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# **Jones Villalta Opportunity Fund**

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## **Semi-Annual Report**

**April 30, 2011**

### **Fund Adviser:**

**Jones Villalta Asset Management, LLC  
2705 Bee Cave Road, Suite 200  
Austin, TX 78746**

**Toll Free (866) 950-5863**

# Jones Villalta Opportunity Fund (JVOFX)

## Managed by Jones Villalta Asset Management, LLC

### Semi-Annual Report Commentary – April 30, 2011

The market has moved significantly higher over the past six months, starting 2011 on a good note, after having ended 2010 in robust fashion. For the six months ended April 30, 2011, JVOFX is up 16.19% on a total return basis. By comparison, the S&P 500<sup>®</sup> index has produced a total return of 16.35% over this same time period.

While 2011 is off to a very good start, the market remains relatively volatile, with a disproportionate share of the gains accrued to just three sectors: energy, industrials and health care. While the majority of S&P sectors have underperformed the broad market, it's important to note that we are now in the third year of a stock market recovery, and as the market has moved higher, the rationale for continued above-average, broad market performance has evolved. I'll discuss this evolution in greater detail later in this commentary.

As of April 30<sup>th</sup>, only a handful of stocks that we've owned since October 31<sup>st</sup> have moved lower over the six month time period. The Goldman Sachs Group, Inc. (down 6.28%), Microsoft Corporation (down 2.81%) and NII Holdings Inc. (down 0.48%) were the only holdings that we've owned for the entire six month period that have not moved higher – and these are only off modestly from October 31<sup>st</sup> prices. Rounding out our five worst performing issues were two holdings that moved higher since October 31<sup>st</sup>, The Mosaic Company (up 2.32%) and Johnson & Johnson (up 3.11%).

While Industrials were the best performing group in the portfolio, based upon the performance of our holdings in this sector, the group as a whole represents a smaller proportion of JVOFX than it constitutes in the S&P 500 benchmark. Indeed, we took advantage of the robust upward movement in these issues' prices, lowering our sector position from 6.27% at the start of the six month period to 3.99% at the end of the period.

Interestingly, only one of the five best performing stocks over the six month period was an industrial position, Caterpillar Inc., and this position was sold at the end of the first quarter. Our five top performing issues in the six month period were a disparate group, coming from four different sectors. The best performing issue in the portfolio over the period was Chesapeake Energy Corporation (up 55.30%), followed by Capital One Financial Corp. (up 46.85%), Caterpillar (up 35.98%, based upon our sale price prior to the end of the period), EMC Corporation (up 34.82%) and ConocoPhillips (up 32.83%).

On the whole, 27 out of 37 issues held in the portfolio during the six month period (including two issues that were sold prior to period end) advanced more than 10%, with 20 of these issues advancing a greater amount than the S&P 500 benchmark over this period.

For the six month period ending April 30<sup>th</sup>, we sold two stocks in their entirety: Royal Caribbean Cruises Ltd. and Caterpillar. Both of these positions have benefited greatly from the improved economic environment, with Royal Caribbean advancing in excess of 250% over the 18 month period ending at our sale date (on December 29, 2010), while Caterpillar doubled in price over the preceding 18 months (to the date of sale of March 23, 2011).

The sale of these two positions made way for a broad repositioning of the portfolio on a sector basis, as we moved JVOFX's energy weighting from 7.90% to 13.16%. This movement followed from increasing weights in existing holdings as well as the addition of two new holdings, Chevron Corporation and Exxon Mobil Corporation. At the end of April, our energy sector position was nearly identical to the S&P 500 benchmark (with a weighting of 13.09%). While our holdings in Caterpillar and Royal Caribbean enabled us to benefit from the stabilization of the global economy and from modest near-term growth in GDP, the rise in petroleum prices has brought additional risk to holdings that are disproportionately sensitive to economic growth. While energy issues are not devoid of risk, they should work as a hedge, should increasing petroleum prices pose too great a headwind in coming months. In 2011, the S&P Energy sector benchmark had advanced more than 18% year-to-date, through April 30<sup>th</sup>, as oil prices have continued to move higher.

Our concern with regard to petroleum prices is two-fold:

1. Increased tensions in the Middle East are multifaceted and manifold: The Jasmine Revolution, regime change in Egypt, what is ostensibly a civil war in Libya, unrest in Yemen, unrest in Syria, unrest in Bahrain,

major protests in Morocco, Jordan, Iraq, Iran, Algeria and Oman, and the usual specter of conflict that concerns Arab-Israeli relations.

2. Solid global recovery, and continued thirst for oil by China and other emerging markets.

Chinese demand for oil and the continued robust car sales in emerging markets would seem to indicate that overall demand will remain strong in the near term. In some respects, however, our moves to increase our exposure to integrated petroleum companies reflects our concern that civil unrest may spread to larger oil export economies, causing oil prices, and integrated oil company profits to spike upward. While we will not be materially overweight in oil-related stocks, we do think that the portfolio is better protected from an oil-price-spike, and the related downward move in consumer spending, with the position we've established. To this end, we look at this position as more of a hedge than an opportunistic element to JVOFX.

Opportunistically, in our view, the financial sector continues to represent the best source of portfolio out-performance in the periods ahead. In the near term, however, this sector will likely remain volatile, and our financial sector position has been a mixed-bag over the past six months. While our holdings in this sector count one of the best performing issues in the portfolio over the past six months (Capital One Financial) as a position, our worst-performing stock over the period was also among this group (Goldman Sachs). Moreover, four of our seven holdings – indeed, the four largest – under-performed the broad market over the six-month period. Largely, this under-performance stems from regulatory uncertainty regarding the implementation of the Dodd-Frank bill. While regulatory overhang will likely remain for the next six months, it does not discourage us from holding an over-weight position in this sector. We believe the negative effects of Dodd-Frank are fully-priced into these positions, and the uncertainty is creating opportunity rather than risk. While we have enumerated our rationale for holding financials numerous times in other commentaries, we would also note that one does not out-perform the broad market without staking positions that are materially different from the broad benchmark. Seeking opportunity is essentially assessing the likelihood of uncertain events. Some of these events cause us to take pause, but other events cause us to seek a position. While there will likely remain some volatility in these issues in the short-term, we believe financial stock positions offer one of the best risk-adjusted rewards in the market at the present time. The uncertainty in these issues is real, but we believe the under-valued nature of the stocks we own more than compensates us for taking on this uncertainty.

As we move forward in 2011, we remain steadfast in our belief that the US economy is gradually recovering. While the job market's lackluster growth has been less than satisfying, there are signs that the private sector is adding modestly to payrolls, as the economy continues to emerge from the worst economic downturn since the Great Depression. To this end, we continue to maintain significant over-weight positions in sectors of the economy that will benefit from increased business and consumer spending. These principal overweight positions, our three largest sector positions, include:

- Financials - an improved consumer position will result in lower default rates.
- Information Technology - business spending will remain focused on capital expenditures that leverage available labor, rather than expansion.
- Consumer Discretionary - as consumers' financial stability improves they will return to pre-recession spending levels.

While all three of these sectors have lagged the broad market (S&P 500) through April 30<sup>th</sup> in 2011, they represent areas of significant opportunity as the year unfolds. I noted earlier in this letter that the rationale for continued market out-performance is evolving, and in past commentaries I've discussed what we consider a transitional period for the market. We bounced off of the lows of 2009 and recovered from irrational stock valuations. We are now in a period when the worst of the economic damage is in the rear-view mirror, but the prospects for continued improvement in economic variables are not assured.

There was no better example of this characterization than the April Employment Situation report from the US Labor Department's Bureau of Labor Statistics. While the actual change in payrolls was much better than expected, with non-farm payrolls up 244,000 versus a consensus of 185,000; the unemployment rate was worse than expected, moving from 8.8% to 9.0%. These types of conflicting reports, showing diverging statistics in one facet of the broad economy (employment), can be confusing for both consumers and investors and don't provide a proper context for the divergence. There is a nuance to many economic variables that is masked in the simple nature of others.

The rate of unemployment is very intuitive for most individuals, and is one of the more well known indicators. We understand what 9.0% unemployment is, and that it has gotten worse, moving up from 8.8% - they know that now 9.0% of the labor force is unemployed. The improvement in non-farm payrolls is less intuitive, and a number of 244,000 means little to people, since most are unaware of what is good and what is bad. In the end, consumers and investors place far more weight on the rate of unemployment, due to the intuitive nature of the statistic. However, in truth, the underlying data provide a more optimistic view of the deterioration in the rate of unemployment and buttress

information provided by the non-farm payrolls number. More of the unemployed started looking for work, as they view the prospects for employment as having improved. This is overall a positive development, as it indicates that not only is the consumer situation improving, but the consumer views it as such. This more nuanced characterization of the employment situation probably does not translate well to average investors, so the over-arching takeaway remains “unemployment is getting worse, the rate went from 8.8% to 9.0%”. From an investment perspective, this tendency continues to feed an overly pessimistic view of the economy and the stock market in general, leading to slow growth in consumption and less than enthusiastic fund flows into the stock market.

In this environment, the stock market’s trajectory is based upon current fundamental factors, rather than a return to reasonableness. In such an environment, the market simply needs time and additional data to ascertain where we are. Keep in mind that the market should discount the future, not the current situation. Consequently, in as much as investors are focusing on current data, they are in error in their final judgment of individual security prices. When one looks past the current employment malaise, the market not only seems reasonably priced, but undervalued. While this reflects the current mood of market participants, it also reflects the fact that investors are simply not excited about domestic equities.

Fund flows into mutual funds support this assertion, as we’ve not seen a return to earnest investment in domestic equities. Rather, mimicking the current economic data, we are seeing some positive domestic equity fund flows in some months, but in other months we see negative flows. In short, over the past six months, almost \$2 billion has moved out of domestic equity mutual funds, while more than \$8 billion has flowed into bond funds of all stripes. Investors remain skittish and generally on the sidelines, risk averse and uncertain as to the market’s direction.

We still appear to be on a growth trajectory, given the picture painted by economic data, but each data point either reassures or dissuades investors that the trajectory remains intact. Thus, we will likely continue to see the market move in fits and starts, taking two steps forward and one step back. It will likely be a bumpy ride higher, but a ride higher nonetheless.

**Thomas Villalta, CFA**

Chief Investment Officer and Portfolio Manager

Jones Villalta Asset Management, LLC

**Investment Results – (Unaudited)**

	<b>Total Returns*</b>		<b>Average Annual Since Inception (December 23, 2008)</b>
	<b>(For the period ended April 30, 2011)</b>		
	<b>Six Months</b>	<b>One Year</b>	
Jones Villalta Opportunity Fund	16.19%	10.81%	30.48%
Russell 1000 Index**	17.12%	18.02%	25.64%
S&P 500 <sup>(R)</sup> Index**	16.35%	17.24%	23.61%

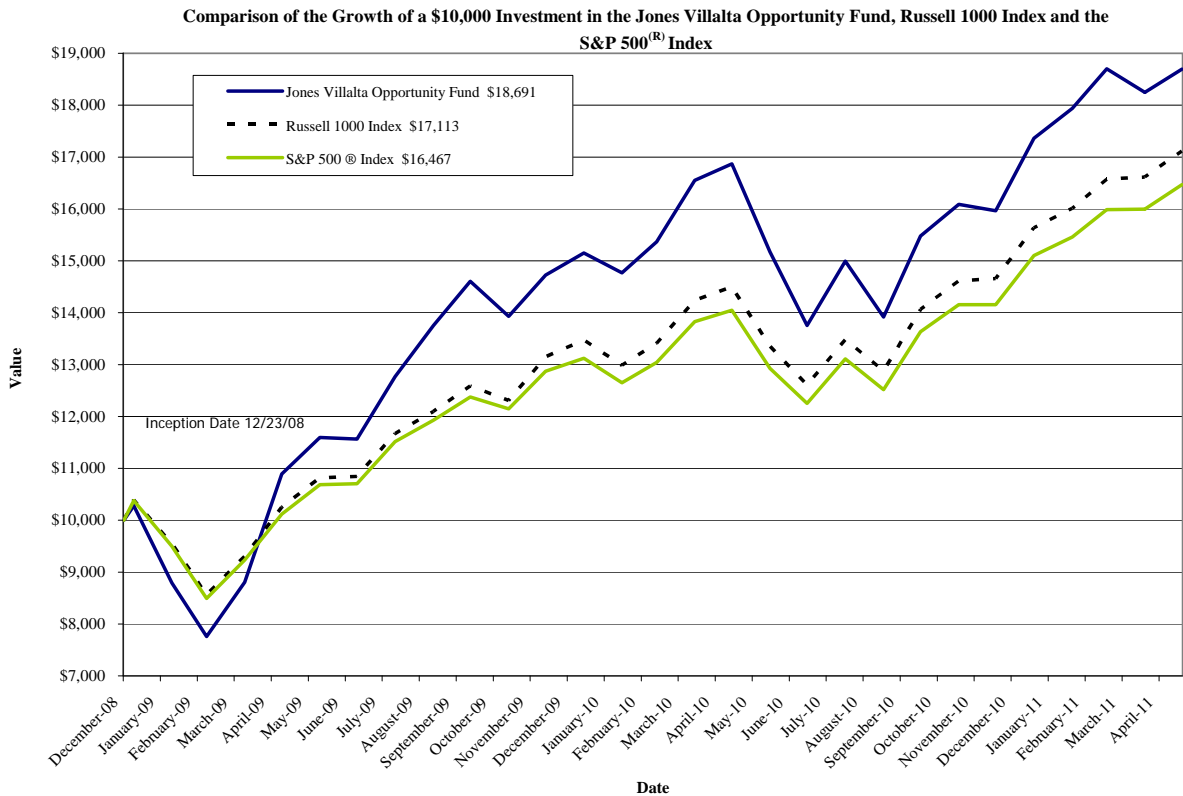
Total annual operating expenses, as disclosed in the Fund's prospectus, were 7.48% of average daily net assets (1.32% after fee waivers/expense reimbursements by the Adviser.) The Adviser has contractually agreed to cap certain operating expenses (excluding indirect expenses such as acquired fund fees) of the Fund through February 29, 2012.

*The performance quoted represents past performance, which does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. The returns shown do not reflect deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Current performance of the Fund may be lower or higher than the performance quoted. The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. Performance data current to the most recent month end may be obtained by calling 1-866-950-5863.*

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

\*\* The Russell 1000 and the S&P 500<sup>®</sup> Indices are widely recognized unmanaged indices of equity prices and are representative of a broader market and range of securities than is found in the Fund's portfolio. Individuals cannot invest directly in the Indices; however, an individual can invest in exchange traded funds or other investment vehicles that attempt to track the performance of a benchmark index.

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

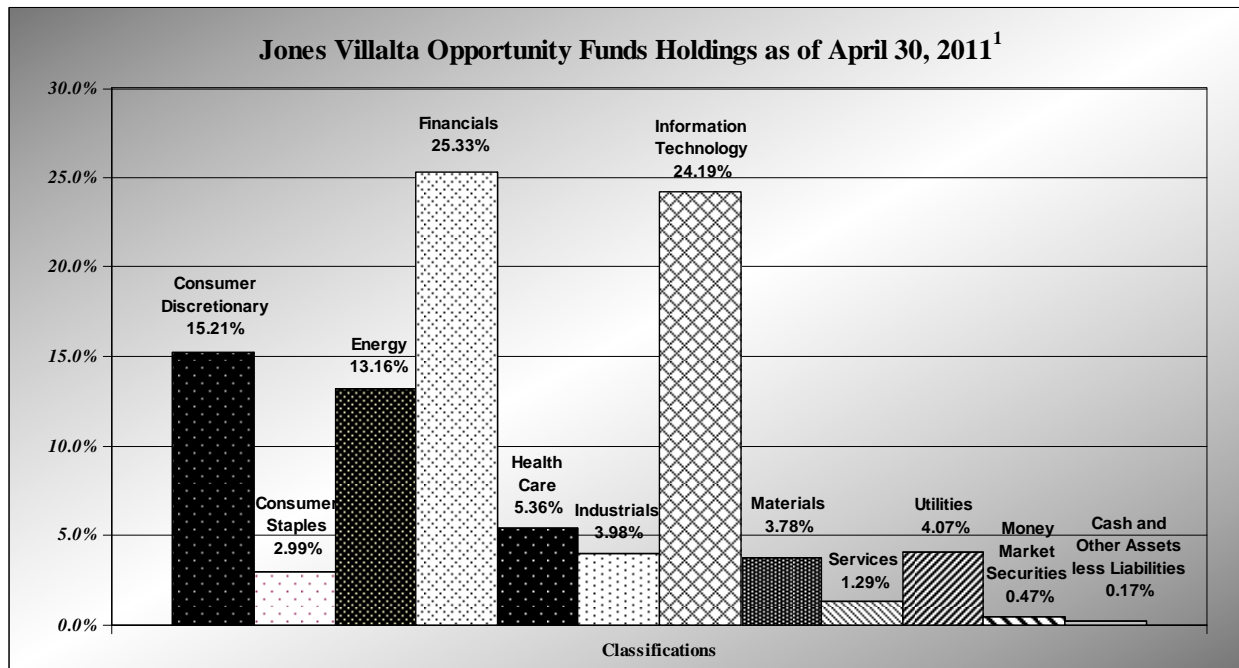


The chart above assumes an initial investment of \$10,000 made on December 23, 2008 (commencement of Fund operations) and held through April 30, 2011. The Russell 1000 and the S&P 500<sup>®</sup> Indices are widely recognized unmanaged indices of equity prices and are representative of a broader market and range of securities than is found in the Fund's portfolio. Individuals cannot invest directly in the Indices; however, an individual can invest in exchange traded funds or other investment vehicles that attempt to track the performance of a benchmark index. **THE FUND'S RETURN REPRESENTS PAST PERFORMANCE AND DOES NOT GUARANTEE FUTURE RESULTS.** The returns shown do not reflect deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Investment returns and principal values will fluctuate so that your shares, when redeemed, may be worth more or less than their original purchase price.

**Current performance may be lower or higher than the performance data quoted. For more information on the Fund, and to obtain performance data current to the most recent month end or to request a prospectus, please call 1-866-950-5863. You should carefully consider the investment objectives, potential risks, management fees, and charges and expenses of the Fund before investing. The Fund's prospectus contains this and other information about the Fund, and should be read carefully before investing.**

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**Fund Holdings – (Unaudited)**



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

**Investment Objective**

The investment objective of the Jones Villalta Opportunity Fund (the “Fund”) is long-term capital appreciation.

**Availability of Portfolio Schedule – (Unaudited)**

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

**Summary of Fund’s Expenses – (Unaudited)**

As a shareholder of a Fund, you incur two types of costs: (1) transaction costs (such as short-term redemption fees); and (2) ongoing costs, including management fees and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds. The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from November 1, 2010 to April 30, 2011.

**Actual Expenses**

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

### **Hypothetical Example for Comparison Purposes**

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

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs such as the redemption fee imposed on short-term redemptions. Therefore, the second line of the table below is useful in comparing ongoing costs only and will not help you determine the relative costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

<b>Jones Villalta Opportunity Fund</b>	<b>Beginning Account Value November 1, 2010</b>	<b>Ending Account Value April 30, 2011</b>	<b>Expenses Paid During the Period Ended April 30, 2011</b>
Actual*	\$1,000.00	\$1,161.89	\$6.70
Hypothetical**	\$1,000.00	\$1,018.60	\$6.26

\*Expenses are equal to the Fund's annualized expense ratio of 1.25%, multiplied by the average account value over the period, multiplied by 181/365.

\*\* Assumes a 5% return before expenses.

**Jones Villalta Opportunity Fund**  
**Schedule of Investments**  
**April 30, 2011**  
(Unaudited)

<b>Common Stocks - 99.36%</b>	<u>Shares</u>	<u>Fair Value</u>
<b>Consumer Discretionary - 15.21%</b>		
<b>Automobiles</b>		
Ford Motor Co. (a)	10,789	\$ 166,906
<b>Hotels, Restaurants &amp; Leisure</b>		
MGM Resorts International (a)	10,201	129,145
<b>Household Durables</b>		
Toll Brothers, Inc. (a)	5,755	120,913
<b>Internet &amp; Catalog Retail</b>		
Liberty Media Corp. - Interactive - Class A (a)	8,063	140,941
<b>Media</b>		
Comcast Corp. - Class A	4,942	129,678
Walt Disney Co. / The	2,730	117,663
		<u>247,341</u>
<b>Retailing</b>		
Gap, Inc. / The	4,723	109,762
Home Depot, Inc. / The	1,635	60,724
		<u>170,486</u>
<b>Consumer Staples - 2.99%</b>		
<b>Food &amp; Staples Retailing</b>		
SUPERVALU, INC.	17,055	192,039
<b>Energy - 13.16%</b>		
<b>Oil, Gas &amp; Consumable Fuels</b>		
Chesapeake Energy Corp.	4,741	159,629
Chevron Corp.	1,565	171,274
ConocoPhillips	2,095	165,358
Exxon Mobil Corp.	1,485	130,680
Transocean Ltd.	2,986	217,231
		<u>844,172</u>
<b>Financials - 25.33%</b>		
<b>Banks</b>		
Bank of America Corp.	19,395	238,171
Capital One Financial Corp.	4,661	255,097
JPMorgan Chase & Co.	5,333	243,345
Wells Fargo & Co.	8,340	242,777
		<u>979,390</u>
<b>Financials</b>		
Citigroup, Inc. (a)	47,478	217,924
Goldman Sachs Group, Inc. / The	1,575	237,841
		<u>455,765</u>
<b>Insurance</b>		
Hartford Financial Services Group, Inc. / The	6,560	190,043

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

**Jones Villalta Opportunity Fund**  
**Schedule of Investments - continued**  
**April 30, 2011**  
(Unaudited)

<b>Common Stocks - 99.36% - continued</b>	<u>Shares</u>	<u>Fair Value</u>
<b>Health Care - 5.36%</b>		
<b>Pharmaceuticals, Biotechnology &amp; Life Sciences</b>		
Johnson & Johnson	3,155	\$ 207,347
Pfizer, Inc.	6,510	136,449
		<u>343,796</u>
<b>Industrials - 3.98%</b>		
<b>Industrial Conglomerates</b>		
General Electric Co.	12,497	<u>255,564</u>
<b>Information Technology - 24.19%</b>		
<b>Communications Equipment</b>		
Corning, Inc.	8,424	<u>176,399</u>
<b>Computers &amp; Peripherals</b>		
Dell, Inc. (a)	15,030	<u>233,115</u>
<b>Semiconductors &amp; Semiconductor Equipment</b>		
Intel Corp.	9,420	<u>218,450</u>
<b>Software &amp; Services</b>		
Microsoft Corp.	8,655	225,203
Oracle Corp.	6,430	<u>231,802</u>
		<u>457,005</u>
<b>Technology Hardware &amp; Equipment</b>		
EMC Corp. (a)	8,063	228,505
International Business Machines Corp.	1,402	<u>239,153</u>
		<u>467,658</u>
<b>Materials - 3.78%</b>		
<b>Chemicals</b>		
Mosaic Co. / The	1,487	<u>111,317</u>
<b>Metals &amp; Mining</b>		
Alcoa, Inc.	7,685	<u>130,645</u>
<b>Services - 1.29%</b>		
<b>Telecommunication Services</b>		
NII Holdings, Inc. (a)	1,995	<u>82,952</u>
<b>Utilities - 4.07%</b>		
<b>Electric Utilities</b>		
AES Corp. / The (a)	19,705	<u>260,894</u>
<b>TOTAL COMMON STOCKS (Cost \$5,530,762)</b>		<u>6,374,936</u>

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

**Jones Villalta Opportunity Fund**  
**Schedule of Investments - continued**  
**April 30, 2011**  
**(Unaudited)**

	<u>Shares</u>	<u>Fair Value</u>
<b>Money Market Securities - 0.47%</b>		
Fidelity Institutional Money Market Portfolio, 0.23% (b)	30,102	<u>\$ 30,102</u>
<b>TOTAL MONEY MARKET SECURITIES (Cost \$30,102)</b>		<u>30,102</u>
<b>TOTAL INVESTMENTS (Cost \$5,560,864) - 99.83%</b>		<u>\$ 6,405,038</u>
<b>Cash and other assets less liabilities - 0.17%</b>		<u>10,863</u>
<b>TOTAL NET ASSETS - 100.00%</b>		<u><u>\$ 6,415,901</u></u>

(a) Non-income producing.

(b) Variable rate security; the money market rate shown represents the rate at April 30, 2011.

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

**Jones Villalta Opportunity Fund**  
**Statement of Assets and Liabilities**  
**April 30, 2011**  
**(Unaudited)**

**Assets:**

Investments in securities:

At cost	\$ 5,560,864
At fair value	\$ 6,405,038

Cash	1,333
Receivable due from Adviser (a)	9,702
Dividends receivable	460
Interest receivable	7
Prepaid expenses	20,370
<b>Total assets</b>	<b>6,436,910</b>

**Liabilities:**

Payable to administrator, fund accountant and transfer agent	7,774
Payable to trustees and officers	1,939
Payable to custodian	863
Other accrued expenses	10,433
<b>Total liabilities</b>	<b>21,009</b>

**Net Assets:** \$ 6,415,901

**Net Assets consist of:**

Paid in capital	\$ 5,527,797
Accumulated undistributed net investment income (loss)	(6,129)
Accumulated net realized gain (loss) on investments	50,059
Net unrealized appreciation (depreciation) on investments	844,174

**Net Assets:** \$ 6,415,901

Shares outstanding (unlimited number of shares authorized) 380,484

**Net asset value and offering price per share**

\$ 16.86

Redemption price per share (\$16.86 \* 99%) (b) \$ 16.69

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

(b) The Fund charges a 1% redemption fee on shares redeemed within 90 calendar days of purchase.

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

**Jones Villalta Opportunity Fund**  
**Statement of Operations**  
**April 30, 2011**  
**(Unaudited)**

<b>Investment Income</b>	
Dividend income	\$ 27,702
Interest income	217
<b>Total Investment Income</b>	<u>27,919</u>
<b>Expenses</b>	
Investment adviser fee (a)	27,132
Administration expense	17,576
Transfer agent expense	17,138
Registration expense	15,824
Fund accounting expense	12,397
Legal expense	10,110
Auditing expense	7,112
Trustee expense	4,383
CCO expense	3,994
Custodian expense	3,198
Insurance expense	1,247
Pricing expense	1,216
Miscellaneous expense	1,195
Printing expense	461
24f-2 expense	152
<b>Total Expenses</b>	<u>123,135</u>
Less: Fees waived and expenses reimbursed by Adviser (a)	<u>(89,087)</u>
Net operating expenses	<u>34,048</u>
<b>Net Investment Income (Loss)</b>	<u>(6,129)</u>
<b>Realized &amp; Unrealized Gain (Loss) on Investments</b>	
Net realized gain (loss) on investment securities	53,966
Change in unrealized appreciation (depreciation) on investment securities	837,219
Net realized and unrealized gain on investment securities	<u>891,185</u>
<b>Net increase in net assets resulting from operations</b>	<u>\$ 885,056</u>

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

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

**Jones Villalta Opportunity Fund**  
**Statement of Changes In Net Assets**

	<b>For the Six Months Ended April 30, 2011 (Unaudited)</b>	<b>For the Year Ended October 31, 2010</b> (a)
<b>Increase (decrease) in net assets:</b>		
<b>Operations:</b>		
Net investment income (loss)	\$ (6,129)	\$ (3,794)
Net realized gain (loss) on investment securities	53,966	485,624
Change in unrealized appreciation (depreciation) on investment securities	837,219	(444,659)
Net increase in net assets resulting from operations	<u>885,056</u>	<u>37,171</u>
<b>Distributions to shareholders:</b>		
From net investment income	-	(1,510)
From net realized gains	(488,018)	(15,875)
Total distributions	<u>(488,018)</u>	<u>(17,385)</u>
<b>Capital Share Transactions:</b>		
Proceeds from Fund shares sold	3,078,667	3,589,949
Reinvestment of distributions	487,438	17,374
Amount paid for Fund shares redeemed	(82,474)	(2,606,411)
Proceeds from redemption fees	-	1,839
Net increase in net assets resulting from capital share transactions	<u>3,483,631</u>	<u>1,002,751</u>
<b>Total Increase in Net Assets</b>	<u>3,880,669</u>	<u>1,022,537</u>
<b>Net Assets</b>		
Beginning of period	<u>2,535,232</u>	<u>1,512,695</u>
End of period	<u>\$ 6,415,901</u>	<u>\$ 2,535,232</u>
Accumulated undistributed net investment income included in net assets at end of period	<u>\$ (6,129)</u>	<u>\$ -</u>
<b>Capital Share Transactions</b>		
Shares sold	194,324	225,604
Shares issued in reinvestment of distributions	31,186	1,151
Shares repurchased	<u>(4,904)</u>	<u>(175,886)</u>
Net increase from capital share transactions	<u>220,606</u>	<u>50,869</u>

(a) For the period December 23, 2008 (Commencement of Operations) to October 31, 2009

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

**Jones Villalta Opportunity Fund**  
**Financial Highlights**

(For a share outstanding during the period)

	<b>For the Six Months Ended April 30, 2011 (Unaudited)</b>	<b>For the Year Ended October 31, 2010</b>	<b>For the Period Ended October 31, 2009</b> (a)
<b>Selected Per Share Data:</b>			
Net asset value, beginning of period	\$ 15.86	\$ 13.88	\$ 10.00
Income from investment operations:			
Net investment income	(0.02)	(0.02)	0.02
Net realized and unrealized gain	2.47	2.15	3.89
Total from investment operations	2.45	2.13	3.91
<b>Less Distributions to shareholders:</b>			
From net investment income	-	(0.01)	(0.03)
From net realized gains	(1.45)	(0.15)	-
Total distributions	(1.45)	(0.16)	(0.03)
Paid in capital from redemption fees	-	0.01	-
Net asset value, end of period	\$ 16.86	\$ 15.86	\$ 13.88
<b>Total Return (b)</b>	16.19% (c)	15.47%	39.31% (c)
<b>Ratios and Supplemental Data:</b>			
Net assets, end of period (000)	\$ 6,416	\$ 2,535	\$ 1,513
Ratio of expenses to average net assets	1.25% (d)	1.32% (e)	1.25% (d)
Ratio of expenses to average net assets before reimbursement	4.52% (d)	7.48%	16.43% (d)
Ratio of net investment income (loss) to average net assets	(0.23)% (d)	(0.13)%	0.27% (d)
Ratio of net investment income (loss) to average net assets before reimbursement	(3.50)% (d)	(6.29)%	(14.91)% (d)
Portfolio turnover rate	3.08%	100.97%	10.84%

(a) For the period December 23, 2008 (Commencement of Operations) to October 31, 2009

(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.

(c) Not annualized.

(d) Annualized.

(e) The expense ratio includes interest expense of 0.07%, which is not subject to the Fund's expense cap.

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

**Jones Villalta Opportunity Fund**  
**Notes to the Financial Statements**  
**April 30, 2011**  
**(Unaudited)**

**NOTE 1. ORGANIZATION**

The Jones Villalta Opportunity Fund (the “Fund”) was organized as a diversified separate series of Unified Series Trust (the “Trust”) on November 10, 2008 and commenced operations on December 23, 2008. The Trust is an open-end investment company established under the laws of Ohio by an Agreement and Declaration of Trust dated October 17, 2002 (the “Trust Agreement”). The Trust Agreement permits the Board of Trustees of the Trust ( the “Board”) to issue an unlimited number of shares of beneficial interest of separate series without par value. The Fund is one of a series of funds currently authorized by the Trustees. The investment adviser to the Fund is Jones Villalta Asset Management, LLC (the “Adviser”). The investment objective of the Jones Villalta Opportunity Fund (the “Fund”) is long-term capital appreciation.

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

As of and during the six months ended April 30, 2011, the Fund did not have a liability for any unrecognized tax benefits. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statement of Operations. During the period, the Fund did not incur any interest or penalties. The Fund is subject to examination by U.S. federal tax authorities for all years since inception.

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

*Security Transactions and Related Income* - The Fund follows industry practice and records security transactions on the trade date. The specific identification method is used for determining gains or losses for financial statements and income tax purposes. Dividend income is recorded on the ex-dividend date and interest income is recorded on an accrual basis. Discounts and premiums on securities purchased are amortized or accreted using the effective interest method. Withholding taxes on foreign dividends have been provided for in accordance with the Fund’s understanding of the applicable country’s tax rules and rates. The ability of issuers of debt securities held by the Fund to meet their obligations may be affected by economic and political developments in a specific country or region.

*Dividends and Distributions* – The Fund intends to distribute substantially all of its net investment income as dividends to its shareholders on at least an annual basis. The Fund intends to distribute its net realized long-term capital gains and its net realized short-term capital gains at least once a year. Distributions to shareholders, which are determined in accordance with income tax regulations, are recorded on the ex-dividend date. The treatment for financial reporting purposes of distributions made to shareholders during the year from net investment income or net realized capital gains may differ from their ultimate treatment for federal income tax purposes. These differences are caused primarily by differences in the timing of the recognition of certain components of income, expenses or realized capital gain for federal income tax purposes. Where such differences are permanent in nature, they are reclassified in the components of the net assets based on their ultimate characterization for federal income tax purposes. Any such reclassifications will have no effect on net assets, results of operations or net asset values per share of the Fund. As of April 30, 2011, there were no material reclassifications.

**Jones Villalta Opportunity Fund**  
**Notes to the Financial Statements - continued**  
**April 30, 2011**  
**(Unaudited)**

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

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

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

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

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

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

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

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

Fixed income securities, when valued using market quotations in an active market, will be categorized as Level 1 securities. However, they may be valued on the basis of prices furnished by a pricing service when the Adviser believes such prices more accurately reflect the fair value of such securities. A pricing service utilizes electronic data processing techniques based on yield spreads relating to securities with similar characteristics to determine prices for normal institutional-size trading units of debt securities without regard to sale or bid prices. These securities will generally be categorized as Level 2 securities. If the Adviser decides that a price provided by the pricing service does not accurately reflect the fair value of the securities, when prices are not readily available from a pricing service, or when restricted or illiquid securities are being

**Jones Villalta Opportunity Fund**  
**Notes to the Financial Statements - continued**  
**April 30, 2011**  
**(Unaudited)**

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

valued, securities are valued at fair value as determined in good faith by the Adviser, in conformity with guidelines adopted by and subject to review of the Board. These securities will be categorized as Level 3 securities.

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

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

The following is a summary of the inputs used to value the Fund's investments as of April 30, 2011:

Assets	Valuation Inputs			Total
	Level 1 - Quoted Prices in Active Markets	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs	
Common Stocks*	\$ 6,374,936	\$ -	\$ -	\$ 6,374,936
Money Market Securities	30,102	-	-	30,102
Total	\$ 6,405,038	\$ -	\$ -	\$ 6,405,038

\* Refer to Schedule of Investments for industry classifications

The Fund had no transfers between Level 1 and Level 2 at any time during the reporting period. The Fund did not hold any investments at any time during the reporting period in which significant unobservable inputs were used in determining fair value; therefore, no reconciliation of Level 3 securities is included for this reporting period. The Fund did not hold any derivative instruments during the reporting period.

**Jones Villalta Opportunity Fund**  
**Notes to the Financial Statements - continued**  
**April 30, 2011**  
**(Unaudited)**

**NOTE 4. FEES AND OTHER TRANSACTIONS WITH AFFILIATES**

The Adviser, under the terms of the management agreement (the “Agreement”), manages the Fund’s investments. As compensation for its management services, the Fund is obligated to pay the Adviser a fee computed and accrued daily and paid monthly at an annual rate of 1.00% of the Fund’s average net assets. For the six months ended April 30, 2011, the Adviser earned fees of \$27,132 from the Fund before the waiver and reimbursement described below.

The Adviser has contractually agreed to waive its management fee and/or reimburse expenses through February 29, 2012 so that total annual 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 expenses incurred by other investment companies in which the Fund invests) do not exceed 1.25% of the Fund’s average daily net assets. For the six months ended April 30, 2011, the Adviser waived fees and/or reimbursed expenses of \$89,087. At April 30, 2011, the Adviser owed the Fund \$9,702 for the excess of expenses waived by the Adviser over management fees accrued at year-end.

Each waiver or reimbursement by the Adviser is subject to repayment by the Fund within the three fiscal years following the fiscal year in which the particular expense was incurred, provided that the Fund is able to make the repayment without exceeding the expense limitation in effect at the time the expense was waived or currently in effect, whichever is lower as described above. The amounts subject to repayment by the Fund, pursuant to the aforementioned conditions, at April 30, 2011 are as follows:

<u>Amount</u>	<u>Recoverable through October 31,</u>
\$ 149,791	2012
177,899	2013

For the six months ended April 30, 2011, \$89,087 may be subject to potential repayment by the Fund to the Adviser through October 31, 2014.

The Trust retains Huntington Asset Services, Inc. (“HASI”), to manage the Fund’s business affairs and to provide the Fund with administrative services, including all regulatory reporting and necessary office equipment and personnel. For the six months ended April 30, 2011, HASI earned fees of \$17,576 for administrative services provided to the Fund. At April 30, 2011, the Fund owed HASI \$3,076 for administrative services. Certain officers of the Trust are members of management and/or employees of HASI. HASI operates as a wholly-owned subsidiary of Huntington Bancshares, Inc., the parent company of the Distributor and Huntington National Bank, the custodian of the Fund’s investments (the “Custodian”). A Trustee of the Trust is a member of management of the Custodian. For the six months ended April 30, 2011, the Custodian earned fees of \$3,198 for custody services provided to the Fund. At April 30, 2011, the Fund owed the Custodian \$863 for custody services.

The Trust retains HASI to act as the Fund’s transfer agent and to provide fund accounting services. For the six months ended April 30, 2011, HASI earned fees of \$9,969 from the Fund for transfer agent services and \$7,169 in reimbursement of out-of-pocket expenses incurred in providing transfer agent services. For the six months ended April 30, 2011, HASI earned fees of \$12,397 from the Fund for fund accounting services. At April 30, 2011, the Fund owed HASI \$1,581 for transfer agent services, \$1,137 in reimbursement of out-of-pocket expenses, and \$1,980 for fund accounting services.

Unified Financial Securities, Inc. (the “Distributor”) acts as the principal distributor of the Fund’s shares. There were no payments made to the Distributor by the Fund for the six months ended April 30, 2011. A Trustee of the Trust is a member of management of Huntington National Bank, a subsidiary of Huntington Bancshares, Inc. (the parent of the Distributor) and officers of the Trust are officers of the Distributor and such persons may be deemed to be affiliates of the Distributor.

**Jones Villalta Opportunity Fund**  
**Notes to the Financial Statements - continued**  
**April 30, 2011**  
**(Unaudited)**

**NOTE 5. INVESTMENTS**

For the six months ended April 30, 2011, purchases and sales of investment securities, other than short-term investments and short-term U.S. government obligations were as follows:

<b>Purchases</b>	<u><b>Amount</b></u>
U.S. Government Obligations	\$ -
Other	3,112,262
<b>Sales</b>	
U.S. Government Obligations	\$ -
Other	154,505

At April 30, 2011, the net unrealized appreciation (depreciation) of investments for tax purposes was as follows:

Gross Appreciation	\$ 894,019
Gross (Depreciation)	<u>(52,474)</u>
Net Appreciation on Investments	<u><u>\$ 841,545</u></u>

At April 30, 2011, the aggregate cost of securities for federal income tax purposes was \$5,563,493.

**NOTE 6. ESTIMATES**

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

**NOTE 7. BENEFICIAL OWNERSHIP**

The beneficial ownership, either directly or indirectly, of more than 25% of the voting securities of a fund creates a presumption of control of the fund, under Section 2(a)(9) of the Investment Company Act of 1940. At April 30, 2011, JRJ Investment Fund, Ltd. held, in an omnibus account for the benefit of others, 53.82% of the Fund's shares and The Albany Foundation held, in an omnibus account for the benefit of others, 25.60% of the Fund's shares. As a result, JRJ Investment Fund, Ltd. and The Albany Foundation may each be deemed to control the Fund.

**Jones Villalta Opportunity Fund**  
**Notes to the Financial Statements - continued**  
**April 30, 2011**  
**(Unaudited)**

**NOTE 8. DISTRIBUTIONS TO SHAREHOLDERS**

On December 28, 2010, the Fund paid a long term capital gain distribution of \$1.4532 per share to shareholders of record on December 27, 2010.

The tax characterization of distributions for the fiscal years ended October 31, 2010 and 2009 was as follows:

	<b>2010</b>	<b>2009</b>
Distributions paid from:		
Ordinary Income	\$ 17,385	\$ 3,294

At October 31, 2010, the components of distributable earnings (accumulated losses) on a tax basis were as follows:

Undistributed long-term capital gain	\$ 486,740
Unrealized appreciation (depreciation)	4,326
	<b>\$ 491,066</b>

At October 31, 2010, the difference between book basis and tax basis unrealized appreciation is attributable to the tax deferral of wash sale losses in the amount of \$2,629.

## OTHER INFORMATION

### RENEWAL OF MANAGEMENT AGREEMENT (Unaudited)

At a meeting of the Board of Trustees held on November 3, 2010, the Chairman reported that on October 25, 2010, the Adviser Contract Renewal Committee (the "Committee") of the Board of Trustees of the Trust (the "Board") convened via teleconference to consider whether to recommend that the full Board renew the Management Agreements between the Trust and Jones Villalta Asset Management, LLC on behalf of the Jones Villalta Opportunity Fund (the "Fund"). He stated that all Independent Trustees were present.

The Chairman noted that all Committee members and other participants acknowledged receiving and reviewing the materials compiled by the Trust's Administrator and provided to the participants in advance of the meeting. He also noted that no changes are proposed to the Fund's management agreement or expense cap side letter. He then indicated that the materials specifically provided to the Committee included the following information: (i) executed copies of the Fund's management agreement and current expense cap side letter, (ii) a letter from the Administrator to the adviser setting forth, and the adviser's response to, a detailed series of questions regarding, among other things, the adviser's services to the Fund, its profitability from managing the Fund and ideas for future growth for the Fund, (iii) a report from the Trust's CCO certifying that the adviser has adopted a compliance program that is reasonably designed to prevent violation of federal securities laws by the Fund, (iv) the adviser's Form ADV Parts I and II and accompanying schedules, (v) adviser's financial statements and profitability analysis for the period ended September 30, 2010, (vi) reports provided by the Administrator regarding the Fund's performance for the year to date, past three months, and one-year periods and comparisons of the same to the Fund's benchmark(s) and peer group for the same periods, and (vii) reports provided by the Administrator comparing the Fund's advisory fee and total expenses (after fee waivers and reimbursements) to the Fund's peer group as determined by the Administrator. The Chairman noted that after discussing the materials, the Committee contacted the adviser's representatives, including Thomas Villalta, president and CCO of the adviser and portfolio manager to the Fund and Alyson Gomez, vice president of the adviser and portfolio manager to the Fund, and interviewed them for approximately one-half hour.

The Committee members noted that they had received and evaluated such information as they deemed necessary to make their decision. They also noted that they had taken into account a number of factors that they believed, in light of the legal advice provided by legal counsel to the Trust and legal counsel to the independent trustees, and their own business judgment, to be relevant. They noted that this included information regarding the adviser that had been provided to the Board throughout the year at regular meetings of the Board, as well as information that was specifically furnished to the Committee in connection with its review of the Fund's management arrangement. As a result, the Committee summarized its review as follows:

(i) **The Nature, Extent and Quality of Services** – The Committee noted that the adviser manages approximately \$28 million in assets, and that the Fund had approximately \$2 million in assets, as of September 30, 2010. The Committee reviewed the responses from the adviser as to the resources provided to the Fund, and considered the adequacy of such resources in light of the expected growth in the levels of Fund assets, and whether the resources are sufficient to achieve positive performance, compliance and other needs. The Committee determined that the adviser's resources appear adequate, and specifically noted that the adviser provides three portfolio managers to manage the Fund, each of whom appears to have adequate experience to manage the Fund. The Committee noted that the adviser was not proposing any changes to the level of services provided to the Fund.

The Committee noted that, in addition to the Fund, the adviser also manages certain separate accounts with investment objectives and strategies similar to the Fund. As a result, the Committee sought and received assurances from the adviser that trades were being allocated fairly among the Fund and the separate accounts, given the potential for conflict of interest in managing the Fund and the separate accounts side-by-side. The Committee noted that various compliance reports had been provided by the adviser and the Trust's CCO to the Board throughout the year, and noted, based on such reports, that the Fund's investment policies and restrictions were consistently complied with during the last year. The Committee noted that the adviser reported no SEC examinations of the adviser or the Fund since the adviser began managing the Fund.

The Committee further noted that the Trust's Chief Compliance Officer had reviewed the adviser's compliance policies and procedures and determined that they appeared reasonably designed to prevent violation of federal securities laws.

(ii) **Fund Performance** – The Committee discussed the Fund’s performance and reviewed other materials provided by the adviser and the Administrator with respect to such performance. The Committee noted that the Administrator’s report that the Fund had positive performance for the one-year period ended September 30, 2010. They also noted that although the Fund had underperformed its peer group average and benchmarks over the one-year period, it had outperformed both for 2009. They considered adviser’s report that the Fund’s performance was higher than similarly-managed separate accounts for the one year period ended August 31, 2010.

(iii) **Fee Rates and Profitability** – The Committee noted that the adviser reported it would continue capping certain operating expenses of the Fund at 1.25% through February 29, 2012. The Committee noted that the adviser’s fee of 1.00% was on par with its peer group average and with the fee adviser charges its separately-managed accounts. The Committee also noted the administrator’s report that the adviser had waived its entire fee and was reimbursing expenses, and as a result the Fund’s total net expenses were significantly lower than its peer group average. The Committee determined that the Fund’s total fees of 1.25% were reasonable relative to the advisory fee charged adviser’s separately-managed accounts based on market comparisons and the recommendations of the adviser’s outside consultants.

The Committee reviewed the adviser’s parent company financial statements and the adviser’s profitability analysis for the period ended September 30, 2010, and noted that the Fund was not profitable to the adviser. They also considered the adviser’s manager had set aside funds to support the adviser during the Fund’s incubation period. Finally, the Committee noted that the adviser does not use soft dollars.

(iv) **Economies of Scale** – In determining the reasonableness of the advisory fees, the Committee also considered whether economies of scale will be realized as the Fund grows larger, and the extent to which this is reflected in the advisory fees. The Committee noted the adviser had taken steps to get the Fund on a number of mutual fund platforms, had engaged a firm to assist with public relations, and had revamped its website. The Committee noted that although the Fund’s assets are growing, the adviser had only been managing the Fund for two years and it did not appear that the adviser has begun to realize any significant economies of scale from managing the Fund.

After reviewing all of the foregoing, the Committee determined that the Fund’s advisory fees (after waiver and reimbursement by adviser) were reasonable, based on the quality of advisory services provided to the Fund, and unanimously voted to recommend that the Board approve the Fund’s Management Agreement. The Board unanimously approved the renewal.

## PROXY VOTING

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities and information regarding how the Fund voted those proxies during the most recent twelve month period ended June 30, is available without charge upon request by (1) calling the Fund at (866) 950-5863 and (2) from Fund documents filed with the Securities and Exchange Commission (“SEC”) on the SEC’s website at [www.sec.gov](http://www.sec.gov).

### TRUSTEES

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

### OFFICERS

Brian L. Blomquist, President  
John Swhear, Senior Vice-President  
Robert W. Silva, Treasurer and Chief Financial Officer  
Tara Pierson, Secretary  
Lynn Wood, Chief Compliance Officer

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