fund (“Value Equity Fund”) and the FCI Bond Fund (“Bond Fund”) (collectively, the “Funds”) each was organized as a diversified series of Unified Series Trust (the “Trust”) on June 13, 2005. Prior to November 7, 2011, the Value Equity Fund was known as the FCI Equity Fund. 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 Trustees to issue an unlimited number of shares of beneficial interest of separate series without par value. Each Fund is one of a series of funds currently authorized by the Trustees. Each Fund was declared effective on September 28, 2005. The Value Equity Fund commenced operations on October 5, 2005, and the Bond Fund commenced operations on October 4, 2005. The investment advisor to the FCI Funds is Financial Counselors Inc. (the “Advisor”).

Each share of a series represents an equal proportionate interest in the assets and liabilities belonging to that series and is entitled to such dividends and distributions out of income belonging to the series as are declared by the Trustees. Each share has the same voting and other rights and preferences as any other share of any series of the Trust for matters that affect the Trust as a whole. The Funds may offer additional classes of shares in the future.

The Funds do not issue share certificates. All shares are held in non-certificate form registered on the books of each Fund and the Funds’ transfer agent for the account of the shareholder. The shares do not have cumulative voting rights or any preemptive or conversion rights, and the Trustees have the authority from time to time to divide or combine the shares of any series into a greater or lesser number of shares of that series so long as the proportionate beneficial interest in the assets belonging to that series and the rights of shares of any other series are in no way affected. In case of any liquidation of a series, the holders of shares of the series being liquidated will be entitled to receive as a class a distribution out of the assets, net of the liabilities, belonging to that series. Expenses attributable to any series are borne by that series. Any general expenses of the Trust not readily identifiable as belonging to a particular series are allocated by or under the direction of the Trustees in such manner as the Trustees determine to be fair and equitable. No shareholder is liable to further calls or to assessment by the Trust without his or her express consent.

Any Trustee of the Trust may be removed by vote of the shareholders holding not less than two-thirds of the outstanding shares of the Trust. The Trust does not hold an annual meeting of shareholders. When matters are submitted to shareholders for a vote, each shareholder is entitled to one vote for each whole share he owns and fractional votes for fractional shares he owns. All shares of each Fund have equal voting rights and liquidation rights. The Trust Agreement can be amended by the Trustees, except that certain amendments that could adversely affect the rights of shareholders must be approved by the shareholders affected. Each share of a Fund is subject to involuntary redemption if the Trustees determine to liquidate a Fund. The Fund will provide notice to the shareholders if the Board determines, in its sole judgment, to liquidate a Fund, but the Fund will not be required to obtain shareholder approval prior to such liquidation. An involuntary redemption will create a capital gain or a capital loss, which may have tax consequences about which you should consult your tax advisor.

For information concerning the purchase and redemption of shares of a Fund, see “How to Buy Shares” and “How to Redeem Shares” in the Funds’ Prospectus. For a description of the methods used to determine the share price and value of each Fund’ s assets, see “Determination of Net Asset Value” in the Funds’ Prospectus and this SAI.

The Funds may authorize one or more brokers or other intermediaries (an “Intermediary”) to receive on their behalf purchase and redemption orders. Such Intermediaries would be authorized to designate others to receive purchase and redemption orders on each Fund’ s behalf. A Fund will be deemed to have received a purchase or redemption order when an authorized Intermediary or, if applicable, its authorized designee, receives the order.

[Table of Contents](#)

Customer orders will be priced at each Fund's net asset value next computed after they are received by an authorized Intermediary and accepted by the Fund. The performance of each Fund may be compared in publications to the performance of various indices and investments for which reliable performance data is available. The performance of each Fund may be compared in publications to averages, performance rankings, or other information prepared by recognized mutual fund statistical services. Each Fund's annual report contains additional performance information and will be made available to investors upon request and without charge.

ADDITIONAL INFORMATION ABOUT THE FUNDS' INVESTMENTS AND RISK CONSIDERATIONS

This section contains additional information regarding some of the investments the Funds may make and some of the techniques they may use.

A. Equity Securities. Equity securities include common stock and common stock equivalents (such as rights and warrants, and convertible securities). Warrants are options to purchase equity securities at a specified price valid for a specific time period. Rights are similar to warrants, but normally have a short duration and are distributed by the issuer to its shareholders.

Warrants are instruments that entitle the holder to buy underlying equity securities at a specific price for a specific period of time. A warrant tends to be more volatile than its underlying securities and ceases to have value if it is not exercised prior to its expiration date. In addition, changes in the value of a warrant do not necessarily correspond to changes in the value of its underlying securities. Rights are similar to warrants, but normally have shorter durations.

Equity securities also include exchange-traded funds ("ETFs"). ETFs include S&P Depository Receipts ("SPDRs"), Select Sector SPDRs, DIAMONDS, QQQQs, iShares, HOLDRS, Fortune e-50, streetTRACKS, Vanguard ETFs and other security baskets. For example, SPDRs are exchange-traded shares that represent ownership in the SPDR Trust, an investment company that was established to own the stocks included in the S&P 500 Index. The price and dividend yield of SPDRs track the movement of the appropriate S&P index relatively closely. DIAMONDS are similar to SPDRs, but own the securities consisting of all of the stocks of the Dow Jones Industrial Average. To the extent a Fund invests in a sector product, the Fund is subject to the risks associated with that sector. Additionally, the Funds may invest in new exchange-traded shares as they become available.

Each Fund may invest in American Depositary Receipts ("ADRs"). ADRs are receipts, issued by domestic banks, for shares of a foreign-based company that entitle the holder to dividends and capital gains on the underlying security. Foreign investments can involve significant risks in addition to the risks inherent in U.S. investments. Securities of foreign companies may experience more rapid and extreme changes in value than securities of U.S. companies because a limited number of companies represent a small number of industries. Many foreign countries lack uniform accounting and disclosure standards comparable to those applicable to U.S. companies, and it may be more difficult to obtain reliable information regarding an issuer's financial condition and operations.

Investing abroad also involves different political and economic risks. Foreign investments may be affected by actions of foreign governments adverse to the interests of U.S. investors, including the possibility of expropriation or nationalization of assets, confiscatory taxation, restrictions on U.S. investment or on the ability to repatriate assets or convert currency into U.S. dollars, or other government intervention. There may be a greater possibility of default by foreign governments or foreign government-sponsored enterprises. Investments in foreign countries also involve a risk of local political, economic or social instability, military action or unrest, or adverse diplomatic developments. There is no assurance that the Advisor will be able to anticipate or counter these potential events and their impacts on a Fund's share price.

Table of Contents

B. Debt Securities. Each Fund may invest in debt securities, including debt securities that are convertible into common stocks. Debt and convertible securities purchased by the FCI Equity Fund will consist of obligations that are rated investment-grade (BBB- or better, or for Moody' s, Baa or higher) by at least one nationally recognized independent rating agency such as Moody' s Investors Services, Inc. ("Moody' s"), Standard & Poor' s Rating Group ("S&P") or Fitch Ratings, or unrated debt securities that the Fund considers to be equivalent to such rated investment-grade securities, having at least adequate capacity to pay interest and repay principal.

The FCI Bond Fund may invest up to 10% of its assets in lower-rated bonds that are rated below investment-grade, commonly referred to as "junk bonds" (bonds that are rated below BBB or its equivalent by any nationally recognized securities rating agency rating such bonds, or in unrated bonds that the Advisor believes are of comparable quality), and in exchange traded funds and closed-end funds that invest in these types of bonds. Debt securities rated below investment-grade are considered to have poor protection with respect to the payment of interest and repayment of principal, or may be in default. These securities are often considered to be speculative and involve greater risk of loss or price changes due to changes in the issuer' s capacity to pay. The market prices of lower-rated debt securities may fluctuate more than those of higher-rated debt securities and may decline significantly in periods of general economic difficulty, which may follow periods of rising interest rates.

The market for lower-rated debt securities may be thinner and less active than that for higher-rated debt securities, which can adversely affect the prices at which the former are sold. If market quotations are not available, lower-rated debt securities will be valued in accordance with procedures established by the Board of Trustees, including the use of outside pricing services. Judgment plays a greater role in valuing high-yield corporate debt securities than is the case for securities for which more external sources for quotations and last-sale information are available. Adverse publicity and changing investor perceptions may affect the ability of outside pricing services to value lower-rated debt securities and the Fund' s ability to sell these securities.

Since the risk of default is higher for lower-rated debt securities, the Advisor' s research and credit analysis are an especially important part of managing securities of this type held by the FCI Bond Fund. In considering investments for the FCI Bond Fund, the Advisor will attempt to identify those issuers of high-yielding debt securities whose financial condition are adequate to meet future obligations, have improved, or is expected to improve in the future. The analysis focuses on relative values based on such factors as interest or dividend coverage, asset coverage, earnings prospects, and the experience and managerial strength of the issuer.

The ratings of S&P, Moody' s and other nationally recognized rating agencies represent the opinions of those rating agencies as to the quality of debt securities. It should be emphasized, however, that ratings are general and are not absolute standards of quality, and debt securities with the same maturity, interest rate and rating may have different yields, while debt securities of the same maturity and interest rate with different ratings may have the same yield.

The payment of principal and interest on most debt securities purchased by a Fund will depend upon the ability of the issuers to meet their obligations. An issuer' s obligations under its debt securities are subject to the provisions of bankruptcy, insolvency, and other laws affecting the rights and remedies of creditors, such as the Federal Bankruptcy Code, and laws, if any, which may be enacted by federal or state legislatures extending the time for payment of principal or interest, or both, or imposing other constraints upon enforcement of such obligations. The power or ability of an issuer to meet its obligations for the payment of interest on, and principal of, its debt securities may be materially adversely affected by litigation or other conditions.

Subsequent to its purchase by a Fund, a rated security may cease to be rated or its rating may be reduced below the minimum rating required for purchase by the Fund. The Advisor will consider such an event in determining whether the Fund involved should continue to hold the security. For a more detailed description of ratings, see the Appendix.

Table of Contents

C. Preferred Stock. Preferred stock has a preference in liquidation (and, generally dividends) over common stock but is subordinated in liquidation to debt. As a general rule the market value of preferred stocks with fixed dividend rates and no conversion rights varies inversely with interest rates and perceived credit risk, with the price determined by the dividend rate. Some preferred stocks are convertible into other securities, (for example, common stock) at a fixed price and ratio or upon the occurrence of certain events. The market price of convertible preferred stocks generally reflects an element of conversion value. Because many preferred stocks lack a fixed maturity date, these securities generally fluctuate substantially in value when interest rates change; such fluctuations often exceed those of long term bonds of the same issuer. Some preferred stocks pay an adjustable dividend that may be based on an index, formula, auction procedure or other dividend rate reset mechanism. In the absence of credit deterioration, adjustable rate preferred stocks tend to have more stable market values than fixed rate preferred stocks. All preferred stocks are also subject to the same types of credit risks of the issuer as corporate bonds. In addition, because preferred stock is junior to debt securities and other obligations of an issuer, deterioration in the credit rating of the issuer will cause greater changes in the value of a preferred stock than in a more senior debt security with similar yield characteristics. Preferred stocks may be rated by S&P and Moody' s although there is no minimum rating which a preferred stock must have (and a preferred stock may not be rated) to be an eligible investment for the Funds. The Advisor expects, however, that generally the preferred stocks in which a Fund invests will be rated at least BBB by S&P or Baa by Moody' s or, if unrated, of comparable quality in the opinion of the Advisor. Moody' s Ratings with respect to preferred stocks do not purport to indicate the future status of payments of dividends.

D. Cash Management. Each Fund may invest directly in cash, ETFs and high-quality short-term fixed-income securities. All money market instruments can change in value when interest rates or an issuer' s creditworthiness change dramatically. Various short-term fixed-income securities that the Funds invest in for cash management purposes are described below:

U.S. Government Obligations. Each Fund may each invest in a variety of U.S. Treasury obligations including bonds, notes and bills that mainly differ only in their interest rates, maturities and time of issuance. Each Fund may also each invest in other securities issued or guaranteed by the U.S. government, its agencies and instrumentalities; such as obligations of Federal Home Loan Banks, Federal Farm Credit Banks, Federal Land Banks, the Federal Housing Administration, Farmers Home Administration, Export-Import Bank of the United States, Small Business Administration, Government National Mortgage Association, Federal National Mortgage Association, General Services Administration, Central Bank for Cooperatives, Federal Home Loan Mortgage Corporation, Federal Intermediate Credit Banks, Maritime Administration, and Resolution Trust Corp. No assurance can be given that the U.S. government will provide financial support to U.S. government-sponsored agencies or instrumentalities if it is not obligated to do so by law.

Repurchase Agreements. Repurchase agreements are agreements by which a Fund purchases a security and obtains a simultaneous commitment from the seller to repurchase the security at an agreed upon price and date. The resale price is in excess of the purchase price and reflects an agreed upon market rate unrelated to the coupon rate on the purchased security. Repurchase agreements must be fully collateralized and can be entered into only with well-established banks and broker-dealers that have been deemed creditworthy by the Advisor. Repurchase transactions are intended to be short-term transactions, usually with the seller repurchasing the securities within seven days. Repurchase agreements that mature in more than seven days are subject to a Fund' s limit on illiquid securities. A Fund that enters into a repurchase agreement may lose money in the event that the other party defaults on its obligation and the Fund is delayed or prevented from disposing of the collateral. A Fund also might incur a loss if the value of the collateral declines, and it might incur costs in selling the collateral or asserting its legal rights under the agreement. If a defaulting seller filed for bankruptcy or became insolvent, disposition of collateral might be delayed pending court action.

Bank Obligations. Bank obligations include bankers' acceptances, negotiable certificates of deposit and non-negotiable time deposits, including U.S. dollar-denominated instruments issued or supported by the credit of U.S. or foreign banks or savings institutions. Although each of the Funds may invest in money market

Table of Contents

obligations of foreign banks or foreign branches of U.S. banks only where the Advisor determines the instrument to present minimal credit risks, such investments may nevertheless entail risks that are different from those of investments in domestic obligations of U.S. banks due to differences in political, regulatory and economic systems and conditions. All investments in bank obligations are limited to the obligations of financial institutions having more than \$1 billion in total assets at the time of purchase, and investments by each Fund in the obligations of foreign banks and foreign branches of U.S. banks will not exceed 10% of such Fund's total assets at the time of purchase. Each Fund may also make interest-bearing savings deposits in commercial and savings banks in amounts not in excess of 10% of its net assets.

Commercial Paper. Investments by a Fund in commercial paper will consist of issues rated at the time of investment as A-1 and/or P-1 by S&P, Moody's or similar rating by another nationally recognized rating agency. In addition, a Fund may acquire unrated commercial paper and corporate bonds that are determined by the Advisor at the time of purchase to be of comparable quality to rated instruments that may be acquired by such Fund as previously described.

E. Derivatives. Each Fund may use derivatives for any lawful purpose consistent with its investment objective, although the Value Equity Fund will use derivatives primarily for hedging or managing risk.

Swaps. Each Fund may enter into interest rate, credit default, securities index, commodity, or security and currency exchange rate swap agreements for any lawful purpose consistent with the Fund's investment objective, such as for the purpose of attempting to obtain, enhance, or preserve a particular desired return or spread at a lower cost to the Fund than if the Fund had invested directly in an instrument that yielded that desired return or spread. The Fund also may enter into swaps in order to protect against an increase in the price of, or the currency exchange rate applicable to, securities that the Fund anticipates purchasing at a later date. Swap agreements are two-party contracts entered into primarily by institutional investors for periods ranging from a few weeks to several years. In a standard "swap" transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realized on particular predetermined investments or instruments. The gross returns to be exchanged or "swapped" between the parties are calculated with respect to a "notional amount" (i.e., the amount or value of the underlying asset used in computing the particular interest rate, return, or other amount to be exchanged) in a particular foreign currency, or in a "basket" of securities representing a particular index. Swap agreements may include (i) interest rate caps, under which, in return for a premium, one party agrees to make payments to the other to the extent that interest rates exceed a specified rate, or "cap;" (ii) interest rate floors, under which, in return for a premium, one party agrees to make payments to the other to the extent that interest rates fall below a specified level, or "floor;" and (iii) interest rate collars, under which a party sells a cap and purchases a floor, or vice versa, in an attempt to protect itself against interest rate movements exceeding given minimum or maximum levels or "collar" amounts.

The "notional amount" of the swap agreement is the agreed upon amount or value of the underlying asset used for calculating the obligations that the parties to a swap agreement have agreed to exchange. Under most swap agreements entered into by a Fund, the obligations of the parties would be exchanged on a "net basis." Consequently, the Fund's obligation (or rights) under a swap agreement will generally be equal only to the net amount to be paid or received under the agreement based on the relative notional values of the positions held by each party to the agreement ("net amount") and not the notional amount differences themselves. The Fund's obligation under a swap agreement will be accrued daily (offset against amounts owed to the Fund) and any accrued but unpaid net amounts owed to a swap counterparty will be covered by designating liquid assets on the Fund's books and records.

Whether a Fund's use of swap agreements will be successful in furthering its investment objective will depend, in part, on the Advisor's ability to predict correctly whether certain types of investments are likely to produce greater returns than other investments and the changes in the future values, indices, or rates covered by the swap agreement. Swap agreements may be considered to be illiquid. Moreover, the Fund bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or bankruptcy of a

[Table of Contents](#)

swap agreement counterparty. Each Fund will enter into swap agreements only with counterparties that the Advisor reasonably believes are capable of performing under the swap agreements. If there is a default by the other party to such a transaction, the Fund will have to rely on its contractual remedies (which may be limited by bankruptcy, insolvency or similar laws) pursuant to the agreements related to the transaction. Certain restrictions imposed on the Funds by the Internal Revenue Code of 1986 (“IRC”) may limit a Fund’s ability to use swap agreements. The swaps market is largely unregulated.

Credit Derivatives. Credit derivatives are a form of derivative that are divided into two basic types, credit default swaps and total return swaps, and are usually governed by the standard ISDA Master Agreement terms and conditions. A credit default swap involves a protection buyer and a protection seller. A Fund may be either a protection buyer or seller. The protection buyer makes periodic premium payments to the protection seller during the swap term in exchange for the protection seller agreeing to make certain defined payments to the protection buyer in the event that certain defined credit events occur with respect to a particular security, issuer or basket of securities. A total return swap involves a total return receiver and a total return payor. A Fund may either be a total return receiver or payor. Generally, the total return payor sells to the total return receiver an amount equal to all cash flows and price appreciation on a defined security or asset payable at periodic times during the swap term (i.e, credit risk) in return for a periodic payment from the total return receiver based on a designated index (e.g., LIBOR) and spread plus the amount of any price depreciation on the reference security or asset. The total return payor does not need to own the underlying security or asset to enter into a total return swap. The final payment at the end of the swap term includes final settlement of the current market price of the underlying reference security or asset, and payment by the applicable party for any appreciation or depreciation in value. Usually, collateral must be posted by the total return receiver to secure the periodic interest-based and market price depreciation payments depending on the credit quality of the underlying reference security and creditworthiness of the total return receiver, and the collateral amount is marked-to-market daily equal to the market price of the underlying reference security or asset between periodic payment dates. Another type of credit derivative is the credit-linked notes and other forms of debt obligations with an embedded credit default swap component. In this type of credit derivative, payments of principal and interest are linked to the performance of one or more reference debt securities or assets. In all of these credit derivative transactions, the same general risks of derivative transactions are present, but they offer greater risks of imperfect correlation between the performance and price of the underlying reference security or asset, and the general performance of the designated interest rate or index which is the basis for the periodic payment. If a Fund writes a credit default swap, it receives a premium up front but the Fund’s exposure under the credit default swap is a form of leverage and will be subject to the restrictions on leveraged derivatives discussed above.

F. Options. An option is a contract in which the “holder” (the buyer) pays a certain amount (“premium”) to the “writer” (the seller) to obtain the right, but not the obligation, to buy from the writer (in a “call”) or sell to the writer (in a “put”) a specific asset at an agreed upon price (“strike price” or “exercise price”) at or before a certain time (“expiration date”). The holder pays the premium at inception and has no further financial obligation. The holder of an option will benefit from favorable movements in the price of the underlying asset but is not exposed to corresponding losses due to adverse movements in the value of the underlying asset. The writer of an option will receive fees or premiums but is exposed to losses due to adverse changes in the value of the underlying asset. Each Fund may buy (hold) or write (sell) put and call options on assets, such as securities, currencies, financial commodities, and indices of debt and equity securities (“underlying assets”) and enter into closing transactions with respect to such options to terminate an existing position. Options used by a Fund may include European, American, and Bermuda style options. If an option is exercisable only at maturity, it is a “European” option; if it is also exercisable prior to maturity, it is an “American” option. If it is exercisable only at certain times, it is a “Bermuda” option.

Each Fund may hold (buy) and write (sell) put and call options on underlying assets and enter into closing transactions with respect to such options to terminate an existing position. The purchase of a call option serves as a long hedge, and the purchase of a put option serves as a short hedge. Writing put or call options can enable a Fund to enhance income by reason of the premiums paid by the purchaser of such options. Writing call options

Table of Contents

serves as a limited short hedge because declines in the value of the hedged investment would be offset to the extent of the premium received for writing the option. However, if the security appreciates to a price higher than the exercise price of the call option, it can be expected that the option will be exercised and a Fund will be obligated to sell the security at less than its market value or will be obligated to purchase the security at a price greater than that at which the security must be sold under the option. All or a portion of any assets used as cover for OTC options written by either Fund would be considered illiquid. Writing put options serves as a limited long hedge because decreases in the value of the hedged investment would be offset to the extent of the premium received for writing the option. However, if the security depreciates to a price lower than the exercise price of the put option, it can be expected that the put option will be exercised and a Fund will be obligated to purchase the security at more than its market value.

The value of an option position will reflect, among other things, the historical price volatility of the underlying investment, the current market value of the underlying investment, the time remaining until expiration, the relationship of the exercise price to the market price of the underlying investment, and general market conditions.

Each Fund may effectively terminate its right or obligation under an option by entering into a closing transaction. For example, a Fund may terminate its obligation under a call or put option that it had written by purchasing an identical call or put option; this is known as a closing purchase transaction. Conversely, a Fund may terminate a position in a put or call option it had purchased by writing an identical put or call option; this is known as a closing sale transaction. Closing transactions permit a Fund to realize the profit or limit the loss on an option position prior to its exercise or expiration.

Each Fund may purchase or write both exchange-traded and OTC options. Exchange-traded options are issued by a clearing organization affiliated with the exchange on which the option is listed that, in effect, guarantees completion of every exchange-traded option transaction. In contrast, OTC options are contracts between a Fund and the other party to the transaction (“counterparty”) (usually a securities dealer or a bank) with no clearing organization guarantee. Thus, when a Fund purchases or writes an OTC option, it relies on the counterparty to make or take delivery of the underlying investment upon exercise of the option. Failure by the counterparty to do so would result in the loss of any premium paid by the Fund as well as the loss of any expected benefit of the transaction.

Either Fund’s ability to establish and close out positions in exchange-listed options depends on the existence of a liquid market. Each Fund intends to purchase or write only those exchange-traded options for which there appears to be a liquid secondary market. However, there can be no assurance that such a market will exist at any particular time. Closing transactions can be made for OTC options only by negotiating directly with the counterparty, or by a transaction in the secondary market if any such market exists. Although each Fund will enter into OTC options only with counterparties that are expected to be capable of entering into closing transactions with a Fund, there is no assurance that a Fund will in fact be able to close out an OTC option at a favorable price prior to expiration. In the event of insolvency of the counterparty, a Fund might be unable to close out an OTC option position at any time prior to its expiration. If a Fund were unable to effect a closing transaction for an option it had purchased, it would have to exercise the option to realize any profit.

Each Fund may engage in options transactions on indices in much the same manner as the options on securities discussed above, except the index options may serve as a hedge against overall fluctuations in the securities market represented by the relevant market index.

The writing and purchasing of options is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio securities transactions. Imperfect correlation between the options and securities markets may detract from the effectiveness of the attempted hedging.

Table of Contents

G. Rule 144A Securities. Each Fund may invest in Rule 144A securities that the Advisor determines to be liquid. Rule 144A allows a broader institutional trading market for securities otherwise subject to restriction on their resale to the general public. Rule 144A establishes a “safe harbor” from the registration requirements of the 1933 Act of resales of certain securities to qualified institutional buyers. Rule 144A securities are not considered to be illiquid or restricted for purposes of the Funds’ illiquid securities policy, which prohibits the Funds from investing in illiquid securities, if such securities satisfy the conditions enumerated in Rule 144A and are determined to be liquid by the Advisor in accordance with the requirements established by the Board of Trustees. In determining the liquidity of such securities, the Advisor will consider, among other things, the following factors: (1) the frequency of trades and quotes for the security; (2) the number of dealers and other potential purchasers or sellers of the security; (3) dealer undertakings to make a market in the security and (4) the nature of the security and of the marketplace trades (*e.g.*, the time needed to dispose of the security, the method of soliciting offers and the mechanics of the transfer).

H. Income Trusts. Each Fund may invest in income trusts, including real estate investment trusts, business trusts and oil royalty trusts. Income trusts are operating businesses that have been put into a trust. They pay out the bulk of their free cash flow to unit holders. The businesses that are sold into these trusts are usually mature and stable income-producing companies that lend themselves to fixed (monthly or quarterly) distributions. These trusts are regarded as equity investments with fixed-income attributes or high-yield debt with no fixed maturity date. These trusts typically offer regular income payments and a significant premium yield compared to other types of fixed income investments.

Business Trusts. A business trust is an income trust where the principal business of the underlying corporation or other entity is in the lending, manufacturing, service or general industrial sectors. It is anticipated that the number of businesses constituted or reorganized as income trusts will increase significantly in the future. Conversion to the income trust structure is attractive to many existing mature businesses with relatively high, stable cash flows and low capital expenditure requirements, due to tax efficiency and investor demand for high-yielding equity securities. One of the primary attractions of business trusts, in addition to their relatively high yield, is their ability to enhance diversification in the portfolio as they cover a broad range of industries and geographies, including public refrigerated warehousing, shipping and transportation, mining, coal distribution, sugar distribution, forest products, retail sales, food sales and processing, chemical recovery and processing, data processing, gas marketing and check printing. Each business represented is typically characterized by long life assets or businesses that have exhibited a high degree of stability. Investments in business trusts are subject to various risks, including risks related to the underlying operating companies controlled by such trusts. These risks may include lack of or limited operating histories and increased susceptibility to interest rate risks.

Oil Royalty Trusts. A royalty trust typically controls an operating company which purchases oil and gas properties using the trust’ s capital. The royalty trust then receives royalties and/or interest payments from its operating company, and distributes them as income to its unit holders. Units of the royalty trust represent an economic interest in the underlying assets of the trust.

Each Fund may invest in oil royalty trusts that are traded on the stock exchanges. Oil royalty trusts are income trusts that own or control oil and gas operating companies. Oil royalty trusts pay out substantially all of the cash flow they receive from the production and sale of underlying crude oil and natural gas reserves to shareholders (unitholders) in the form of monthly dividends (distributions). As a result of distributing the bulk of their cash flow to unitholders, royalty trusts are effectively precluded from internally originating new oil and gas prospects. Therefore, these royalty trusts typically grow through acquisition of producing companies or those with proven reserves of oil and gas, funded through the issuance of additional equity or, where the trust is able, additional debt. Consequently, oil royalty trusts are considered less exposed to the uncertainties faced by a traditional exploration and production corporation. However, they are still exposed to commodity risk and reserve risk, as well as operating risk.

The operations and financial condition of oil royalty trusts, and the amount of distributions or dividends paid on their securities is dependent on the oil prices. Prices for commodities vary and are determined by supply

Table of Contents

and demand factors, including weather, and general economic and political conditions. A decline in oil prices could have a substantial adverse effect on the operations and financial conditions of the trusts. Such trusts are also subject to the risk of an adverse change in the regulations of the natural resource industry and other operational risks relating to the energy sector. In addition, the underlying operating companies held or controlled by the trusts are usually involved in oil exploration; however, such companies may not be successful in holding, discovering, or exploiting adequate commercial quantities of oil, the failure of which will adversely affect their values. Even if successful, oil and gas prices have fluctuated widely during the most recent years and may continue to do so in the future. The Advisor expects that the combination of global demand growth and depleting reserves, together with current geopolitical instability, will continue to support strong crude oil prices over the long term. However, there is no guarantee that these prices will not decline. Declining crude oil prices may cause a Fund to incur losses on its investments. In addition, the demand in and supply to the developing markets could be affected by other factors such as restrictions on imports, increased taxation, and creation of government monopolies, as well as social, economic and political uncertainty and instability. Furthermore, there is no guarantee that non-conventional sources of natural gas will not be discovered which would adversely affect the oil industry.

Moreover, as the underlying oil and gas reserves are produced the remaining reserves attributable to the royalty trust are depleted. The ability of a royalty trust to replace reserves is therefore fundamental to its ability to maintain distribution levels and unit prices over time. Certain royalty trusts have demonstrated consistent positive reserve growth year-over-year and, as such, certain royalty trusts have been successful to date in this respect and are thus currently trading at unit prices significantly higher than those of five or ten years ago. Oil royalty trusts manage reserve depletion through reserve additions resulting from internal capital development activities and through acquisitions.

When a Fund invests in foreign oil royalty trusts, it will also be subject to foreign securities risks which are more fully described herein.

Real Estate Investment Trusts. Each Fund may invest in real estate investment trusts (“REITs”). A REIT is a corporation or business trust that invests substantially all of its assets in interests in real estate. Equity REITs are those which purchase or lease land and buildings and generate income primarily from rental income. Equity REITs may also realize capital gains (or losses) when selling property that has appreciated (or depreciated) in value. Equity REITs will be treated as equity securities for purposes of calculating the percentage of a Fund’ s assets invested in equity securities. Mortgage REITs are those which invest in real estate mortgages and generate income primarily from interest payments on mortgage loans. Hybrid REITs generally invest in both real property and mortgages. Mortgage REITs and hybrid REITs (which invest in mortgages and real property) will be treated as fixed income securities for purposes of calculating the percentage of a Fund’ s assets invested in fixed income securities.

REITs generally are subject to risks associated with direct ownership of real estate, such as decreases in real estate values or fluctuations in rental income caused by a variety of factors, including increases in interest rates, increases in property taxes and other operating costs, casualty or condemnation losses, possible environmental liabilities and changes in supply and demand for properties. Risks associated with REIT investments include the fact that equity and mortgage REITs are dependent upon specialized management skills and are not fully diversified. These characteristics subject REITs to the risks associated with financing a limited number of projects. They are also subject to heavy cash flow dependency, defaults by borrowers and self-liquidation. Additionally, equity REITs may be affected by any changes in the value of the underlying properties they own, and mortgage REITs may be affected by the quality of any credit extended.

I. Shares of Other Investment Companies. Each Fund may invest in shares of other investment companies (including money market funds, exchange-traded funds, closed-end funds or other mutual funds). To the extent the Funds invest in securities of other investment companies, Fund shareholders would indirectly pay a portion of the operating costs of such companies. These costs include management, brokerage, shareholder

Table of Contents

servicing and other operational expenses. Indirectly, then, shareholders may incur higher expenses than if they owned the underlying investment companies directly because they will bear not only the proportionate share of the expenses of the Fund, but also, indirectly, the proportionate share of the expenses of the underlying investment companies. Shareholders may also incur increased transaction costs as a result of a Fund's portfolio turnover rate and/or because of the high portfolio turnover rates in the underlying funds. The Funds are not required to hold securities for any minimum period and, as a result, each Fund may incur short-term redemption fees and increased trading costs. When selecting underlying funds for investment, a Fund will not be precluded from investing in an underlying fund with a higher than average expense ratio. Each Fund is independent from any of the underlying funds in which it invests and it has no voice in or control over the investment strategies, policies or decisions of the underlying funds. A Fund's only option is to liquidate its investment in an underlying fund in the event of dissatisfaction with the fund.

The structure of a closed-end fund poses additional risks than are involved when investing in most mutual funds. For example, most closed-end funds leverage a higher percentage of their assets (that is, using borrowed money to buy additional assets). Leveraging can provide higher yields and potentially higher returns for closed-end fund investors, but it also increases overall risk and the volatility of the investment. Unlike mutual funds, closed-end fund shares generally are not redeemable. Closed-end funds generally sell a fixed number of shares at one time (in the initial public offering), after which the shares typically trade on a secondary market, such as the New York Stock Exchange or the Nasdaq Stock Market. A closed-end fund is not required to buy its shares back from investors upon request. By comparison, mutual funds issue securities redeemable at net asset value at the option of the shareholder and typically engage in a continuous offering of their shares. If a closed-end fund's underlying market falls and the fund's discount increases or its premium decreases, the price return of the closed-end fund – the actual return to the shareholder – will be less than the fund's NAV return. Most closed-end funds trade actively, and their shares are liquid. Some closed-end funds, however, trade less actively, and may not be very liquid. The market price of a closed-end fund's shares may also be affected by its dividend or distribution levels (which are dependent, in part, on expenses), stability of dividends or distributions, general market and economic conditions and other factors beyond the control of a closed-end fund. The foregoing factors may result in the market price of the shares of the closed-end fund being greater than, less than or equal to net asset value.

Each Fund may invest in business development companies ("BDCs"), a special type of closed-end investment company that tends to invest in small, developing, financially troubled, and often private companies. BDCs make available significant managerial assistance to those portfolio companies. BDCs are not required to register as investment companies under the Investment Company Act of 1940. They are, however, required to register their securities under the Securities Exchange Act of 1934.

J. Exchange Traded Notes. The Funds may invest in exchange-traded notes ("ETNs"), which are a type of unsecured, unsubordinated debt security. ETNs combine certain aspects of bonds and ETFs. Similar to ETFs, ETNs are traded on a major exchange (e.g., NYSE) during normal trading hours. However, investors can also hold the ETN until maturity. At maturity, the issuer pays to the investor a cash amount equal to principal amount, subject to the day's index factor. ETN returns are based upon the performance of a market index minus applicable fees. ETNs do not make periodic coupon payments and provide no principal protection. The value of an ETN may be influenced by time to maturity, level of supply and demand for the ETN, volatility and lack of liquidity in underlying commodities markets, changes in the applicable interest rates, changes in the issuer's credit rating and economic, legal, political or geographic events that affect the referenced commodity. The value of the ETN may drop due to a downgrade in the issuer's credit rating, despite the underlying index remaining unchanged.

INVESTMENT LIMITATIONS

A. Fundamental. The investment limitations described below have been adopted by the Trust with respect to the Funds and are fundamental ("Fundamental"), i.e., they may not be changed without the affirmative vote of a majority of the outstanding shares of a Fund. As used in the Prospectus and this SAI, the term "majority

Table of Contents

of the outstanding shares” of a Fund means the lesser of (1) 67% or more of the outstanding shares of a Fund present at a meeting, if the holders of more than 50% of the outstanding shares of a Fund are present or represented at such meeting; or (2) more than 50% of the outstanding shares of a Fund. Other investment practices which may be changed by the Board of Trustees without the approval of shareholders to the extent permitted by applicable law, regulation or regulatory policy are considered non-fundamental (“Non-Fundamental”).

1. Borrowing Money. The Funds will not borrow money, except (a) from a bank, provided that immediately after such borrowing there is an asset coverage of 300% for all borrowings of a Fund; or (b) from a bank or other persons for temporary purposes only, provided that such temporary borrowings are in an amount not exceeding 5% of a Fund’s total assets at the time when the borrowing is made. This limitation does not preclude the Funds from entering into reverse repurchase transactions, provided that a Fund has an asset coverage of 300% for all borrowings and repurchase commitments of the Fund pursuant to reverse repurchase transactions.

2. Senior Securities. The Funds will not issue senior securities. This limitation is not applicable to activities that may be deemed to involve the issuance or sale of a senior security by a Fund, provided that a Fund’s engagement in such activities is consistent with or permitted by the Investment Company Act of 1940, as amended (the “1940 Act”), the rules and regulations promulgated thereunder or interpretations of the Securities and Exchange Commission (the “SEC”) or its staff.

3. Underwriting. The Funds will not act as underwriter of securities issued by other persons. This limitation is not applicable to the extent that, in connection with the disposition of portfolio securities (including restricted securities), a Fund may be deemed an underwriter under certain federal securities laws.

4. Real Estate. The Funds will not purchase or sell real estate. This limitation is not applicable to investments in marketable securities which are secured by or represent interests in real estate. This limitation does not preclude a Fund from investing in mortgage-related securities or investing in companies engaged in the real estate business or that have a significant portion of their assets in real estate (including real estate investment trusts).

5. Commodities. The Funds will not purchase or sell commodities unless acquired as a result of ownership of securities or other investments. This limitation does not preclude a Fund from purchasing or selling options or futures contracts, from investing in securities or other instruments backed by commodities, or from investing in companies which are engaged in a commodities business or have a significant portion of their assets in commodities.

6. Loans. The Funds will not make loans to other persons, except (a) by loaning portfolio securities, (b) by engaging in repurchase agreements, or (c) by purchasing nonpublicly offered debt securities. For purposes of this limitation, the term “loans” shall not include the purchase of a portion of an issue of publicly distributed bonds, debentures or other securities.

7. Concentration. Each Fund will not invest 25% or more of its total assets in a particular industry. This limitation is not applicable to investments in obligations issued or guaranteed by the U.S. government, its agencies and instrumentalities or repurchase agreements with respect thereto.

8. Diversification. With respect to 75% of its total assets, a Fund will not purchase securities issued by any one issuer (other than cash, cash items, or securities issued or guaranteed by the government of the United States or its agencies or instrumentalities) if, as a result at the time of such purchase, more than 5% of the value of its total assets would be invested in the securities of that issuer, or if it would own more than 10% of the outstanding voting securities of that issuer.

Table of Contents

With respect to the percentages adopted by the Trust as maximum limitations on each Fund's investment policies and limitations, an excess above the fixed percentage will not be a violation of the policy or limitation unless the excess results immediately and directly from the acquisition of any security or the action taken. This paragraph does not apply to the borrowing policy set forth in paragraph 1 above.

Notwithstanding any of the foregoing limitations, any investment company, whether organized as a trust, association or corporation, or a personal holding company, may be merged or consolidated with or acquired by the Trust, provided that if such merger, consolidation or acquisition results in an investment in the securities of any issuer prohibited by said paragraphs, the Trust shall, within ninety days after the consummation of such merger, consolidation or acquisition, dispose of all of the securities of such issuer so acquired or such portion thereof as shall bring the total investment therein within the limitations imposed by said paragraphs above as of the date of consummation.

B. Non-Fundamental. The following limitations have been adopted by the Trust with respect to the Funds and are Non-Fundamental (see "Investment Limitations–Fundamental" above).

1. Pledging. Each Fund will not mortgage, pledge, hypothecate or in any manner transfer, as security for indebtedness, any assets of the Fund except as may be necessary in connection with borrowings described in Fundamental limitation (1) above. Margin deposits, security interests, liens and collateral arrangements with respect to transactions involving options, futures contracts, short sales and other permitted investments and techniques are not deemed to be a mortgage, pledge or hypothecation of assets for purposes of this limitation.

2. Borrowing. Each Fund will not purchase any security while borrowings (including reverse repurchase agreements) representing more than 5% of its total assets are outstanding.

3. Margin Purchases. The Funds will not purchase securities or evidences of interest thereon on "margin." This limitation is not applicable to short-term credit obtained by the Funds for the clearance of purchases and sales or redemption of securities, or to arrangements with respect to transactions involving options, futures contracts, short sales and other permitted investments and techniques.

4. Illiquid Securities. The Funds will not purchase illiquid securities which cannot be sold in the ordinary course of business or due to contractual or legal restrictions on resale.

5. Loans of Portfolio Securities. The Funds will not make loans of portfolio securities.

6. SEC Name Rule. Under normal circumstances, the Value Equity Fund will invest at least 80% of its net assets (plus any borrowings for investment purposes) in equity securities, and the Bond Fund will invest at least 80% of its net assets (plus any borrowings for investment purposes) in fixed income securities. Each Fund may meet its objective by directly investing in the applicable securities, or by investing in other investment companies (including exchange-traded funds) that invest primarily in such securities. Each Fund may not change this policy except upon at least 60 days prior written notice to shareholders.

INVESTMENT ADVISOR

Financial Counselors, Inc., 442 West 47th Street, Kansas City, Missouri 64112 serves as Advisor to the Funds. Robert T. Hunter is the President and Chief Executive Officer of the Advisor. Bradley A. Bergman is the controlling shareholder of the holding corporation that owns 100% of the Advisor. The holding corporation that owns the Advisor is 100% employee- and director-owned and each Portfolio Manager (as such term is defined below) is an equity owner of the holding corporation.

Under the terms of the management agreements (each an "Agreement" or collectively, the "Agreements"), the Advisor manages each Fund's investments subject to approval of the Board of Trustees. As compensation for its management services, the Value Equity Fund is obligated to pay the Advisor a fee computed and accrued daily and paid monthly at an annual rate of 0.60% of the average daily net assets of the Value Equity Fund. With

Table of Contents

respect to the Bond Fund, as compensation for its management services, the Bond Fund is obligated to pay the Advisor a fee computed and accrued daily and paid monthly at an annual rate of 0.40% of the average daily net assets of the Bond Fund. With respect to each Fund, the Advisor has contractually agreed to waive its fee and, to the extent necessary, reimburse certain of the Fund's operating expenses, but only to the extent necessary so that the Fund's net expenses, excluding brokerage fees and commissions, any 12b-1 fees, borrowing costs (such as interest and dividend expenses on securities sold short), taxes, extraordinary litigation expenses, and any indirect expenses (such as Fees and Expenses of Acquired Funds) do not exceed 1.00% and 0.80% of the average daily net assets of the Value Equity Fund and the Bond Fund, respectively. The contractual arrangement is in place through January 31, 2014. Each waiver or reimbursement by the advisor with respect to a Fund is subject to repayment by that Fund within the three fiscal years following the fiscal year in which that particular expense was incurred; provided that such Fund is able to make the repayment without exceeding its expense limitation set forth above.

The following table describes the advisory fees paid to the Advisor by the Funds during the fiscal periods indicated:

Fund	Fiscal Year Ended	Advisory	Total Fees Waived	Net Advisory
		Fees	and/or Expenses	Fees Paid
		Accrued	Reimbursed	(Reimbursed)
Value Equity Fund	September 30, 2010	\$73,889	\$ 103,957 ¹	\$(30,068)
	September 30, 2011	\$83,202	\$ 88,592 ²	\$(5,390)
	September 30, 2012	\$65,106	\$ 111,397 ³	\$(46,291)
Bond Fund	September 30, 2010	\$119,021	\$ 48,091 ¹	\$70,930
	September 30, 2011	\$138,636	\$ 25,101 ²	\$113,535
	September 30, 2012	\$143,075	\$ 28,588 ³	\$114,487

¹ These amounts are subject to reimbursement by the applicable Fund until September 30, 2013.

² These amounts are subject to reimbursement by the applicable Fund until September 30, 2014.

³ These amounts are subject to reimbursement by the applicable Fund until September 30, 2015.

A discussion of the factors that the Board of Trustees considered in determining to approve or renew each Fund's Management Agreement will be included in the Funds' report to shareholders for the period during which each approval or renewal occurred.

The Advisor may make payments to banks or other financial institutions that provide shareholder services and administer shareholder accounts. If a bank or other financial institution were prohibited from continuing to perform all or a part of such services, management of the Funds believes that there would be no material impact on each Fund or its shareholders. Banks and other financial institutions may charge their customers fees for offering these services to the extent permitted by applicable regulatory authorities, and the overall return to those shareholders availing themselves of these services may be lower than to those shareholders who do not. The Funds may from time to time purchase securities issued by banks and other financial institutions which provide such services; however, in selecting investments for each Fund, no preference will be shown for such securities.

About the Portfolio Managers

David B. Anderson is the portfolio manager primarily responsible for the day-to-day management of the Value Equity Fund. Mr. Anderson has ultimate decision making authority related to investments made by the Value Equity Fund. Gary B. Cloud and Peter G. Greig are the portfolio managers jointly and primarily responsible for the day-to-day management of the Bond Fund. Mr. Cloud has ultimate decision making authority related to investments made by the Bond Fund (Messrs. Anderson, Cloud and Greig are collectively referred to as

Table of Contents

the “Portfolio Managers”). As of September 30, 2012, the Portfolio Managers were responsible for the management of the following types of accounts, in addition to the Funds:

<u>Portfolio Manager</u>	<u>Number of Accounts by Account Type</u>	<u>Total Assets By Account Type</u>	<u>Number of Accounts by Type Subject to a Performance Fee</u>	<u>Total Assets By Account Type Subject to a Performance Fee</u>
David B. Anderson	Mutual Fund: 0	Mutual Fund: N/A	Mutual Fund: N/A	Mutual Fund: N/A
	Private Accounts: 1,088	Private Accounts: \$590,620,662	Private Accounts: N/A	Private Accounts: N/A
	Pooled Investment Vehicles: N/A	Pooled Investment Vehicles: N/A	Pooled Investment Vehicles: N/A	Pooled Investment Vehicles: N/A
Gary B. Cloud	Mutual Fund: 2	Mutual Fund: \$176,159,912	Mutual Fund: N/A	Mutual Fund: N/A
	Private Accounts: 54	Private Accounts: \$587,020,370	Private Accounts: N/A	Private Accounts: N/A
	Pooled Investment Vehicles: N/A	Pooled Investment Vehicles: N/A	Pooled Investment Vehicles: N/A	Pooled Investment Vehicles: N/A
Peter G. Greig	Mutual Fund: 0	Mutual Fund: N/A	Mutual Fund: N/A	Mutual Fund: N/A
	Private Accounts: 1,104	Private Accounts: \$811,806,290	Private Accounts: N/A	Private Accounts: N/A
	Pooled Investment Vehicles: N/A	Pooled Investment Vehicles: N/A	Pooled Investment Vehicles: N/A	Pooled Investment Vehicles: N/A

Each Portfolio Manager is compensated for his services by the Advisor. Each Portfolio Manager’s compensation consists of a fixed base salary, a performance-based bonus, and the right to participate in the Advisor’s profit sharing and 401(k) plan. Each Portfolio Manager is eligible to receive an annual bonus from the Advisor. The annual bonus is calculated as follows: 50% based on the performance of ten client accounts designated by the Portfolio Manager, compared to the performance of the S&P 500 Index for equity accounts, or for fixed income accounts, (1) the Barclay’s Capital Intermediate Government/Credit Index®, (2) the Barclay’s Capital Government/Credit Index®, or (3) the Barclay’s Capital Aggregate Index®, as appropriate; and 50% based on the performance of the Advisor’s equity composite compared to the S&P 500 or the performance of the Advisor’s fixed income composite compared to the Barclay’s Capital Intermediate Government/Credit Index®, for Portfolio Managers who manage equity or fixed income accounts, respectively. Performance is calculated for the prior calendar year on a pre-tax basis. As of September 30, 2012, the Portfolio Managers owned shares of the Funds as indicated in the table below.

<u>Portfolio Manager</u>	<u>Value Equity Fund</u>	<u>Bond Fund</u>
David B. Anderson	\$100,001-500,000	None
Gary B. Cloud	None	\$,10,001-50,000
Peter G. Greig	\$10,001-50,000	None

To the extent that a Fund and another of the Advisor’s clients seek to acquire the same security at about the same time, the Fund may not be able to acquire as large a position in such security as it desires or it may have to pay a higher price for the security. Similarly, a Fund may not be able to obtain as large an execution of an order to sell or as high a price for any particular portfolio security if the

other client desires to sell the same portfolio security at the same time. On the other hand, if the same securities are bought or sold at the same time by more

[Table of Contents](#)

than one client, the resulting participation in volume transactions could produce better executions for the Fund. In the event that more than one client wants to purchase or sell the same security on a given date, the purchases and sales will normally be made by random client selection.

TRUSTEES AND OFFICERS

GENERAL QUALIFICATIONS. The Board of Trustees supervises the business activities of the Trust. Each Trustee serves as a trustee until termination of the Trust unless the Trustee dies, resigns, retires, or is removed. The Chairman of the Board and more than 75% of the Trustees are “Independent Trustees,” which means that they are not “interested persons” (as defined in the 1940 Act) of the Trust or any adviser, sub-adviser or distributor of the Trust.

The following table provides information regarding the Independent Trustees.

<u>Name, Address*, (Age), Position with Trust**, Term of Position with Trust</u>	<u>Principal Occupation During Past 5 Years and Other Directorships</u>
Gary E. Hippenstiel (Age - 65) Chairman of the Audit and Pricing Committees Independent Trustee, December 2002 to present	President and founder of Hippenstiel Investment Counsel LLC, a registered investment advisor, since November 2008; Director, Vice President and Chief Investment Officer of Legacy Trust Company, N.A. from September 1991 to September 2008; Chairman of the investment committee for W.H. Donner Foundation and Donner Canadian Foundation from June 2005 to September 2011; Chairman of investment committee for the Diana Davis Spencer Foundation since October 2011; Chairman and Founder, Constitution Education Foundation since February 2011.
Stephen A. Little (Age - 66) Chairman, December 2004 to present; Independent Trustee, December 2002 to present	President and founder of The Rose, Inc., a registered investment advisor, since April 1993.
Daniel J. Condon (Age - 62) Independent Trustee, December 2002 to present	CEO of Standard Steel, LLC since August 2011; Director Steel Wheels Acquisition Corp. since August 2011; Director Standard Steel, Inc. since August 2011; President and CEO of International Crankshaft Inc., an automotive supply manufacturing company, from 2004 to August 2011; Director International Crankshaft, Inc. since 2004; Chairman, SMI Crankshaft LLC, an automotive and truck supplier, from July 2010 to August 2011.
Ronald C. Tritschler (Age - 60) Independent Trustee, January 2007 to present; Interested Trustee, December 2002 to December 2006	Chief Executive Officer, Director and Legal Counsel of The Webb Companies, a national real estate company, since 2001; Director of First State Financial since 1998; Director, Vice President and Legal Counsel of The Traxx Companies, an owner and operator of convenience stores, since 1989. Chairman, Bluegrass Tomorrow, nonprofit organization.
Kenneth G.Y. Grant (Age - 63) Independent Trustee, May 2008 to present	Senior Vice President of Global Trust Company since 2008; Senior Vice President of Advisors Charitable Gift Fund since May 2005; Senior Vice President and Chief Officer, Corporate Development, of Northeast Retirement Services, Inc. since February 2003; Senior Vice President of Savings Banks Employees Retirement Association since February 2003; Director, Lift Up Africa since 2008; Chair Investment

Table of Contents

Committee since January 2011 and past Chair, Board of Directors of Massachusetts Council of Churches; Member, Presbytery of Boston, Presbyterian Church (U.S.A.) since June 1975.

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

** As of the date of this SAI, the Trust currently consists of 24 series.

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

Name, Address*, (Age), Position with Trust,** Term of Position with Trust	Principal Occupation During Past 5 Years and Other Directorships
Nancy V. Kelly (Age - 57)*** Trustee, November 2007 to present	Executive Vice President of Huntington National Bank, the Trust' s custodian, since December 2001; Director, Wedgewood Golf & Country Club since October 2008; Director, Greenlawn Cemetery since October 2007; Director, Directions for Youth and Families, a social service agency, since August 2006.
John C. Swhear (Age - 51) Interim President, March 2012 to present; Senior Vice President, May 2007 to present	Vice President of Legal Administration and Compliance for Huntington Asset Services, Inc., the Trust' s administrator, since April 2007; Chief Compliance Officer and Vice President of Valued Advisers Trust since August 2008; Chief Compliance Officer of Unified Financial Securities, Inc., the Trust' s distributor, since May 2007; Secretary of Huntington Funds, April 2010 to February 2012; President and Chief Executive Officer of Dreman Contrarian Funds, March 2010 to March 2011; Vice President and Acting Chief Executive Officer of Dreman Contrarian Funds, 2007 to March 2010.
Robert W. Silva (Age - 46) Treasurer and Chief Financial Officer, June 2011 to present	Vice President, Fund Administration for Huntington Asset Services, Inc., the Trust' s administrator, since September 2010; Treasurer and Chief Financial Officer of Dreman Contrarian Funds since March 2011; Treasurer of Huntington Funds since November 2010; Senior Vice President of Citi Fund Services Ohio, Inc. from September 2007 to September 2010.
Lynn E. Wood (Age - 66) Chief Compliance Officer, October 2004 to present	Chief Compliance Officer of Unified Series Trust, since October 2004.
Tara Pierson (Age - 38) Secretary, May 2010 to present	Employed by Huntington Asset Services, Inc., the Trust' s Administrator, since February, 2000; Assistant Secretary of Dividend Growth Trust from March 2006 to February 2012. Assistant Secretary of the Trust from November 2008 to May 2010.

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

** As of the date of this SAI, the Trust consists of 24 series.

*** Ms. Kelly is deemed an interested trustee because she is an officer of an entity that is under common control with Unified Financial Securities, Inc., one of the Trust' s distributors.

In addition to the information provided above, below is a summary of the specific experience, qualifications, attributes or skills of each Trustee and the reason why he or she was selected to serve as Trustee:

Table of Contents

Stephen A. Little - Mr. Little has been an Independent Trustee of the Trust since its inception in 2002, and he currently serves as Chairman of the Board. He previously served as trustee to three other registered investment companies. In 1993, he founded an investment advisory firm that provides discretionary investment advice and advice on socially responsible investing. Mr. Little previously held NASD Series 6, 7, and 22 licenses. Mr. Little received a B.A. from Wabash College and a M. Div. from Christian Theological Seminary. Prior to completing his education, Mr. Little served in the U.S. Marine Corps. Mr. Little was selected to serve as Trustee of the Trust based primarily on his experience in the investment management industry.

Gary E. Hippenstiel - Mr. Hippenstiel has served as a mutual fund trustee since 1995. He has been an Independent Trustee of the Trust since its inception in 2002, and he currently serves as Chairman of the Audit and Pricing Committees of the Board of Trustees. He previously served as a trustee to three other registered investment companies and a variable insurance trust. In 2008, Mr. Hippenstiel founded an investment consulting firm and he also serves as Chairman of the investment committee for two family foundations. Prior to that, he served as Chief Investment Officer of Legacy Trust Company for 17 years, where he was responsible for establishing investment strategies and selecting and monitoring independent managers of trust accounts. Mr. Hippenstiel received a B.S. in Business Administration and an M.B.A. in Finance from the University of California, Berkeley. Mr. Hippenstiel was selected as Trustee based primarily on his experience in the investment management industry.

Daniel J. Condon - Mr. Condon has been an Independent Trustee of the Trust since its inception in 2002. He has also served as trustee of three other registered investment companies. From 1990 to 2002, he served as Vice President and General Manager of an international automotive equipment manufacturing company. Since 2002, he has served as President and director of the company. Mr. Condon received a B.S. in Mechanical Engineering from Illinois Institute of Technology and an M.B.A. from Eastern Illinois University. He also received his registered Professional Engineer license. Mr. Condon was selected as Trustee based on his over 21 years of international business experience.

Ronald C. Tritschler - Mr. Tritschler has been a Trustee of the Trust since its inception in 2002. He also has served as trustee of three other registered investment companies. Since 1989, he has been a director, vice president and general counsel of a company that operates convenience stores. Since 2001, Mr. Tritschler has been CEO, director and general counsel of a national real estate company. He also is a director of a bank holding company. Mr. Tritschler received a B.A. in Business Administration from Baldwin-Wallace College and his J.D. and M.B.A. from the University of Toledo. Mr. Tritschler was selected to serve as a Trustee based primarily on his substantial business and legal experience.

Kenneth G.Y. Grant - Mr. Grant has been an Independent Trustee of the Trust since 2008. He is a founder of a trust company that offers collective investment trust products to qualified plans. Mr. Grant has over 26 years of executive leadership experience, including experience in management, business development for financial services firms, strategic planning, and investing. Mr. Grant also has experience developing trust and plan accounting services for institutional investors. He currently serves as a senior executive of a retirement plan services provider, as senior vice president of a retirement association and as Treasurer of a council of churches. Mr. Grant received his B.A. in Psychology from Syracuse University, his Th.M. in Theology and Ethics from Boston University, and his M.B.A. from Clark University. Mr. Grant was selected to serve as a Trustee based primarily on his substantial experience in the retirement plan and financial services industry.

Nancy V. Kelly - Ms. Kelly has been a Trustee of the Trust since 2007. She has served as Executive Vice President of Huntington National Bank since December 2001. She is active as a community leader and she serves on the Board of several local organizations, including a youth social services agency. Ms. Kelly was selected to serve as a Trustee based primarily on her experience in managing securities-related businesses operated by banks and her senior position within Huntington Bank, which is an affiliate of the Trust's administrator and distributor and also serves as custodian of certain series of the Trust. Ms. Kelly received a B.S. from Hood College in 1977, and an M.B.A. in 1981 from Xavier University.

Table of Contents

Independent Trustees Messrs. Hippenstiel, Tritschler, Condon, and Little each have previous experience serving as trustees to other multi-series trusts, which means that they are familiar with issues relating to overseeing multiple advisers and multiple funds. Messrs. Hippenstiel, Little, and Grant have experience conducting due diligence on and evaluating investment advisers - Mr. Hippenstiel as the Chief Investment Officer of Legacy Trust, Mr. Little as the President of a registered investment adviser, and Mr. Grant as an officer of a bank which operated a collective investment trust. This means that they are qualified to review annually each adviser's qualifications, including the qualification of Financial Counselors, Inc. to serve as adviser to the Funds. Ms. Kelly's experience as an officer of the Trust's custodial bank and former supervisor of the Trust's administrator provides the Independent Trustees with insight into the operations of the service providers and their day-to-day administration of the FCI Funds.

RISK MANAGEMENT. As part of its efforts to oversee risk management associated with the Trust, the Board has established the Audit Committee, Pricing Committee, and the Advisory Contract Renewal Committee as described below:

The Audit Committee consists of Independent Trustees Messrs. Hippenstiel, Condon, Tritschler and Grant. The Audit Committee is responsible for overseeing the Trust's accounting and financial reporting policies and practices, internal controls and, as appropriate, the internal controls of certain service providers; overseeing the quality and objectivity of financial statements and the independent audits of the financial statements; and acting as a liaison between the independent auditors and the full Board of Trustees. The Audit Committee met four times during the year ended December 31, 2012.

The Pricing Committee is responsible for reviewing and approving fair valuation determinations. The members of the Pricing Committee are all of the Trustees, except that any one member of the Pricing Committee constitutes a quorum for purposes of reviewing and approving a fair value. In addition to meetings to approve fair valuations, the Pricing Committee met four times during the year ended December 31, 2012.

The Advisory Contract Renewal Committee is responsible for conducting due diligence on the initial approval and subsequent renewals of investment advisory contracts between the Trust and the advisers and sub-advisers to each series of the Trust, and making a recommendation to the full Board of Trustees regarding approvals and renewals of these contracts. The Committee reviews materials of the type required by Section 15(c) of the Investment Company Act of 1940, which are provided by the investment advisers and sub-advisers and the Trust's Administrator. The Committee also conducts interviews of advisers and sub-advisers to the Trust. The Advisory Contract Renewal Committee is comprised of all of the Trustees, although at least two Independent Trustees are required to establish a quorum. This Committee held four meetings during the year ended December 31, 2012.

Each Committee meets at least quarterly, and reviews reports provided by administrative service providers, legal counsel and independent accountants. The Committees report directly to the Board of Trustees.

The Independent Trustees have engaged their own independent legal counsel to provide advice on regulatory, compliance and other topics. In addition, the Board has engaged on behalf of the Trust a full-time Chief Compliance Officer ("CCO") who is responsible for overseeing compliance risks. He reports to the Board at least quarterly any material compliance items that have arisen, and annually he provides to the Board a comprehensive compliance report outlining the effectiveness of compliance policies and procedures of the Trust and its service providers. As part of the CCO's risk oversight function, the CCO seeks to understand the risks inherent in the operations of the Trust's series and their advisers and sub-advisers. Periodically the CCO provides reports to the Board that:

Assess the quality of the information the CCO receives from internal and external sources;

Assess how Trust personnel monitor and evaluate risks;

Assess the quality of the Trust's risk management procedures and the effectiveness of the Trust's organizational structure in implementing those procedures;

Table of Contents

Consider feedback from and provide feedback regarding critical risk issues to Trust and administrative and advisory personnel responsible for implementing risk management programs; and

Consider economic, industry, and regulatory developments, and recommend changes to the Trust's compliance programs as necessary to meet new regulations or industry developments.

The Trustees meet in-person on a quarterly basis, typically for two days of meetings. Trustees also participate in special meetings and conference calls as needed. In addition to Board meetings, Trustees also participate in teleconferences each quarter to review and discuss 15(c) materials, and to interview advisers and sub-advisers whose contracts are up for renewal. Legal counsel to the Trust provides quarterly reports to the Board regarding regulatory developments. On a quarterly basis, the Trustees review and discuss some or all of the following compliance and risk management reports relating to the series of the Trust:

- (1) Fund Performance/Morningstar Report/Portfolio Manager's Commentary
- (2) Code of Ethics review
- (3) NAV Errors, if any
- (4) Distributor Compliance Reports
- (5) Timeliness of SEC Filings
- (6) Dividends and other Distributions
- (7) List of Brokers, Brokerage Commissions Paid and Average Commission Rate
- (8) Review of 12b-1 Payments
- (9) Multiple Class Expense Reports
- (10) Anti-Money Laundering/Customer Identification Reports
- (11) Administrator and CCO Compliance Reports
- (12) Market Timing Reports

The Board of Trustees has not adopted a formal diversity policy. When soliciting future nominees for Trustee, the Board will make efforts to identify and solicit qualified minorities and women.

On an annual basis, the Trustees conduct an assessment of the Board's and their individual effectiveness in overseeing the Trust. Based upon its assessment, the Board determines whether additional risk assessment or monitoring processes are required with respect to the Trust or any of its service providers.

Based on the qualifications of each of the Trust's Trustees and officers, the risk management practices adopted by the Board, including a regular review of several compliance and operational reports, and the committee structure adopted by the Board, the Trust believes that its leadership is appropriate.

The following table provides information regarding shares of the Funds and other portfolios of the Trust owned by each Trustee as of December 31, 2012.

<u>Trustee</u>	<u>Dollar Range of the Funds' Shares</u>	<u>Aggregate Dollar Range of Shares of All Funds Within the Trust*</u>
Gary E. Hippenstiel	None	None
Ronald C. Tritschler	None	\$50,001 - \$100,000
Stephen A. Little	None	None
Daniel J. Condon	None	None
Kenneth G.Y. Grant	None	\$1 - \$10,000
Nancy V. Kelly	None	None

* The Trust currently consists of 24 series.

Set forth below are estimates of the annual compensation to be paid to the Trustees and officers by each Fund on an individual basis and by the Trust on an aggregate basis. Trustees' and officers' fees and expenses are Trust expenses and each Fund incurs its share of such expenses, which are allocated among the Funds in such manner as the Trustees determine to be fair and equitable.

Table of Contents

Independent Trustees	Aggregate Compensation from the Funds	Pension or Retirement Benefits Accrued As Part of Fund Expenses	Estimated Annual Benefits Upon Retirement	Total Compensation from Trust¹
Gary E. Hippenstiel, Trustee and Chairman of the Audit Committee	\$ 2,000 ²	\$ 0	\$ 0	\$ 48,000
Stephen A. Little, Chairman of the Board	\$ 2,000 ²	\$ 0	\$ 0	\$ 48,000
Daniel J. Condon, Trustee	\$ 1,583 ³	\$ 0	\$ 0	\$ 38,000
Ronald C. Tritschler, Trustee	\$ 1,583 ³	\$ 0	\$ 0	\$ 38,000
Kenneth G.Y. Grant, Trustee	\$ 1,583 ³	\$ 0	\$ 0	\$ 38,000

Interested Trustees and Officers	Aggregate Compensation from the Funds	Pension or Retirement Benefits Accrued As Part of Fund Expenses	Estimated Annual Benefits Upon Retirement	Total Compensation from Trust¹
Nancy V. Kelly, Trustee	\$ 0	\$ 0	\$ 0	\$ 0
John C. Swhear, Interim President and Senior Vice President	\$ 0	\$ 0	\$ 0	\$ 0
Robert W. Silva, Treasurer and CFO	\$ 0	\$ 0	\$ 0	\$ 0
Lynn E. Wood, Chief Compliance Officer	\$ 6,583 ⁴	\$ 0	\$ 0	\$ 158,000 ⁵
Tara Pierson, Secretary	\$ 0	\$ 0	\$ 0	\$ 0

¹ The Trust currently consists of 24 series.

² During the fiscal year ended September 30, 2012, each Trustee received a total of \$4,046 from the Funds.

³ During the fiscal year ended September 30, 2012, each Trustee received a total of \$3,204 from the Funds.

⁴ During the fiscal year ended September 30, 2012, the CCO received a total of \$9,406 from the Value Equity Fund and \$9,406 from the Bond Fund.

⁵ This amount does not include the value of benefits provided to the CCO. In addition to the CCO' s salary listed in the table, the CCO is allocated \$25,000 for potential bonus compensation, as well as to pay for the CCO' s expenses in connection with compliance-related activities, including audits of advisers to the series of the Trust, attendance at compliance seminars, etc. These expenses are shared, pro rata, by each series of the Trust.

CONTROL PERSONS AND PRINCIPAL HOLDERS OF SECURITIES

A principal shareholder is any person who owns (either of record or beneficially) 5% or more of the outstanding shares of either Fund. A control person is one who owns, either directly or indirectly, more than 25% of the voting securities of a Fund or acknowledges the existence of such control. As a controlling shareholder, each of these persons could control the outcome of any proposal submitted to the shareholders for approval, including changes to a Fund' s fundamental policies or the terms of the management agreement with the Advisor. As of January 11, 2012, the officers and trustees as a group did not own any shares of either Fund.

As of January 2, 2013, the following persons were considered to be either a control person or principal shareholder of the applicable Fund:

Value Equity Fund

<u>Name and Address</u>	<u>% Ownership</u>		<u>Type of Ownership</u>
Midtrusco College Blvd, Suite 100 Overland Park, KS 66211	82.24	%	Record
Benefit Trust Co. P.O. Box 12770 Overland Park, KS 66211	17.57	%	Record

Table of Contents

Bond Fund		
<u>Name and Address</u>	<u>% Ownership</u>	<u>Type of Ownership</u>
Midtrusco 5901 College Blvd, Suite 100 Overland Park, KS 66211	98.94 %	Record

Midtrusco, a control person of each Fund, is under common control with Financial Counselors, Inc., the Funds' Advisor. The Advisor is owned 100% by FCI Holding Corporation, a Delaware corporation.

ANTI-MONEY LAUNDERING COMPLIANCE PROGRAM

Customer identification and verification is part of the Funds' overall obligation to prevent money laundering under federal law. The Trust has, on behalf of the Funds, adopted an anti-money laundering compliance program designed to prevent the Funds from being used for money laundering or financing of terrorist activities (the "AML Compliance Program"). The Trust has delegated the responsibility to implement the AML Compliance Program to the Funds' transfer agent, Huntington Asset Services, Inc., subject to oversight by the Trust's Chief Compliance Officer and, ultimately, by the Board of Trustees.

When you open an account with a Fund, the Fund's transfer agent will request that you provide your name, physical address, date of birth, and Social Security number or tax identification number. You may also be asked for other information that, in the transfer agent's discretion, will allow the Fund to verify your identity. Entities are also required to provide additional documentation. This information will be verified to ensure the identity of all persons opening an account with the Fund. Each Fund reserves the right to (i) refuse, cancel or rescind any purchase or exchange order, (ii) freeze any account and/or suspend account activities, or (iii) involuntarily redeem your account in cases of threatening conduct or suspected fraudulent or illegal activity. These actions will be taken when, in the sole discretion of the Funds' transfer agent, they are deemed to be in the best interest of a Fund, or in cases where a Fund is requested or compelled to do so by governmental or law enforcement authority.

PORTFOLIO TURNOVER

Each Fund may sell portfolio securities without regard to the length of time they have been held when, in the opinion of the Advisor, investment considerations warrant such action. Each Fund's portfolio turnover rate is the percentage of its portfolio that is bought and sold to exchange for other securities and is expressed as a percentage of its total assets. A high rate of portfolio turnover (100% or more) generally leads to higher transaction costs and may result in a greater number of taxable transactions. The portfolio turnover rate for the Value Equity Fund for the fiscal years ended September 30, 2011 and 2012 was 132.16% and 43.68% respectively. The portfolio turnover rate for the Bond Fund for the fiscal years ended September 30, 2011 and 2012 was 54.86% and 65.56% respectively. The portfolio turnover rate was lower than previous years because the FCI Value Equity Fund has shifted into a more defensive posture as evidenced by sector weightings of the fund versus the prior year.

PORTFOLIO TRANSACTIONS AND BROKERAGE

Subject to policies established by the Board of Trustees of the Trust, the Advisor is responsible for each Fund's portfolio decisions and the placing of each Fund's portfolio transactions. In placing portfolio transactions, the Advisor seeks the best qualitative execution for a Fund, taking into account such factors as price (including the applicable brokerage commission or dealer spread), the execution capability, financial responsibility and responsiveness of the broker or dealer and the brokerage and research services provided by the broker or dealer. The Advisor generally seeks favorable prices and commission rates that are reasonable in relation to the benefits received.

Table of Contents

The Advisor is specifically authorized to select brokers or dealers who also provide brokerage and research services to a Fund and/or the other accounts over which the Advisor exercises investment discretion and to pay such brokers or dealers a commission in excess of the commission another broker or dealer would charge if the Advisor determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services provided. The determination may be viewed in terms of a particular transaction or the Advisor's overall responsibilities with respect to the Trust and to other accounts over which it exercises investment discretion. Research services include supplemental research, securities and economic analyses, statistical services and information with respect to the availability of securities or purchasers or sellers of securities and analyses of reports concerning performance of accounts.

The research services and other information furnished by brokers through whom a Fund effects securities transactions may also be used by the Advisor in servicing all of its accounts. Similarly, research and information provided by brokers or dealers serving other clients may be useful to the Advisor in connection with its services to the Funds. Although research services and other information are useful to a Fund and the Advisor, it is not possible to place a dollar value on the research and other information received. During the fiscal year ended September 30, 2012, there were no brokerage transactions directed to brokers due to research services provided to the Advisor.

Over-the-counter transactions may be placed with broker-dealers if the Advisor is able to obtain best execution (including commissions and price). Over-the-counter transactions may also be placed directly with principal market makers. Fixed income securities are normally purchased directly from the issuer, an underwriter or a market maker. Purchases include a concession paid by the issuer to the underwriter and the purchase price paid to a market maker may include the spread between the bid and asked prices.

The following table provides information regarding brokerage commissions paid by the Value Equity Fund during the fiscal periods indicated.

<u>Fiscal Year Ended</u>	Brokerage Commissions Paid
September 30, 2012	\$ 16,033
September 30, 2011	\$ 46,659
September 30, 2010	\$ 72,660

The following table provides information regarding brokerage commissions paid by the Bond Fund during the fiscal periods indicated.

<u>Fiscal Year Ended</u>	Brokerage Commissions Paid
September 30, 2012	\$ 6,665
September 30, 2011	\$ 11,518
September 30, 2010	\$ 17,108

The Trust and the Advisor have each adopted a Code of Ethics (the "Codes") pursuant to Rule 17j-1 of the 1940 Act, and the Advisor's Code of Ethics also conforms to Rule 204A-1 under the Investment Advisers Act of 1940, as amended. The personnel subject to the Codes are permitted to invest in securities, including securities that may be purchased or held by the Funds. You may obtain a copy of the Codes from either Fund or the Advisor, free of charge, by calling the Funds at 1-877-627-8504. You may also obtain copies of the Trust's Code from documents filed with SEC and available on the SEC's web site at www.sec.gov.

DISCLOSURE OF PORTFOLIO HOLDINGS

Each Fund is required to include a schedule of portfolio holdings in its annual and semi-annual reports to shareholders, which is sent to shareholders within 60 days of the end of the second and fourth fiscal quarters and which is filed with the SEC on Form N-CSR within 70 days of the end of the second and fourth fiscal quarters.

Table of Contents

Each Fund also is required to file a schedule of portfolio holdings with the SEC on Form N-Q within 60 days of the end of the first and third fiscal quarters. Each Fund must provide a copy of the complete schedule of portfolio holdings as filed with the SEC to any shareholder of either Fund, upon request, free of charge. This policy is applied uniformly to all shareholders of a Fund without regard to the type of requesting shareholder (i.e., regardless of whether the shareholder is an individual or institutional investor).

Each Fund releases portfolio holdings to third party servicing agents on a daily basis in order for those parties to perform their duties on behalf of the Fund. These third party servicing agents include the Advisor, Distributor, Transfer Agent, Fund Accounting Agent, Administrator and Custodian. Each Fund also may disclose portfolio holdings, as needed, to auditors, legal counsel, proxy voting services (if applicable), printers, pricing services, parties to merger and reorganization agreements and their agents, and prospective or newly hired investment advisors or sub-advisors. The lag between the date of the information and the date on which the information is disclosed will vary based on the identity of the party to whom the information is disclosed. For instance, the information may be provided to auditors within days of the end of an annual period, while the information may be given to legal counsel or prospective sub-advisors at any time. This information is disclosed to all such third parties under conditions of confidentiality. "Conditions of confidentiality" include (i) confidentiality clauses in written agreements, (ii) confidentiality implied by the nature of the relationship (e.g., attorney-client relationship), (iii) confidentiality required by fiduciary or regulatory principles (e.g., custody relationships) or (iv) understandings or expectations between the parties that the information will be kept confidential. Third party servicing agents generally are subject to an independent obligation not to trade on confidential information under their code of ethics and/or as a result of common law precedents; however, a Fund does not require an independent confirmation from the third parties that they will not trade on the confidential information.

Additionally, each Fund may enter into ongoing arrangements to release portfolio holdings to Morningstar, Inc., Lipper, Inc., Bloomberg, Standard & Poor's, Thompson Financial and Vickers-Stock ("Rating Agencies") in order for those organizations to assign a rating or ranking to the Fund. In these instances, portfolio holdings will be supplied within approximately 25 days after the end of the month. The Rating Agencies may make each Fund's top portfolio holdings available on their websites and may make each Fund's complete portfolio holdings available to their subscribers for a fee. Neither of the Funds, the Advisor nor any of their affiliates receive any portion of this fee. Information released to Rating Agencies is not released under conditions of confidentiality nor is it subject to prohibitions on trading based on the information. Each Fund also may post its complete portfolio holdings to its website within approximately 25 days after the end of the month. The information will remain posted on the website until replaced by the information for the succeeding month. If a Fund's website is for some reason inoperable, the information will be supplied no more frequently than quarterly and on a delayed basis.

Except as described above, each Fund is prohibited from entering into any arrangements with any person to make available information about the Fund's portfolio holdings without the prior authorization of the Chief Compliance Officer and the specific approval of the Board. The Advisor must submit any proposed arrangement pursuant to which the Advisor intends to disclose a Fund's portfolio holdings to the Board, which will review such arrangement to determine whether the arrangement is in the best interests of the Fund's shareholders. Additionally, the Funds, the Advisor and their respective affiliated persons do not receive any compensation or other consideration as a result of disclosing a Fund's portfolio holdings. Finally, neither Fund will disclose portfolio holdings as described above to third parties that the Fund knows will use the information for personal securities transactions.

DISTRIBUTION PLAN

Each Fund has adopted a Distribution Plan (the "Plan") pursuant to Rule 12b-1 under the 1940 Act. Each Fund's Plan was approved by a majority of the Board of Trustees of the Trust, including a majority of the Trustees who are not interested persons of the Trust or the Fund, and who have no direct or indirect financial interest in the operation of the Plan or in any other Rule 12b-1 agreement, cast in person at a meeting on June 13, 2005 called for the purpose of, among other things, voting on such Plan.

Table of Contents

Each Fund's Plan provides that the applicable Fund will pay the Advisor and/or any registered securities dealer, financial institution or any other person (a "Recipient") a shareholder servicing fee aggregating to 0.25% of the average daily net assets of the Fund in connection with the promotion and distribution of Fund 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. Each Fund and/or the Advisor 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. Each Plan is a compensation plan, which means that compensation is provided regardless of 12b-1 expenses actually incurred. It is anticipated that each Plan will benefit the applicable Fund's shareholders because an effective sales program typically is necessary in order for the Fund to reach and maintain a sufficient size to achieve efficiently its investment objectives and to realize economies of scale. The Trustees also expect that each Plan will significantly enhance the applicable Fund's ability to distribute its shares. Neither Fund has implemented its Plan, although a Fund may do so at any time upon notice to shareholders after January 31, 2014.

PROXY VOTING POLICY

The Trust and the Funds' Advisor each have adopted proxy voting policies and procedures reasonably designed to ensure that proxies are voted in shareholders' best interests. As a brief summary, the Trust's policy delegates responsibility regarding proxy voting to the Advisor, subject to the Advisor's proxy voting policy and the supervision of the Board of Trustees. The Advisor's policy provides that generally the Advisor will vote with management for routine corporate proposals unless such a vote is not in the shareholders' best interests. Non-routine votes are reviewed on a case-by-case basis.

The Trust's policy provides that, if a conflict of interest between the Advisor or its affiliates and a Fund arises with respect to any proxy, the Advisor must disclose the conflict to the Board of Trustees and vote the proxy in accordance with the Board's instructions. The Board shall make the proxy voting decision that in its judgment, after reviewing the recommendation of the Advisor, is most consistent with the Advisor's proxy voting policies and in the best interests of a Fund's shareholders. When the Board is required to make a proxy voting decision, only the Trustees without a conflict of interest with regard to the security in question or the matter to be voted upon shall be permitted to participate in the decision of how a Fund's vote will be cast.

You may obtain a copy of the Trust's and the Advisor's proxy voting policy by calling Shareholder Services at 1-877-627-8504, or by writing to Huntington Asset Services, Inc., the Funds' transfer agent, at 2960 N. Meridian Street, Suite 300, Indianapolis, IN 46208, Attn: Unified Series Trust Chief Compliance Officer. A copy of the policies will be mailed to you within three days of receipt of your request. You also may obtain a copy of the policies from Fund documents filed with the SEC, which are available on the SEC's web site at www.sec.gov. A copy of the votes cast by each Fund with respect to portfolio securities during the most recent 12-month period ended June 30th, will be filed by the Fund with the SEC on Form N-PX. The Funds' proxy voting record will be available to shareholders free of charge upon request by calling or writing the Funds as described above or from the SEC's web site.

DETERMINATION OF NET ASSET VALUE

The net asset value of the shares of each Fund is determined as of the close of trading (normally 4:00 p.m., Eastern time) on each day the Trust is open for business and on any other day on which there is sufficient trading in a Fund's securities to materially affect the net asset value. The Trust is open for business on every day on which the New York Stock Exchange ("NYSE") is open for trading. The NYSE is closed on Saturdays, Sundays and the following holidays: New Year's Day, Martin Luther King, Jr. Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas. For a description of the methods used to determine the net asset value (share price), see "Determination of Net Asset Value" in the Prospectus.

Table of Contents

Equity securities generally are valued by using market quotations furnished by a pricing service when the Advisor believes such prices accurately reflect the fair market 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 market quotations are not readily available, when the Advisor determines that the market quotation or the price provided by the pricing service does not accurately reflect the current market value or when restricted or illiquid securities are being valued, such securities are valued at a fair value as determined by the Advisor in good faith according to guidelines established by the Board of Trustees. The Board of Trustees annually approves the pricing services used by the fund accounting agent. The fund accounting agent maintains a pricing review committee, which consults with an Independent Trustee who is a member of the Pricing Committee as fair valuation issues arise. Fair valued securities held by a Fund (if any) are reviewed by the Board of Trustees on a quarterly basis.

Fixed income securities generally are valued by using market quotations, but may be valued on the basis of prices furnished by a pricing service when the Advisor believes such prices accurately reflect the fair market value of such securities. If the Advisor decides that a price provided by the pricing service does not accurately reflect the fair market 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 Advisor, subject to review of the Board of Trustees. Short-term investments in fixed income securities with maturities of less than 60 days when acquired, or which subsequently are within 60 days of maturity, are valued by using the amortized cost method of valuation, which the Board has determined will represent fair value.

Each Fund's net asset value per share is computed by dividing the value of the securities held by that Fund plus any cash or other assets (including interest and dividends accrued but not yet received) minus all liabilities (including accrued expenses) by the total number of shares in that Fund outstanding at such time.

REDEMPTION IN-KIND

The Funds do not intend to redeem shares in any form except cash. However, if the amount you are redeeming is over the lesser of \$250,000 or 1% of a Fund's net asset value, pursuant to a Rule 18f-1 plan filed by the Trust on behalf of each Fund, each Fund has the right to redeem your shares by giving you the amount that exceeds the lesser of \$250,000 or 1% of the Fund's net asset value in securities instead of cash. In the event that an in-kind distribution is made, a shareholder may incur additional expenses, such as the payment of brokerage commissions, on the sale or other disposition of the securities received from the Fund.

STATUS AND TAXATION OF THE FUNDS

Each Fund was organized as a series of a business trust, and intends to continue to qualify for treatment as a regulated investment company (each a "RIC," or together "RICs") under the Internal Revenue Code of 1986, as amended (the "Code") in each taxable year. There can be no assurance that it actually will so qualify. If a Fund qualifies as a RIC, its dividend and capital gain distributions generally are subject only to a single level of taxation, to the shareholders. This differs from distributions of a regular business corporation which, in general, are taxed first as taxable income of the distributing corporation, and then again as dividend income of the shareholder.

If a Fund does qualify as a RIC but (in a particular calendar year) distributes less than ninety-eight percent (98%) of its ordinary income and 98.2% of its capital gain net income (as the Code defines each such term), the Fund is subject to an excise tax. The excise tax, if applicable, is four percent (4%) of the excess of the amount required to have been distributed over the amount actually distributed for the applicable year. If a Fund does not qualify as a RIC, its income will be subject to taxation as a regular business corporation, without reduction by dividends paid to shareholders of the Fund.

Table of Contents

To continue to qualify for treatment as a RIC under Subchapter M of the Code, a Fund must, among other requirements:

Derive at least ninety percent (90%) of its gross income each taxable year from dividends, interest, payments with respect to securities loans, gains from the sale or other disposition of stock or securities or foreign currencies, and certain other income (including gains from options, futures, or forward contracts derived with respect to the RIC's business of investing in stock, securities, or foreign currencies) (the "Income Requirement");

Diversify its investments in securities within certain statutory limits; and

Distribute annually to its shareholders at least ninety percent (90%) of its investment company taxable income (generally, taxable net investment income less net capital gain) (the "Distribution Requirement").

Pursuant to the recently enacted Regulated Investment Company Modernization Act of 2010 (the "Modernization Act"), if a Fund fails the gross income test for a taxable year, it will nevertheless be considered to have satisfied the test for such year if (i) the Fund satisfies certain procedural requirements and (ii) the Fund's failure to satisfy the gross income test is due to reasonable cause and not due to willful neglect. However, in such case, a tax is imposed on the Fund for the taxable year in which, absent the application of this provision, it would have failed the gross income test equal to the amount by which (i) the Fund's non-qualifying gross income exceeds (ii) one-ninth of the Fund's qualifying gross income, each as determined for purposes of applying the gross income test for such year.

Also pursuant to the Modernization Act, if a Fund fails the asset diversification test as of the end of a quarter, it will nevertheless be considered to have satisfied the test as of the end of such quarter in the following circumstances. If the Fund's failure to satisfy the asset diversification test at the end of the quarter is due to the ownership of assets the total value of which does not exceed the lesser of (i) one percent of the total value of the Fund's assets at the end of such quarter and (ii) \$10,000,000 (a "de minimis failure"), the Fund will be considered to have satisfied the asset diversification test as of the end of such quarter if, within six months of the last day of the quarter in which the Fund identifies that it failed the asset diversification test (or such other prescribed time period), the Fund either disposes of assets in order to satisfy the asset diversification test, or otherwise satisfies the asset diversification test.

In the case of a failure to satisfy the asset diversification test at the end of a quarter in a case that does not constitute a de minimis failure, a Fund will nevertheless be considered to have satisfied the asset diversification test as of the end of such quarter if (i) the Fund satisfies certain procedural requirements; (ii) the Fund's failure to satisfy the asset diversification test is due to reasonable cause and not due to willful neglect; and (iii) within six months of the last day of the quarter in which the Fund identifies that it failed the asset diversification test (or such other prescribed time period), the Fund either disposes of assets in order to satisfy the asset diversification test, or otherwise satisfies the asset diversification test. However, in this case, a tax is imposed on the Fund, at the current rate of 35%, on the net income generated by the assets that caused the Fund to fail the asset diversification test during the period for which the asset diversification test was not met. However, in all events, such tax will not be less than \$50,000.

Each Fund may acquire zero coupon or other securities issued with original issue discount (including pay-in-kind securities). If it does so, the applicable Fund will have to include in its income each share of the original issue discount that accrues on the securities during the taxable year, even if the Fund receives no corresponding payment on the securities during the year. Because each Fund annually must distribute (a) 98% of its ordinary income in order to avoid imposition of a 4% excise tax, and (b) 90% of its investment company taxable income, including any original issue discount, to satisfy the Distribution Requirement, a Fund may be required in a particular year to distribute as a dividend an amount that is greater than the total amount of cash it actually receives. Those distributions would be made from the Fund's cash assets, if any, or from the sales of portfolio

Table of Contents

securities, if necessary. A Fund might realize capital gains or losses from any such sales, which would increase or decrease the Funds' investment company taxable income and/or net capital gain (the excess of net long-term capital gain over net short-term capital loss).

Hedging strategies, to reduce risk in various ways, are subject to complex rules that determine for federal income tax purposes, the character and time for recognition of gains and losses the Funds realize in connection with the hedge. Each Fund's income from options, futures, and forward contracts, in each case derived with respect to its business of investing in stock, securities, or foreign currencies, should qualify as allowable income for the Fund under the Income Requirement.

Each Fund's net realized capital gains from securities transactions will be distributed only after reducing such gains by the amount of any available capital loss carryforwards. As of September 30, 2012, the Value Equity Fund utilized \$121,270 of capital loss carryforwards for federal tax purposes from prior years. The capital loss carryforwards were utilized entirely to offset gains and represented the Equity Fund's entire balance of capital loss carryforwards. As of September 30, 2012, the Bond Fund had no available capital loss carryforward. Net capital losses incurred in taxable years of the Funds beginning after October 1, 2011 will have an indefinite carryover period pursuant to the provisions of the Modernization Act.

Based on the number of shareholders, a Fund could be considered to be a personal holding company (a "PHC") under the Internal Revenue Code. An entity is considered a PHC if: (1) at least 60% of its income is derived from certain types of passive income (e.g., interest, dividends, rents and royalties) and (2) at any time during the last half of the taxable year more than 50% in value of its outstanding stock is owned directly or indirectly by or for not more than 5 individuals. If the Fund is deemed a PHC, its undistributed personal holding company income ("UPHCI") will be taxed at 15%. UPHCI is computed by making certain adjustments to taxable income, including a downward adjustment for distributions made to shareholders during the taxable year.

The tax on UPHCI is in addition to any other tax imposed on the Fund and/or its distributions. Under the Code, a regulated investment company, such as the Fund, that is also a PHC is also taxed on any undistributed investment company taxable income at the highest corporate rate under the Code.

Fund distributions received by your qualified retirement plan, such as a 401(k) plan or IRA, are generally tax-deferred; this means that you are not required to report Fund distributions on your income tax return when paid to your plan, but, rather, when your plan makes payments to you or your beneficiary. Special rules apply to payouts from Roth and Education IRAs.

The portion of the dividends a Fund pays (other than capital gain distributions) that does not exceed the aggregate dividends it receives from U.S. corporations will be eligible for the dividends received deduction allowed to corporations; however, dividends received by a corporate shareholder and deducted by it pursuant to the dividends received deduction are generally subject indirectly to the federal alternative minimum tax.

If you are a non-retirement plan holder, the appropriate Fund will send you a Form 1099 each year that tells you the amount of distributions you received for the prior calendar year, the tax status of those distributions, and a list of reportable sale transactions. Generally, a Fund's distributions are taxable to you in the year you received them. However, any dividends that are declared in October, November or December but paid in January are taxable as if received in December of the year they are declared. Investors should be careful to consider the tax consequences of buying shares shortly before a distribution. The price of shares purchased at that time may reflect the amount of the anticipated distribution. However, any such distribution will be taxable to the purchaser of the shares and may result in a decline in the share value by the amount of the distribution.

The foregoing is only a summary of some of the important federal income tax considerations affecting each Fund and its shareholders and is not intended as a substitute for careful tax planning. **Accordingly, prospective investors should consult their own tax professionals for more detailed information regarding the above and for information regarding federal, state, local and foreign taxes.**

Table of Contents

CUSTODIAN

Huntington National Bank, 41 South High Street, Columbus, Ohio 43215, is Custodian of each Fund's investments. The Custodian acts as the Funds' depository, safekeeps their portfolio securities, collects all income and other payments with respect thereto, disburses funds at the Funds' request and maintains records in connection with its duties. The custodian's parent company, Huntington Bancshares, Inc., is also the parent company of Huntington Asset Services, Inc. ("Huntington"), the Trust's transfer agent, fund accountant and administrator, and of Unified Financial Securities, Inc. (the "Distributor"), the Trust's distributor. A Trustee of the Trust is a member of management of the Custodian.

For its custodial services, the Custodian receives a monthly fee from each Fund based on the market value of the assets under custody. The monthly fee is equal to an annual rate of 0.0125% of the first \$75 million of market value; 0.0100% of the next \$75 million of market value; and 0.0075% of market value in excess of \$150 million. The Custodian also receives various transaction-based fees. The fees paid to the Custodian by each Fund are subject to a \$250 monthly minimum fee per account.

FUND SERVICES

Huntington, 2960 North Meridian Street, Suite 300, Indianapolis, Indiana 46208, acts as the Funds' transfer agent, fund accountant, administrator and dividend disbursing agent. Certain officers of the Trust are officers, employees, and/or members of management of Huntington. Huntington is a wholly-owned subsidiary of Huntington Bancshares, Inc., the parent company of the Custodian and the Distributor.

Huntington maintains the records of each shareholder's account, answers shareholders' inquiries concerning their accounts, processes purchases and redemptions of each Fund's shares, acts as dividend and distribution disbursing agent and performs other transfer agent and shareholder service functions. Huntington receives a monthly fee from each Fund of \$1.40 per shareholder account (subject to minimum monthly fees of \$417 per Fund if there are 1 or 2 shareholder accounts, \$833 per Fund if there are 3 or 4 shareholder accounts and \$1,250 per Fund if there are 5 or more shareholder accounts) for these transfer agency services.

In addition, Huntington provides the Funds with fund accounting services, which includes certain monthly reports, record keeping and other management-related services. For its services as fund accountant, Huntington receives a monthly fee from each Fund equal to an annual rate of 0.05% of the Fund's average daily net assets up to \$50 million, 0.04% of the Fund's average daily net assets from \$50 million to \$100 million, 0.03% of the Fund's average daily net assets from \$100 million to \$150 million, and 0.01% of the Fund's average daily net assets over \$150 million (subject to a minimum fee of \$1,667 per Fund per month).

Huntington also provides the Funds with administrative services, including all regulatory reporting and necessary office equipment, personnel and facilities. Huntington receives a monthly fee from each Fund equal to an annual rate of 0.08% of the Fund's average daily net assets up to \$50 million, 0.06% of the Fund's average daily net assets from \$50 million to \$100 million, 0.05% of the Fund's average daily net assets from \$100 million to \$150 million, and 0.03% of the Fund's average daily net assets over \$150 million (subject to a minimum fee of \$2,500 per Fund per month). Huntington also receives a compliance program services fee of \$800 per month from each Fund.

The following tables set forth the amounts paid by each Fund to Huntington for its transfer agency, fund accounting and fund administration services for the fiscal periods indicated. The amounts given include

Table of Contents

reimbursement for various out-of-pocket expenses, and may include amounts paid to various third parties as compensation for sub-transfer agency services.

<u>Value Equity Fund</u>	<u>Fiscal Year Ended September 30, 2010</u>	<u>Fiscal Year Ended September 30, 2011</u>	<u>Fiscal Year Ended September 30, 2012</u>
Transfer Agent Fees	\$ 27,864	\$ 27,233	\$ 28,594
Fund Accounting Fees	\$ 20,000	\$ 20,000	\$ 20,000
Administration Fees	\$ 31,671	\$ 30,370	\$ 29,958

<u>Bond Fund</u>	<u>Fiscal Year Ended September 30, 2010</u>	<u>Fiscal Year Ended September 30, 2011</u>	<u>Fiscal Year Ended September 30, 2012</u>
Transfer Agent Fees	\$ 28,107	\$ 27,313	\$ 28,616
Fund Accounting Fees	\$ 19,994	\$ 20,000	\$ 20,005
Administration Fees	\$ 31,620	\$ 30,371	\$ 29,958

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The firm of Cohen Fund Audit Services, Ltd., 1350 Euclid Avenue, Suite 800, Cleveland, Ohio 44115 has been selected as the Independent Registered Public Accounting Firm for the Funds for the fiscal year ending September 30, 2013. Cohen Fund Audit Services, Ltd. will perform an annual audit of each Fund's financial statements and will provide financial, tax and accounting consulting services as requested.

DISTRIBUTOR

Unified Financial Securities, Inc., (the "Distributor"), 2960 North Meridian Street, Suite 300, Indianapolis, Indiana 46208, is the exclusive agent for distribution of shares of the Funds. An officer of the Trust is an officer of the Distributor, and a Trustee of the Trust is an officer of the Custodian, which, together with the distributor and Huntington, are wholly-owned subsidiaries of Huntington Bancshares. As a result, such persons may be deemed to be affiliates of the Distributor.

The Distributor is obligated to sell the shares of each Fund on a best efforts basis only against purchase orders for the shares. Shares of each Fund are offered to the public on a continuous basis.

Table of Contents

FINANCIAL STATEMENTS

The financial statements of each Fund and the report of the Independent Registered Public Accounting Firm required to be included in this SAI are incorporated herein by reference to the Funds' Annual Report to Shareholders for the fiscal year ended September 30, 2012. The Annual Report may be obtained, without charge, by calling Shareholder Services at 1-877-627-8504.

[Table of Contents](#)

APPENDIX

Standard & Poor' s Corporate Bond Rating Definitions

AAA-Debt rated "AAA" has the highest rating assigned by S&P. Capacity to pay interest and repay principal is extremely strong.

AA-Debt rated "AA" has a very strong capacity to pay interest and repay principal and differs from the higher-rated issues only in small degree.

A-Debt rated "A" has a strong capacity to pay interest and repay principal, although it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than debt in higher-rated categories.

BBB-Debt rated "BBB" is regarded as having an adequate capacity to pay interest and repay principal. Whereas it normally exhibits adequate protection parameters, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity to pay interest and repay principal for debt in this category than in higher-rated categories.

BB, B, CCC, CC-Debt rated "BB", "B", "CCC", and "CC" is regarded, on balance, as predominantly speculative with respect to capacity to pay interest and repay principal in accordance with the terms of the obligation. "BB" indicates the lowest degree of speculation and "CC" the highest degree of speculation. While such debt will likely have some quality and protective characteristics, these are outweighed by large uncertainties of major risk exposures to adverse conditions.

CI-The rating "CI" is reserved for income bonds on which no interest is being paid.

D-Debt rated "D" is in default, and payment of interest and/or repayment of principal is in arrears.

Moody' s Investors Service, Inc. Corporate Bond Rating Definitions

Aaa-Bonds which are rated "Aaa" are judged to be of the best quality. They carry the smallest degree of investment risk and are generally referred to as "gilt edged." Interest payments are protected by a large or an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues.

Aa-Bonds which are rated "Aa" are judged to be of high quality by all standards. Together with the Aaa group, they comprise what are generally known as high-grade bonds. They are rated lower than the best bonds because margins of protection may not be as large as in Aaa securities or fluctuation of protective elements may be of greater amplitude or there may be other elements present that make the long-term risks appear somewhat larger than in Aaa securities.

A-Bonds which are rated "A" possess many favorable investment attributes and are to be considered as upper medium-grade obligations. Factors giving security to principal and interest are considered adequate but elements may be present which suggest a susceptibility to impairment sometime in the near future.

Baa-Bonds which are rated "Baa" are considered as medium-grade obligations (i.e., they are neither highly protected nor poorly secured). Interest payments and principal security appear adequate for the present but certain protective elements may be lacking or may be characteristically unreliable over any great length of time. Such bonds lack outstanding investment characteristics and, in fact, have speculative characteristics as well.

Ba-Bonds which are "Ba" are judged to have speculative elements; their future cannot be considered well assured. Often the protection of interest and principal payments may be very moderate and thereby not well safeguarded during both good and bad times over the future. Uncertainty of position characterizes bonds in this class.

Table of Contents

B-Bonds which are rated “B” generally lack characteristics of a desirable investment. Assurance of interest and principal payments or of maintenance of other terms of the contract over any long period of time may be small.

Caa-Bonds which are rated “Caa” are of poor standing. Such issues may be in default or there may be present elements of danger with respect to principal or interest.

Ca-Bonds which are “Ca” represent obligations which are speculative in a high degree. Such issues are often in default or have other marked shortcomings.

C-Bonds which are rated “C” are the lowest rated class of bonds, and issues so rated can be regarded as having extremely poor prospects of ever attaining any real investment standing.

Fitch Investors Service, Inc. Bond Rating Definitions

AAA-Bonds considered to be investment grade and of the highest credit quality. The obligor has an exceptionally strong ability to pay interest and repay principal, which is unlikely to be affected by reasonably foreseeable events.

AA-Bonds considered to be investment grade and of very high credit quality. The obligor’s ability to pay interest and repay principal is very strong, although not quite as strong as bonds rated “AAA.” Because bonds rated in the “AAA” and “AA” categories are not significantly vulnerable to foreseeable future developments, short-term debt of these issuers is generally rated “F-1+.”

A-Bonds considered to be investment grade and of high credit quality. The obligor’s ability to pay interest and repay principal is considered strong, but may be more vulnerable to adverse changes in economic conditions and circumstances than bonds with higher ratings.

BBB-Bonds considered to be investment grade and of satisfactory credit quality. The obligor’s ability to pay interest and repay principal is considered to be adequate. Adverse changes in economic conditions and circumstances, however, are more likely to have adverse impact on these bonds, and therefore impair timely payment. The likelihood that the ratings of these bonds will fall below investment grade is higher than for bonds with higher ratings.

BB-Bonds are considered speculative. The obligor’s ability to pay interest and repay principal may be affected over time by adverse economic changes. However, business and financial alternatives can be identified which could assist the obligor in satisfying its debt service requirements.

B-Bonds are considered highly speculative. While bonds in this class are currently meeting debt service requirements, the probability of continued timely payment of principal and interest reflects the obligor’s limited margin of safety and the need for reasonable business and economic activity throughout the life of the issue.

CCC-Bonds have certain identifiable characteristics which, if not remedied, may lead to default. The ability to meet obligations requires an advantageous business and economic environment.

CC-Bonds are minimally protected. Default in payment of interest and/or principal seems probable over time.

C-Bonds are in imminent default in payment of interest or principal.

DDD, DD, and D-Bonds are in default on interest and/or principal payments. Such bonds are extremely speculative and should be valued on the basis of their ultimate recovery value in liquidation or reorganization of the obligor. “DDD” represents the highest potential for recovery on these bonds, and “D” represents the lowest potential for recovery.

Table of Contents

PART C. OTHER INFORMATION

Item 28. Exhibits

(a) Articles of Incorporation

1. Agreement and Declaration of Trust as filed with the State of Ohio on October 17, 2002 - Filed with Registrant' s initial registration statement on Form N-1A dated October 21, 2002 and incorporated herein by reference.
2. First Amendment to Agreement and Declaration of Trust, as filed with the State of Ohio on September 15, 2005 - Filed with Registrant' s registration statement on Form N-1A dated March 31, 2006 and incorporated herein by reference.
3. Amendment No. 2 to Agreement and Declaration of Trust, as filed with the State of Ohio on May 17, 2006 - Filed with Registrant' s registration statement on Form N-1A dated July 24, 2006 and incorporated herein by reference.
4. Amendment No. 3 to Agreement and Declaration of Trust, as filed with the State of Ohio on September 1, 2006 - Filed with Registrant' s registration statement on Form N-1A dated September 19, 2006 and incorporated herein by reference.
5. Amendments No. 4 and 6 to Agreement and Declaration of Trust - Filed with Registrant' s registration statement on Form N-1A on July 5, 2007 and incorporated herein by reference.
6. Amendment No. 5 to Agreement and Declaration of Trust - Filed with Registrant' s registration statement on Form N-1A dated August 1, 2007 and incorporated herein by reference.
7. Amendment No. 7 to Agreement and Declaration of Trust - Filed with Registrant' s registration statement on Form N-1A dated August 31, 2007 and incorporated herein by reference.
8. Amendment No. 8 to Agreement and Declaration of Trust - Filed with Registrant' s registration statement on Form N-1A dated December 17, 2007 and incorporated herein by reference.
9. Amendment No. 9 to Agreement and Declaration of Trust - Filed with Registrant' s registration statement on Form N-1A dated April 29, 2008 and incorporated herein by reference.
10. Amendment No. 10 to Agreement and Declaration of Trust as filed with the State of Ohio on November 12, 2008- Filed with Registrant' s registration statement on Form N-1A dated November 28, 2008 and incorporated herein by reference.
11. Amendment No. 11 to Agreement and Declaration of Trust as filed with the State of Ohio on February 13, 2009 - Filed with Registrant' s registration statement on Form N-1A dated March 2, 2009 and incorporated herein by reference.
12. Amendment No. 12 to Agreement and Declaration of Trust as filed with the State of Ohio on August 11, 2009 - Filed with Registrant' s registration statement on Form N-1A dated December 29, 2009 and incorporated herein by reference.
13. Amendment No. 13 to Agreement and Declaration of Trust as filed with the State of Ohio on October 20, 2010 - Filed with Registrant' s registration statement on Form N-1A dated November 5, 2010 and incorporated herein by reference.

Table of Contents

14. Amendment No. 14 to Agreement and Declaration of Trust as filed with the State of Ohio on November 23, 2010 - Filed with Registrant' s registration statement on Form N-1A dated November 29, 2010 and incorporated herein by reference.
 15. Amendment No. 15 to Agreement and Declaration of Trust as filed with the State of Ohio on April 5, 2011 - Filed with Registrant' s registration statement on Form N-1A dated April 29, 2011 and incorporated herein by reference.
 16. Amendment No. 16 to Agreement and Declaration of Trust as filed with the State of Ohio on August 23, 2011 - Filed with Registrant' s registration statement on Form N-1A dated August 24, 2011 and incorporated herein by reference.
 17. Amendment No. 17 to Agreement and Declaration of Trust as filed with the State of Ohio on November 17, 2011 - Filed with Registrant' s registration statement on Form N-1A dated November 28, 2011 and incorporated herein by reference.
 18. Amendment No. 18 to Agreement and Declaration of Trust as filed with the State of Ohio on August 28, 2012 - Filed with Registrant' s registration statement on Form N-1A dated September 17, 2012 and incorporated herein by reference.
- (b) By-laws adopted as of October 17, 2002 - Filed with Registrant' s initial registration statement on Form N-1A dated October 21, 2002 and incorporated herein by reference.
- (c) Instruments Defining Rights of Security Holders - None.
- (d) Investment Advisory Contracts:
1. (a) Copy of Registrant' s Amended and Restated Management Agreement with Spectrum Advisory Services, Inc. ("Spectrum") with regard to the Marathon Value Portfolio - Filed with Registrant' s registration statement on Form N-1A dated July 26, 2010 and incorporated herein by reference.
 - (b) Copy of the Side Letter Agreement with Spectrum regarding fee waiver and expense reimbursement with respect to the Marathon Value Portfolio for the period ending February 28, 2013 - Filed with Registrant' s registration statement on Form N-1A dated February 28, 2012 and incorporated herein by reference.
 2. (a) Copy of Registrant' s Amended and Restated Management Agreement with Crawford Investment Counsel, Inc. with regard to the Crawford Dividend Growth Fund - Filed with Registrant' s registration statement on Form N-1A dated May 2, 2011 and incorporated herein by reference.
 - (b) Copy of Registrant' s Side Letter Agreement with Crawford Investment Counsel, Inc. regarding fee waiver and expense reimbursement with respect to the Crawford Dividend Growth Fund for the period ended April 30, 2014 - Filed with Registrant' s registration statement on Form N-1A dated August 3, 2012 and incorporated herein by reference.
 3. Copy of Registrant' s Amended and Restated Management Agreement with IMS Capital Management, Inc. with regard to the IMS Capital Value Fund - Filed with Registrant' s registration statement on Form N-1A dated August 22, 2007, and incorporated herein by reference.
 4. (a) Copy of Registrant' s Management Agreement with IMS Capital Management, Inc. with regard to the IMS Dividend Growth Fund (formerly known as the Strategic Allocation Fund) approved June 6, 2004 - Filed

with Registrant' s registration statement on Form N-1A dated September 28, 2004 and incorporated herein by reference.

Table of Contents

- (b) Copy of Registrant' s Side Letter Agreement with IMS Capital Management, Inc. regarding fee waiver and expense reimbursement with respect to the IMS Dividend Growth Fund for the period ending October 31, 2013 - Filed with Registrant' s registration statement on Form N-1A dated October 29, 2012 and incorporated herein by reference.
- 5. (a) Copy of Registrant' s Management Agreement with IMS Capital Management, Inc. with regard to the IMS Strategic Income Fund approved June 6, 2004 - Filed with Registrant' s registration statement on Form N-1A dated September 28, 2004 and incorporated herein by reference.
- (b) Copy of Registrant' s Side Letter Agreement with IMS Capital Management, Inc. regarding fee waiver and expense reimbursement with respect to the IMS Strategic Income Fund for the period ending October 31, 2013 - Filed with Registrant' s registration statement on Form N-1A dated October 29, 2012 and incorporated herein by reference.
- 6. (a) Copy of Registrant' s Management Agreement with Financial Counselors, Inc. with regard to the FCI Value Equity Fund approved June 13, 2005 - Filed with Registrant' s registration statement on Form N-1A dated June 15, 2005 and incorporated herein by reference.
- (b) Copy of Side Letter Agreement with Financial Counselors, Inc. regarding fee waiver and expense reimbursement with respect to the FCI Value Equity Fund for the period ending January 31, 2014 - Filed herewith.
- 7. (a) Copy of Registrant' s Management Agreement with Financial Counselors, Inc. with regard to the FCI Bond Fund approved June 13, 2005 - Filed with Registrant' s registration statement on Form N-1A dated June 15, 2005 and incorporated herein by reference.
- (b) Copy of Side Letter Agreement with Financial Counselors, Inc. regarding fee waiver and expense reimbursement with respect to the FCI Bond Fund for the period ending January 31, 2014 - Filed herewith.
- 8. Copy of Registrant' s Amended and Restated Management Agreement with The Roosevelt Investment Group with respect to the Roosevelt Multi-Cap Fund, approved August 13, 2012 - Filed with Registrant' s registration statement on Form N-1A dated October 15, 2012 and incorporated herein by reference.
- 9. (a) Copy of Registrant' s Management Agreement with SMI Advisory Services, LLC with regard to the Sound Mind Investing Fund approved August 29, 2005 - Filed with Registrant' s registration statement on Form N-1A dated August 6, 2005 and incorporated herein by reference.
- (b) Copy of Side Letter Agreement with SMI Advisory Services, LLC regarding fee waiver and expense reimbursement with respect to the Sound Mind Investing Fund for the period ending February 28, 2013 - Filed with Registrant' s registration statement on Form N-1A dated February 28, 2012 and incorporated herein by reference.
- 10. (a) Copy of Registrant' s Amended Management Agreement with Toreador Research & Trading LLC with regard to Toreador Large Cap Fund - Filed with Registrant' s registration statement on Form N-1A dated August 31, 2009 and incorporated herein by reference.
- (b) Amendment to Management Agreement with Toreador Research & Trading LLC with regard to Toreador Large Cap Fund - Filed with Registrant' s registration statement on Form N-1A dated August 31, 2012 and incorporated herein by reference.

Table of Contents

- (c) Copy of Side Letter Agreement with Toreador Research & Trading LLC regarding fee waiver and expense reimbursement with respect to the Toreador Large Cap Fund for the period ending August 31, 2013 - Filed with Registrant' s registration statement on Form N-1A dated August 31, 2012 and incorporated herein by reference.
- 11. Copy of Registrant' s Amended and Restated Management Agreement with Iron Financial, LLC dated November 10, 2008 with regard to the Iron Strategic Income Fund - Filed with Registrant' s registration statement on Form N-1A dated January 28, 2009 and incorporated herein by reference.
- 12. (a) Copy of Registrant' s Management Agreement with Leeb Capital Management, Inc. with regard to Leeb Focus Fund - Filed with Registrant' s registration statement on Form N-1A dated November 30, 2006 and incorporated herein by reference.
 - (b) Copy of Side Letter Agreement with Leeb Capital Management, Inc. regarding fee waiver and expense reimbursement with respect to the Leeb Focus Fund for the period ended June 30, 2013- Filed with Registrant' s registration statement on Form N-1A dated March 29, 2012 and incorporated herein by reference.
- 13. (a) Copy of Registrant' s Management Agreement with Pekin Singer Strauss Asset Management, Inc. with regard to Appleseed Fund - Filed with Registrant' s registration statement on Form N-1A dated March 9, 2012 and incorporated herein by reference.
 - (b) Copy of Side Letter Agreement with Pekin Singer Strauss Asset Management, Inc. regarding fee waiver and expense reimbursement with respect to the Appleseed Fund for period ending January 31, 2014 - Filed herewith.
- 14. (a) Copy of Registrant' s Management Agreement with Symons Capital Management, Inc. with regard to the Symons Value Institutional Fund - Filed with Registrant' s registration statement on Form N-1A dated December 14, 2006 and incorporated herein by reference.
 - (b) Copy of Side Letter Agreement with Symons Capital Management, Inc. regarding fee waiver and expense reimbursement with respect to the Symons Value Institutional Fund for the period ended March 31, 2016 - Filed with Registrant' s registration statement on Form N-1A dated July 29, 2011 and incorporated herein by reference.
- 15. (a) Copy of Registrant' s Management Agreement with Dean Investment Associates, LLC with regard to the Dean Mid Cap Value Fund - Filed with Registrant' s registration statement on Form N-1A dated July 30, 2012 and incorporated herein by reference.
 - (b) Copy of Side Letter Agreement with Dean Investment Associates, LLC regarding fee waiver and expense reimbursement with respect to the Dean Mid Cap Value Fund for the period ended July 31, 2013 - Filed with Registrant' s registration statement on Form N-1A dated July 30, 2012 and incorporated herein by reference.
- 16. (a) Copy of Registrant' s Management Agreement with Dean Investment Associates, LLC with regard to the Dean Small Cap Value Fund - Filed with Registrant' s registration statement on Form N-1A dated July 30, 2012 and incorporated herein by reference.
 - (b) Copy of Side Letter Agreement with Dean Investment Associates, LLC regarding fee waiver and expense reimbursement with respect to the Dean Small Cap Value Fund for the period ended July 31, 2013 - Filed

with Registrant' s registration statement on Form N-1A dated July 30, 2012 and incorporated herein by reference.

Table of Contents

17. Copy of Subadvisory Agreement between Dean Investment Associates, LLC and Dean Capital Management, LLC with regard to the Dean Mid Cap Value Fund and Dean Small Cap Value Fund - Filed with Registrant' s registration statement on Form N-1A dated July 30, 2012 and incorporated herein by reference.
18. (a) Copy of Registrant' s Management Agreement with SB-Auer Funds, LLC with regard to the Auer Growth Fund - Filed with Registrant' s registration statement on Form N-1A dated December 21, 2007 and incorporated herein by reference.

(b) Copy of Side Letter Agreement with SB-Auer Funds, LLC regarding fee waiver and expense reimbursement with respect to the Auer Growth Fund for the period ending March 31, 2013 - Filed with Registrant' s registration statement on Form N-1A dated March 29, 2012 and incorporated herein by reference.
19. (a) Copy of Registrant' s Management Agreement with Symons Capital Management, Inc. with regard to the Symons Small Cap Institutional Fund - Filed with Registrant' s registration statement on Form N-1A dated April 29, 2008 and incorporated herein by reference.

(b) Copy of Side Letter Agreement with Symons Capital Management, Inc. regarding fee waiver and expense reimbursement with respect to the Symons Small Cap Institutional Fund for the period ended March 31, 2016 - Filed with Registrant' s registration statement on Form N-1A dated July 29, 2011 and incorporated herein by reference.
20. (a) Copy of Registrant' s Management Agreement with SMI Advisory Services, LLC with regard to the Sound Mind Investing Balanced Fund - Filed with Registrant' s registration statement on Form N-1A dated December 23, 2010 and incorporated herein by reference.

(b) Copy of Side Letter Agreement with SMI Advisory Services, LLC regarding fee waiver and expense reimbursement with respect to the Sound Mind Investing Balanced Fund for the period ending February 28, 2013 - Filed with Registrant' s registration statement on Form N-1A dated February 28, 2012 and incorporated herein by reference.

(c) Copy of Subadvisory Agreement between SMI Advisory Services, LLC and Reams Asset Management Co., LLC with regard to the Sound Mind Investing Balanced Fund - Filed with Registrant' s registration statement on Form N-1A dated December 23, 2010 and incorporated herein by reference.
21. (a) Copy of Registrant' s Management Agreement with 1492 Capital Management, LLC with regard to the 1492 Small Cap Growth Fund - Filed with Registrant' s registration statement on Form N-1A dated December 14, 2011 and incorporated herein by reference.

(b) Copy of Side Letter Agreement with 1492 Capital Management, LLC regarding fee waiver and expense reimbursement with respect to the 1492 Small Cap Growth Fund - Filed with Registrant' s registration statement on Form N-1A dated December 14, 2011 and incorporated herein by reference.
22. (a) Copy of Registrant' s Management Agreement with 1492 Capital Management, LLC with regard to the 1492 Small Cap Value Fund - Filed with Registrant' s registration statement on Form N-1A dated December 14, 2011 and incorporated herein by reference.

Table of Contents

- (b) Copy of Side Letter Agreement with 1492 Capital Management, LLC regarding fee waiver and expense reimbursement with respect to the 1492 Small Cap Value Fund - Filed with Registrant's registration statement on Form N-1A dated December 14, 2011 and incorporated herein by reference.
- 23. (a) Copy of Registrant's Management Agreement with Martin Capital Management, LLC with regard to the Martin Focused Value Fund - Filed with Registrant's registration statement on Form N-1A dated February 8, 2012 and incorporated herein by reference.
 - (b) Copy of Side Letter Agreement with Martin Capital Management, LLC regarding fee waiver and expense reimbursement with respect to the Martin Focused Value Fund for the period ending June 30, 2015 - Filed with Registrant's registration statement on Form N-1A dated February 8, 2012 and incorporated herein by reference.
- 24. (a) Copy of Registrant's Management Agreement with Crawford Investment Counsel, Inc. with regard to the Crawford Dividend Opportunity Fund - Filed with Registrant's registration statement on Form N-1A dated September 17, 2012 and incorporated herein by reference.
 - (b) Copy of Side Letter Agreement with Crawford Investment Counsel, Inc. regarding fee waiver and expense reimbursement with respect to the Crawford Dividend Opportunity Fund for the period ending April 30, 2014 - Filed with Registrant's registration statement on Form N-1A dated September 17, 2012 and incorporated herein by reference.
- (e) Underwriting Contracts.
 - 1. Copy of Registrant's Distribution Agreement with Unified Financial Securities, Inc., dated December 18, 2002, as amended December 13, 2004 - Filed with Registrant's registration statement on Form N-1A dated December 30, 2004 and incorporated herein by reference.
 - 2. Copy of Registrant's amended and restated Distribution Agreement with Unified Financial Securities, Inc., dated January 17, 2007 - Filed with Registrant's registration statement on Form N-1A dated July 3, 2008 and incorporated herein by reference.
 - 3. Copy of Distribution Agreement among Registrant, Crawford Investment Counsel, Inc. and Unified Financial Securities, Inc., approved December 7, 2003 - Filed with Registrant's registration statement on Form N-1A dated December 29, 2003 and incorporated herein by reference.
 - 4. Copy of Distribution Agreement among Registrant, IMS Capital Management, Inc. and Foreside Distribution Services, L.P., dated July 1, 2008- Filed with Registrant's registration statement on Form N-1A dated April 30, 2009 and incorporated herein by reference.
- (f) Bonus or Profit Sharing Contracts - None.
- (g) Custodian Agreements.
 - 1. Copy of Registrant's Custodian Agreement with Huntington National Bank, dated December 18, 2002 - Filed with Registrant's registration statement on Form N-1A dated December 31, 2002 and incorporated herein by reference.

Table of Contents

2. (a) Copy of Registrant' s Custodian Agreement with U.S. Bank, N.A., dated September 23, 2005 - Filed with Registrant' s registration statement on Form N-1A dated September 30, 2005 and incorporated herein by reference.
- (b) Amendment to Custodial Agreement between U.S. Bank, N.A. and Registrant, dated December 2005 - Filed with Registrant' s registration statement on Form N-1A December 7, 2005 and incorporated herein by reference.
- (h) Other Material Contracts.
 1. Amended Mutual Fund Services Agreement between Registrant and Unified Fund Services, Inc. - Filed with Registrant' s registration statement on Form N-1A dated December 1, 2005 and incorporated herein by reference.
 2. Amendment to Amended Mutual Fund Services Agreement between Registrant and Unified Fund Services, Inc., effective as of October 1, 2007 - Filed with Registrant' s registration statement on Form N-1A dated October 30, 2007 and incorporated herein by reference.
 3. Registrant' s Investor Class Administration Plan for the Iron Strategic Income Fund - Filed with Registrant' s registration statement on Form N-1A dated December 5, 2008 and incorporated herein by reference.
 4. Registrant' s Revised Retail Class Administrative Services Plan for the Treador Large Cap Fund - Filed with Registrant' s registration statement on Form N-1A dated August 31, 2012 and incorporated herein by reference.
 5. Registrant' s Investor Class Administrative Services Plan for the Appleseed Fund - Filed with Registrant' s registration statement on Form N-1A dated January 28, 2011 and incorporated herein by reference.
 6. Registrant' s Class R Administrative Services Plan for the Crawford Dividend Growth Fund - Filed with Registrant' s registration statement on Form N-1A dated October 14, 2011 and incorporated herein by reference.
 7. Registrant' s Retail Class Administrative Services Plan for the Martin Focused Value Fund - Filed with Registrant' s registration statement on Form N-1A dated April 12, 2012 and incorporated herein by reference.
- (i) Legal Opinion and Consent - Legal opinion was filed with Registrant' s registration statement on Form N-1A dated September 17, 2012 and is incorporated herein by reference. The consent of Thompson Hine LLP is filed herewith.
- (j) Other Opinions - Consent of Independent Registered Public Accounting Firm - Filed herewith.
- (k) Omitted Financial Statements - None.
- (l) Initial Capital Agreements. Copy of Letter of Investment Intent from Unified Fund Services, Inc., dated December 30, 2002 - Filed with Registrant' s registration statement on Form N-1A dated December 31, 2002 and incorporated herein by reference.
- (m) Rule 12b-1 Plan.
 1. Copy of Revised Rule 12b-1 Distribution Plan for Crawford Dividend Growth Fund - Filed with Registrant' s registration statement on Form N-1A dated May 2, 2011 and incorporated herein by reference.
 2. Copy of Revised Rule 12b-1 Distribution Plan for the Roosevelt Multi-Cap Fund - Filed with Registrant' s registration statement on Form N-1A dated August 24, 2011 and incorporated herein by reference.

Table of Contents

3. Copy of Rule 12b-1 Distribution Plan for FCI Value Equity Fund and FCI Bond Fund - Filed with Registrant' s registration statement on Form N-1A dated August 30, 2005 and incorporated herein by reference.
 4. Copy of Rule 12b-1 Distribution Plan with respect to the Appleseed Fund - Filed with Registrant' s registration statement on Form N-1A dated October 2, 2006 and incorporated herein by reference.
 5. Copy of Rule 12b-1 Distribution Plan with respect to the Auer Growth Fund - Filed with Registrant' s registration statement on Form N-1A dated December 21, 2007 and incorporated herein by reference.
 6. Copy of Rule 12b-1 Distribution Plan with respect to the Investor Class Shares of the Iron Strategic Income Fund - Filed with Registrant' s registration statement on Form N-1A dated December 5, 2008 and incorporated herein by reference.
 7. Copy of Rule 12b-1 Distribution Plan with respect to the Retail Class Shares of the Martin Focused Value Fund - Filed with Registrant' s registration statement on Form N-1A dated April 12, 2012 and incorporated herein by reference.
- (n) Rule 18f-3 Plan.
1. Copy of Amended and Restated Rule 18f-3 Plan for Crawford Dividend Growth Fund - Filed with Registrant' s registration statement on Form N-1A dated October 14, 2011 and incorporated herein by reference.
 2. Copy of Rule 18f-3 Plan for Iron Strategic Income Fund - Filed with Registrant' s registration statement on Form N-1A dated December 5, 2008 and incorporated herein by reference.
 3. Copy of Revised Rule 18f-3 Plan for the Toreador Large Cap Fund - Filed with Registrant' s registration statement on Form N-1A dated August 31, 2012 and incorporated herein by reference.
 4. Copy of Rule 18f-3 Plan for the Appleseed Fund - Filed with Registrant' s registration statement on Form N-1A dated January 28, 2011 and incorporated herein by reference.
 5. Copy of Rule 18f-3 Plan for the Martin Focused Value Fund - Filed with Registrant' s registration statement on Form N-1A dated April 12, 2012 and incorporated herein by reference.
 6. Copy of Rule 18f-3 Plan for the Roosevelt Multi-Cap Fund - Filed with Registrant' s registration statement on Form N-1A dated October 15, 2012 and incorporated herein by reference.
- (o) Reserved.
- (p) Codes of Ethics.
1. Registrant' s Amended Code of Ethics - Filed with Registrant' s registration statement on Form N-1A on June 20, 2007 and incorporated herein by reference.
 2. Code of Ethics for Senior Executive Officers - Filed with Registrant' s registration statement on Form N-1A dated October 31, 2003 and incorporated herein by reference.
 3. Code of Ethics adopted by Unified Financial Securities, Inc., as distributor to Registrant - Filed with Registrant' s registration statement on Form N-1A on July 3, 2008 and incorporated herein by reference.

Table of Contents

- (q) 1. Registrant's Revised Proxy Voting Policy - Filed with Registrant's registration statement on Form N-1A dated July 1, 2011 and incorporated herein by reference.
2. Proxy Voting Policy and Procedures adopted by Crawford Investment Counsel, Inc. - Filed with Registrant's registration statement on Form N-1A dated December 29, 2003 and incorporated herein by reference.
3. Proxy Voting Policy and Procedures adopted by Spectrum Advisory Services, Inc. - Filed with Registrant's registration statement on Form N-1A dated February 27, 2004 and incorporated herein by reference.
4. Proxy Voting Policy and Procedures adopted by IMS Capital Management, Inc. with regard to each of the IMS Funds - Filed with Registrant's registration statement on Form N-1A dated September 28, 2004 and incorporated herein by reference.
5. Proxy Voting Policy and Procedures adopted by Financial Counselors, Inc. with regard to each of the FCI Funds - Filed with Registrant's registration statement on Form N-1A dated June 15, 2005 and incorporated herein by reference.
6. Proxy Voting Policy and Procedures adopted by with Toreador Research & Trading LLC as advisor to Toreador Large Cap Fund - Filed with Registrant's registration statement on Form N-1A dated February 2, 2006 and incorporated herein by reference.
7. Proxy Voting Policy and Procedures adopted by Leeb Capital Management, Inc. as advisor to Leeb Focus Fund - Filed with Registrant's registration statement on Form N-1A dated September 19, 2006 and incorporated herein by reference.
8. Proxy Voting Policy and Procedures adopted by Pekin Singer Strauss Asset Management, Inc. as advisor to Appleseed Fund - Filed with Registrant's registration statement on Form N-1A dated October 2, 2006 and incorporated herein by reference.
9. Updated Proxy Voting Policy and Procedures adopted by Symons Capital Management, Inc. as advisor to Symons Institutional Funds- Filed with Registrant's registration statement on Form N-1A dated April 1, 2008 and incorporated herein by reference.
10. Proxy Voting Policy and Procedures adopted by SMI Advisory Services, LLC as advisor to Sound Mind Investing Funds - Filed with Registrant's registration statement on Form N-1A dated October 13, 2006 and incorporated herein by reference.
11. Proxy Voting Policy and Procedures adopted by Dean Investment Associates, LLC as advisor to the Dean Funds - Filed with Registrant's registration statement on Form N-1A dated March 7, 2007 and incorporated herein by reference.
12. Proxy Voting Guidelines used with respect to Roosevelt Multi-Cap Fund - Filed with Registrant's registration statement on Form N-1A dated April 11, 2008 and incorporated herein by reference.
13. Proxy Voting Policy and Procedures adopted by SBAuer Funds, LLC as adviser to the Auer Growth Fund - Filed with Registrant's registration statement on Form N-1A dated December 21, 2007 and incorporated herein by reference.
14. Proxy Voting Policy and Procedures adopted by 1492 Capital Management, LLC as advisor to the 1492 Funds - Filed with Registrant's registration statement on Form N-1A dated December 14, 2011 and incorporated herein by reference.

Table of Contents

15. Proxy Voting Policy and Procedures adopted by Martin Capital Management, LLC as advisor to the Martin Focused Value Fund - Filed with Registrant's registration statement on Form N-1A dated April 12, 2012 and incorporated herein by reference.

Item 29. Persons Controlled by or Under Common Control with Registrant

The controlling shareholder of each of the FCI Bond Fund and FCI Value Equity Fund (together, the FCI Funds"), Midtrusco, is under common control with the FCI Funds' investment adviser, Financial Counselors, Inc. Financial Counselors, Inc. is owned 100% by FCI Holding Corporation, a Delaware corporation.

Dean Investment Associates, LLC may be deemed to be under common control with each of the Dean Funds because various persons that own Dean Wealth Management LLP, a controlling shareholder of the Dean Funds, also indirectly own more than 75% of Dean Investment Associates, LLC.

Item 30. Indemnification

Article VI, Section 6.4 of the Declaration of Trust of Unified Series Trust, an Ohio business trust, provides that:

Indemnification of Trustees, Officers, etc. Subject to and except as otherwise provided in the Securities Act of 1933, as amended, and the 1940 Act, the Trust shall indemnify each of its Trustees and officers (including persons who serve at the Trust's request as directors, officers or trustees of another organization in which the Trust has any interest as a shareholder, creditor or otherwise (hereinafter referred to as a "Covered Person") against all liabilities, including but not limited to amounts paid in satisfaction of judgments, in compromise or as fines and penalties, and expenses, including reasonable accountants' and counsel fees, incurred by any Covered Person in connection with the defense or disposition of any action, suit or other proceeding, whether civil or criminal, before any court or administrative or legislative body, in which such Covered Person may be or may have been involved as a party or otherwise or with which such person may be or may have been threatened, while in office or thereafter, by reason of being or having been such a Trustee or officer, director or trustee, and except that no Covered Person shall be indemnified against any liability to the Trust or its Shareholders to which such Covered Person would otherwise be subject by reason of willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of such Covered Person's office.

Item 31. Business and Other Connections of the Investment Advisers

1. Crawford Investment Counsel, Inc. ("Crawford") serves as the investment adviser for the Crawford Dividend Growth Fund and the Crawford Dividend Opportunity Fund, each a series of the Trust. John H. Crawford III serves as President and Chief Investment Officer of Crawford. Further information about Crawford can be obtained from the Form ADV Part I available on the IAPD.
2. Dean Investment Associates, LLC ("Dean"), serves as investment advisor to the Dean Funds. Stephen M. Miller serves as President and Chief Operating Officer of Dean, and each of Mark E. Schutter, Ronald A. Best and Debra E. Rindler are executive officers. Further information about Dean can be obtained from its Form ADV Part I available on the IAPD.
3. Dean Capital Management, LLC ("DCM"), serves as sub-advisor to the Dean Funds. Douglas Leach is an executive officer. Further information about DCM can be obtained from its Form ADV Part I available on the IAPD.
4. Financial Counselors, Inc. ("FCI") serves as the investment adviser to the FCI Value Equity Fund and FCI Bond Fund, each a series of the Trust. Mr. Robert T. Hunter serves as President and Chief Executive Officer of FCI. Further information about FCI can be obtained from the Form ADV Part I available on the IAPD.

Table of Contents

5. IMS Capital Management, Inc. (“IMS”) serves as the investment adviser to the IMS Capital Value Fund, IMS Dividend Growth Fund and IMS Strategic Income Fund, each a series of the Trust. Mr. Carl W. Marker serves as Chairman and President of IMS. Further information about IMS can be obtained from the Form ADV Part I available on the IAPD.
6. Iron Financial, LLC serves as investment advisor to the Iron Strategic Income Fund. Mr. Aaron Izenstark is the President and Mr. Richard Lakin is the Chief Compliance Officer of Iron Financial. Further information about Iron Financial can be obtained from its Form ADV Part I available on the IAPD.
7. Leeb Capital Management, Inc. (“Leeb”) serves as investment advisor to the Leeb Focus Fund. Steven L. Leeb is the Chief Executive Officer, and Patrick DeSouza and Donna A. Leeb are executive officers. Further information about Leeb can be obtained from its Form ADV Part I available on the IAPD.
8. Pekin Singer Strauss Asset Management, Inc. (“Pekin”) serves as investment advisor to the Appleseed Fund. Mr. Ronald L. Strauss is the President of Pekin; Richard A. Singer, Brandon Hardy, Alan L. Zable, William A. Pekin, Adam Strauss, Joshua Strauss, and William Schmidle all are executive officers. Further information about Pekin can be obtained from its Form ADV Part I available on the IAPD.
9. SMI Advisory Services, LLC (“SMI”) serves as investment advisor to the Sound Mind Investing Fund and Sound Mind Investing Balanced Fund, each a series of Registrant. Mr. Eric Collier, Mr. Mark Biller, and Mr. Anthony Ayers are all principals of SMI. Further information about SMI can be obtained from the Form ADV Part I of SMI available on the IAPD.
10. Spectrum Advisory Services, Inc. (“Spectrum”) serves as the investment advisor for the Marathon Value Portfolio, a series of the Trust. Mr. Marc Heilweil serves as President of Spectrum. Further information about Spectrum can be obtained from the Form ADV Part I available on the IAPD.
11. Symons Capital Management, Inc. (“Symons”) serves as the investment advisor for the Symons Value Institutional Fund and Symons Small Cap Institutional Fund, each a series of the Trust. Edward L. Symons, Jr. is the Chairman and Founder, and Colin E. Symons, CFA, is the Chief Investment Officer. Christopher Rickard, Vickilynn Ellis, Richard F. Foran and Michael P. Czajka each are executive officers of Symons. Further information about Symons can be obtained from the Form ADV Part I available on the IAPD.
12. The Roosevelt Investment Group (“Roosevelt”) serves as investment advisor to the Roosevelt Multi-Cap Fund. Mr. Arthur Sheer serves as the Chief Executive Officer of Roosevelt. David Sheer and Steven Weiss are executive officers. Further information about Roosevelt can be obtained from its Form ADV Part I available on the IAPD.
13. Toreador Research & Trading LLC (“Toreador”) serves as investment advisor to Toreador Large Cap Fund. Mr. Paul Blinn and Dan Obrycki are executive officers of Toreador. Further information about Toreador can be obtained from its Form ADV Part I available on the IAPD.
14. SBAuer Funds, LLC (“SBA”) serves as investment adviser to the Auer Growth Fund. Mr. David Gilreath and Mr. Ronald Brock are executive officers of SBA and members of Sheaff Brock Investment Advisors, LLC. Further information about SBA and Sheaff Brock can be obtained from their respective Forms ADV Part I available on the IAPD
15. Reams Asset Management Company, LLC (“Reams”) serves as sub-adviser to the Sound Mind Investing Balanced Fund. David McKinney is the President of Reams. Further information about Reams can be obtained from its Form ADV Part I available on the IAPD.

Table of Contents

16. 1492 Capital Management, LLC (“1492”) serves as adviser to the 1492 Funds. Timothy T. Stracka and Joseph A. Frohna are the Managing Members of 1492. Further information about 1492 can be obtained from its Form ADV Part I available on the IAPD.
17. Martin Capital Management, LLC (“Martin”) serves as adviser to the Martin Focused Value Fund. Frank K. Martin is the sole Member of Martin. Further information about Martin can be obtained from its Form ADV Part I available on the IAPD.

Item 32. Unified Financial Securities, Inc. Unified Financial Securities, Inc. serves as the principal underwriter for the Trust.

- (a) Unified Financial Securities, Inc. also serves as a principal underwriter for the following investment companies: American Pension Investors Trust, The Appleton Funds, Bruce Fund, Dreman Contrarian Funds, H C Capital Trust, Huntington Funds, and Valued Advisers Trust.
- (b) The directors and officers of Unified Financial Securities, Inc. are as follows:

<u>Name</u>	<u>Title</u>	<u>Position with Trust</u>
Daniel B. Benhase*	Director	None
AnnaMaria Spurgin**	President	None
John C. Swhear**	Chief Compliance Officer	Interim President
Edward J. Kane*	Vice President	None
A. Dawn Story*	Vice President	None
Varanont O. Ruchira**	Assistant Vice President	None
Karyn E. Cunningham**	Controller	None
Richard A. Cheap*	Secretary	None
Larry D. Case*	Assistant Secretary	None

* The principal business address of these individuals is 41 S. High St. Columbus, OH 43215.

** The principal business address of these individuals is 2960 N. Meridian Street, Suite 300, Indianapolis, IN 46208.

- (c) Not applicable.

Item 33. Location of Accounts and Records

Huntington Asset Services, Inc.
2960 N. Meridian Street, Suite 300
Indianapolis, IN 46208

Will maintain physical possession of the accounts, books, and other documents required to be maintained by Rule 31a-(b)(1), 31a-1(b)(2), and 31a-1(b)(4) through 31a-1(b)(11).

Huntington National Bank
41 South High Street
Columbus, Ohio 43215

U.S. Bank, National Association
425 Walnut Street
Cincinnati, Ohio 45202

Will maintain physical possession of accounts, books, and other documents required to be maintained by Rule 31(b)(3) for each separate series for which the entity acts as custodian.

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

Table of Contents

Forside Distribution Services, L.P.
100 Summer Street, Suite 1500
Boston, MA 02110

Will maintain physical possession of the accounts, books, and other documents required to be maintained by a principal underwriter under by Rule 31a-1(d) for each separate series for which the entity acts as principal underwriter.

Crawford Investment Counsel, Inc.
600 Galleria Parkway NW
Suite 1650
Atlanta, GA 30339

Dean Investment Associates, LLC
3500 Pentagon Blvd., Suite 200
Beavercreek, OH 45431

Dean Capital Management, LLC
7450 West 130th Street, Suite 150
Overland Park, KS 66213

Financial Counselors, Inc.
442 West 47th Street
Kansas City, Missouri 63112

IMS Capital Management, Inc.
8995 S.E. Otty Road
Portland, Oregon 97266

Iron Financial, LLC
630 Dundee Rd.
Suite 200
Northbrook, IL 60062

Leeb Capital Management, Inc.
500 Fifth Avenue, 57th Floor
New York, NY 10110

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

Reams Asset Management Co., LLC
227 Washington St.
Columbus, IN 47202

SMI Advisory Services, LLC
11135 Baker Hollow Rd.
Columbus, IN 47201

Spectrum Advisory Services, Inc.
1050 Crown Pointe Parkway, Suite 750
Atlanta, GA 30338

Symons Capital Management, Inc.
650 Washington Road, Suite 800
Pittsburgh, Pennsylvania 15228

The Roosevelt Investment Group
317 Madison Ave., Suite 1004
New York, New York 10017

Table of Contents

Toreador Research & Trading LLC
7493 North Ingram
Suite 104
Fresno, California 93711

1492 Capital Management, LLC
309 North Water Street, Suite 505
Milwaukee, WI 53202

Martin Capital Management, LLC
300 NIBCO Parkway, Suite 301
Elkhart, IN 46516

Each advisor (or sub-advisor) will maintain physical possession of the accounts, books and other documents required to be maintained by Rule 31a-1(f) at the address listed above for each separate series of the Trust that the advisor manages.

Item 34. Management Services

None.

Item 35. Undertakings

Registrant hereby undertakes, if requested by the holders of at least 10% of the Registrant's outstanding shares, to call a meeting of shareholders for the purpose of voting upon the question of removal of a trustee(s) and to assist in communications with other shareholders in accordance with Section 16(c) of the Securities Exchange Act of 1934, as though Section 16(c) applied.

Registrant hereby undertakes to furnish each person to whom a prospectus is delivered with a copy of its latest annual report to shareholders, upon request and without charge.

Registrant hereby undertakes to carry out all indemnification provisions of its Declaration of Trust in accordance with Investment Company Act Release No. 11330 (Sept. 4, 1980) and successor releases.

Insofar as indemnifications for liability arising under the Securities Act of 1933, as amended ("1933 Act"), may be permitted to trustees, officers and controlling person of the Registrant pursuant to the provision under Item 27 herein, or otherwise, the Registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the 1933 Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the 1933 Act and will be governed by the final adjudication.

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, and the Investment Company Act of 1940, as amended, the Registrant certifies that it meets all of the requirements for effectiveness of this Registration Statement pursuant to Rule 485(b) under the Securities Act of 1933 and it has duly caused this Post-Effective Amendment No. 261 to its Registration Statement on Form N-1A to be signed on its behalf by the undersigned, thereto duly authorized, in the City of Indianapolis and the State of Indiana on January 28, 2013.

UNIFIED SERIES TRUST

By: /s/ John C. Swhear

John C. Swhear, Interim President

Attest:

By: /s/ Robert W. Silva****

Robert W. Silva, Treasurer and
Chief Financial Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed below by the following persons in the capacities and on the date indicated by the consent of all of Registrant' s trustees.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ John C. Swhear</u> John C. Swhear	Interim President	January 28, 2013
<u>/s/ Robert W. Silva****</u> Robert W. Silva	Treasurer and CFO	January 28, 2013
<u>/s/ Daniel Condon *</u> Daniel Condon	Trustee	January 28, 2013
<u>/s/ Gary E. Hippenstiel *</u> Gary E. Hippenstiel	Trustee	January 28, 2013
<u>/s/ Stephen Little *</u> Stephen Little	Trustee	January 28, 2013
<u>/s/ Ronald Tritschler *</u> Ronald Tritschler	Trustee	January 28, 2013
<u>/s/ Nancy V. Kelly **</u> Nancy V. Kelly	Trustee	January 28, 2013
<u>/s/ Kenneth Grant ***</u> Kenneth Grant	Trustee	January 28, 2013

*/**/***/****/s/ Carol Highsmith
Carol Highsmith, Attorney in Fact

* Signed pursuant to a Power of Attorney dated May 21, 2007 and filed with Registrant' s registration statement on Form N-1A on June 21, 2007 and incorporated herein by reference.

Table of Contents

- ** Signed pursuant to a Power of Attorney dated December 12, 2007 and filed with Registrant' s registration statement on Form N-1A on December 17, 2007 and incorporated herein by reference.
- *** Signed pursuant to a Power of Attorney dated June 19, 2008 and filed with Registrant' s registration statement on Form N-1A on July 3, 2008 and incorporated herein by reference.
- **** Signed pursuant to a Power of Attorney dated June 24, 2011 and filed with Registrant' s registration statement on Form N-1A on June 24, 2011 and incorporated herein by reference.

[Table of Contents](#)

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
EX.99.d (i)	Side Letter Agreement with Financial Counselors, Inc. regarding fee waiver and expense reimbursement with respect to the FCI Value Equity Fund
(ii)	Side Letter Agreement with Financial Counselors, Inc. regarding fee waiver and expense reimbursement with respect to the FCI Bond Fund
(iii)	Side Letter Agreement with Pekin Singer Strauss Asset Management, Inc. regarding fee waiver and expense reimbursement with respect to the Appleseed Fund
EX.99.i	Consent of Legal Counsel
EX.99.j	Consent of Independent Registered Public Accounting Firm

Financial Counselors, Inc.
442 West 47th Street
Kansas City, Missouri 64112

Letter Agreement

May 21, 2012

To: Board of Trustees
Unified Series Trust
2960 N. Meridian Street, Suite 300
Indianapolis, Indiana 46208

Dear Sirs and Madam:

You have engaged us to act as the sole investment advisor to the FCI Value Equity Fund (the "Fund"), a series of the Unified Series Trust, an Ohio business trust, pursuant to a Management Agreement approved by the Board of Trustees.

Effective February 1, 2013, we hereby agree to waive our management fee and/or reimburse expenses so that the Fund's total annual operating expenses, excluding: brokerage fees and commissions; borrowing costs (such as (i) interest and (ii) dividend expenses on securities sold short); taxes; any 12b-1 fees; any indirect expenses such as acquired fund fees and expenses; and extraordinary litigation expenses do not exceed 1.00% of the Fund's average daily net assets through January 31, 2014. This Agreement shall continue in place until the earlier to occur of January 31, 2014, or such date as the Fund is terminated or liquidated in accordance with the provisions of the Trust's Declaration of Trust or Bylaws. We understand that we may not terminate this Agreement prior to such date, except that we may voluntarily agree to lower the expense cap below 1.00%.

Any waiver or reimbursement by us is subject to repayment by the Fund in the three fiscal years following the fiscal year in which the particular waiver or reimbursement occurred; provided that the Fund is able to make the repayment without exceeding the above expense limitation.

Very truly yours,

Financial Counselors, Inc.

By: /s/ Amy L. Schaff
Name: Amy L. Schaff
Title: SVP/CCO

Acceptance

The foregoing Agreement is hereby accepted.

Unified Series Trust

By: /s/ John C. Swhear
John C. Swhear, Interim President

Financial Counselors, Inc.
442 West 47th Street
Kansas City, Missouri 64112

Letter Agreement

May 21, 2012

To: Board of Trustees
Unified Series Trust
2960 N. Meridian Street, Suite 300
Indianapolis, Indiana 46208

Dear Sirs and Madam:

You have engaged us to act as the sole investment advisor to the FCI Bond Fund (the "Fund"), a series of the Unified Series Trust, an Ohio business trust, pursuant to a Management Agreement approved by the Board of Trustees.

Effective February 1, 2013, we hereby agree to waive our management fee and/or reimburse expenses so that the Fund's total annual operating expenses, excluding: brokerage fees and commissions; borrowing costs (such as (i) interest and (ii) dividend expenses on securities sold short); taxes; any 12b-1 fees; any indirect expenses such as acquired fund fees and expenses; and extraordinary litigation expenses do not exceed 0.80% of the Fund's average daily net assets through January 31, 2014. This Agreement shall continue in place until the earlier to occur of January 31, 2014, or such date as the Fund is terminated or liquidated in accordance with the provisions of the Trust's Declaration of Trust or Bylaws. We understand that we may not terminate this Agreement prior to such date, except that we may voluntarily agree to lower the expense cap below 0.80%.

Any waiver or reimbursement by us is subject to repayment by the Fund in the three fiscal years following the fiscal year in which the particular waiver or reimbursement occurred; provided that the Fund is able to make the repayment without exceeding the above expense limitation.

Very truly yours,

Financial Counselors, Inc.

By: /s/ Amy L. Schaff
Name: Amy L. Schaff
Title: SVP/CCO

Acceptance

The foregoing Agreement is hereby accepted.

Unified Series Trust

By: /s/ John C. Swhear
John C. Swhear, Interim President



ATLANTA

CLEVELAND

DAYTON

WASHINGTON, D.C.

CINCINNATI

COLUMBUS

NEW YORK

January 23, 2013

Unified Series Trust
2960 North Meridian Street
Suite 300
Indianapolis, Indiana 46208

Re: Unified Series Trust, File Nos. 333-100654 and 811-21237

Gentlemen:

A legal opinion (the "Legal Opinion") that we prepared was filed with Post-Effective Amendment No. 252 to the Unified Series Trust's Registration Statement (the "Registration Statement"). We hereby give you our consent to incorporate by reference the Legal Opinion into Post-Effective Amendment No. 261 to the Registration Statement (the "Amendment"), and consent to all references to us in the Amendment.

Very truly yours,

/s/ Thompson Hine LLP

THOMPSON HINE LLP

THOMPSON HINE LLP
ATTORNEYS AT LAW

312 Walnut Street
14th Floor
Cincinnati, Ohio 45202-4089

www.ThompsonHine.com
Phone 513.352.6700
Fax 513.241.4771



Cohen Fund Audit Services, Ltd.
1350 Euclid Ave., Suite 800
Cleveland, OH 44115-1877

216.649.1700
216.579.0111 *fax*

www.cohenfund.com

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

As independent registered public accountants, we hereby consent to the use of our report incorporated by reference herein dated November 29, 2012 on the financial statements of FCI Funds, comprising the FCI Value Equity Fund and the FCI Bond Fund, each a series of the Unified Series Trust, as of September 30, 2012, and for the periods indicated therein and to the references to our firm in the Prospectus and the Statement of Additional Information in this Post-Effective Amendment to FCI Funds' Registration Statement on Form N-1A.

Cohen Fund Audit Services

Cohen Fund Audit Services, Ltd.
Cleveland, Ohio
January 28, 2013



Registered with the Public Company Accounting Oversight Board