
SEMI-ANNUAL REPORT

ARCHER FUNDS

BALANCED
INCOME
STOCK

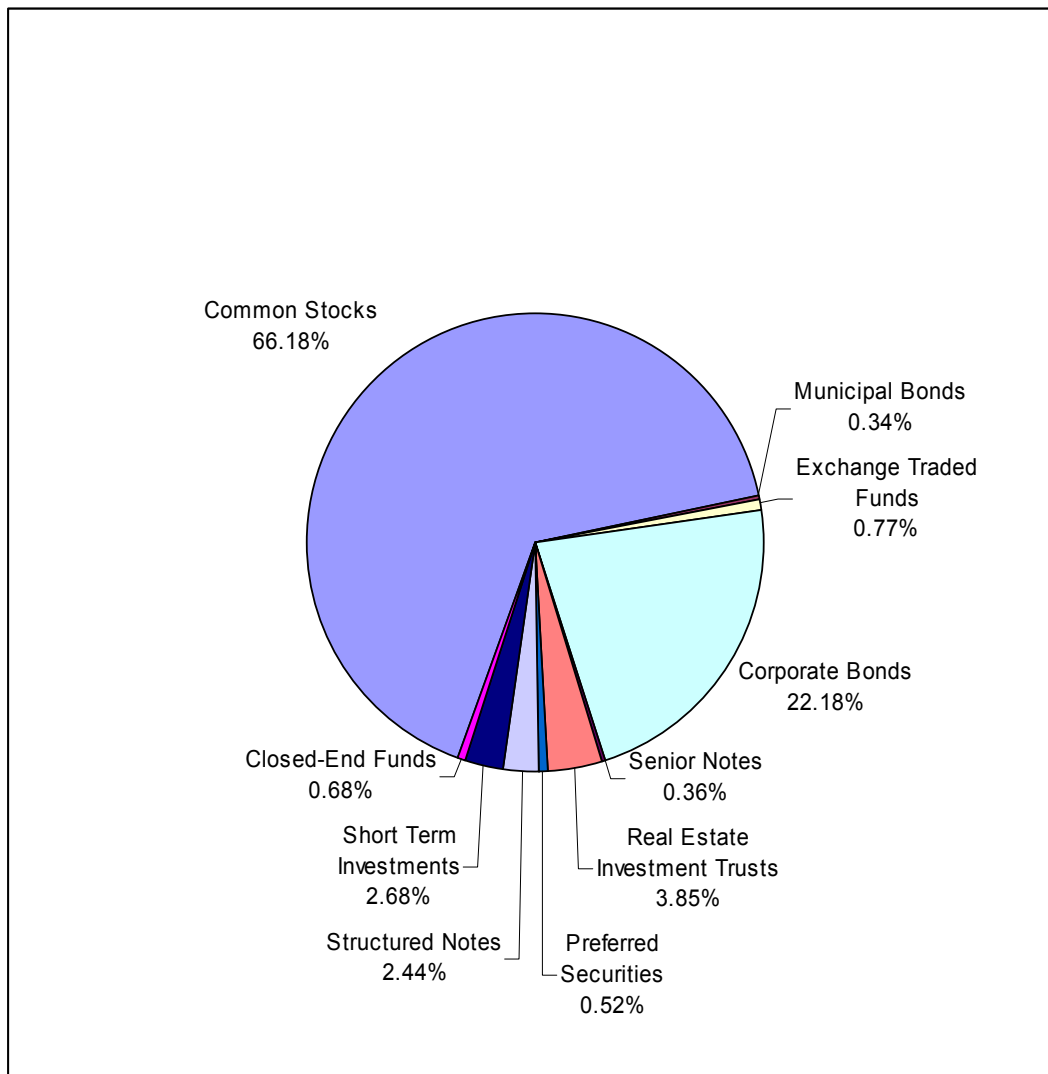
FEBRUARY 29, 2012
(UNAUDITED)

ARCHER BALANCED FUND

PORTFOLIO ILLUSTRATION

FEBRUARY 29, 2012 (UNAUDITED)

The following chart gives a visual breakdown of the Fund by the industry sectors. The underlying securities represent a percentage of the portfolio of investments.

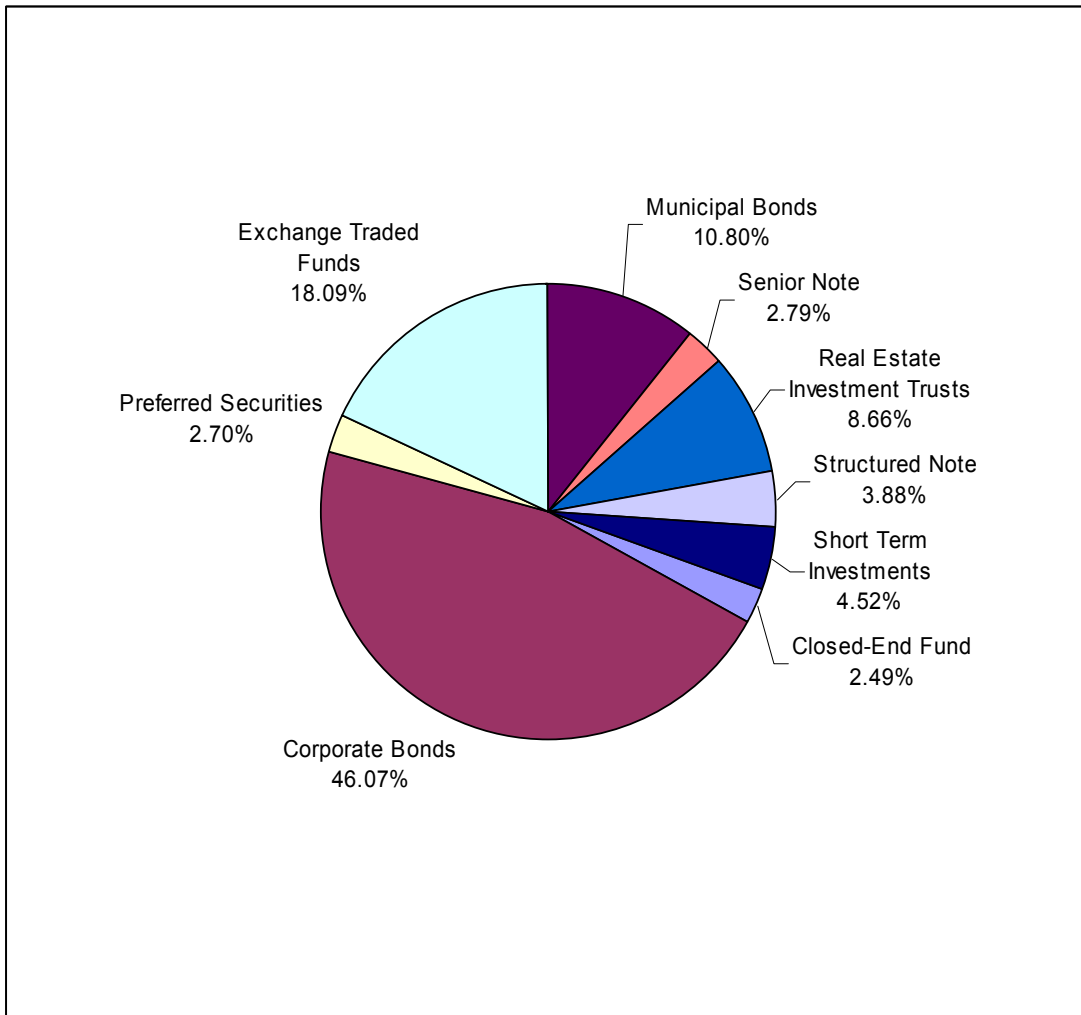


ARCHER INCOME FUND

PORTFOLIO ILLUSTRATION

FEBRUARY 29, 2012 (UNAUDITED)

The following chart gives a visual breakdown of the Fund by the industry sectors. The underlying securities represent a percentage of the portfolio of investments.

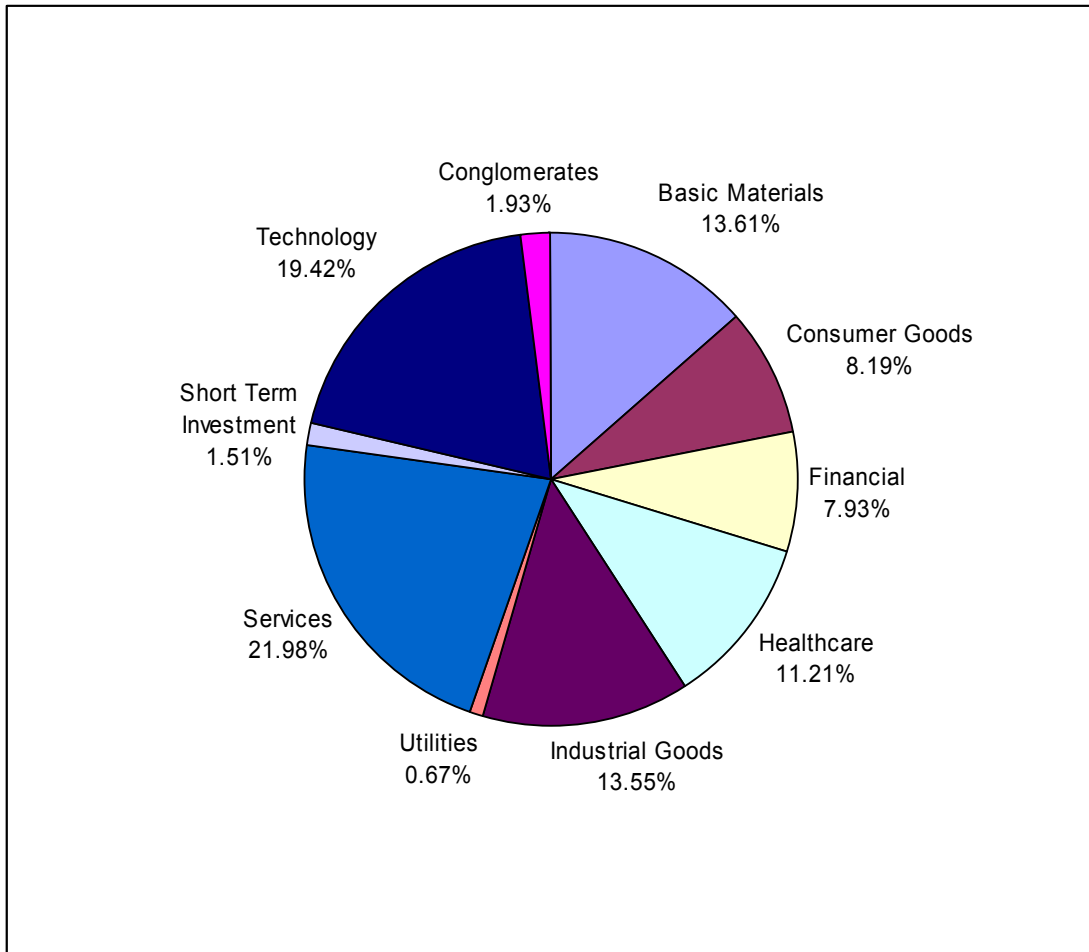


ARCHER STOCK FUND

PORTFOLIO ILLUSTRATION

FEBRUARY 29, 2012 (UNAUDITED)

The following chart gives a visual breakdown of the Fund by the industry sectors. The underlying securities represent a percentage of the portfolio of investments.



ARCHER BALANCED FUND

SCHEDULE OF INVESTMENTS

FEBRUARY 29, 2012 (UNAUDITED)

| <u>Shares/Principal</u> | <u>Fair Value</u> |
|--|-------------------|
| COMMON STOCK - 64.56% | |
| Aircraft - 3.47% | |
| 7,000 Boeing Co. | <u>\$ 524,650</u> |
| Beverages - 3.75% | |
| 9,000 PepsiCo, Inc. | <u>566,460</u> |
| Computer & Office Equipment - 3.29% | |
| 25,000 Cisco Systems, Inc. | <u>497,000</u> |
| Crude Petroleum & Natural Gas - 3.71% | |
| 16,000 Enerplus Corp. | 384,000 |
| 1,700 Occidental Petroleum Corp. | <u>177,429</u> |
| | 561,429 |
| Drilling Oil & Gas Wells - 2.39% | |
| 9,000 Noble Corp. | <u>361,620</u> |
| Electric Services - 1.02% | |
| 5,000 Public Service Enterprises Group, Inc. | <u>153,900</u> |
| Electromedical & Electrotherapeutic Apparatus - 2.09% | |
| 7,500 St. Jude Medical, Inc. | <u>315,900</u> |
| Engines & Turbines - 1.59% | |
| 2,000 Cummins, Inc. | <u>241,140</u> |
| Fire, Marine & Casualty Insurance - 1.37% | |
| 10,000 Hartford Financial Services Group, Inc. | <u>207,100</u> |
| Gold & Silver Ores - 1.74% | |
| 5,500 Barrick Gold Corp. | <u>262,515</u> |
| Health Care Plans - 4.58% | |
| 5,000 Aetna, Inc. | 233,800 |
| 7,000 Wellpoint, Inc. | <u>459,410</u> |
| | 693,210 |

The accompanying notes are an integral part of these financial statements.

ARCHER BALANCED FUND
SCHEDULE OF INVESTMENTS (CONTINUED)
FEBRUARY 29, 2012 (UNAUDITED)

| <u>Shares/Principal</u> | <u>Fair Value</u> |
|--|-------------------|
| Natural Gas Transmission - 2.33% | |
| 10,000 Kinder Morgan, Inc. | \$ 352,400 |
| Oil, Gas Field Services, NBC - 1.54% | |
| 3,000 Schlumberger N.V. LTD. | 232,830 |
| Petroleum Refining - 2.16% | |
| 3,000 Chevron Corp. | 327,360 |
| Pharmaceutical Preparations - 11.06% | |
| 9,000 Abbott Laboratories | 509,490 |
| 3,800 Johnson & Johnson, Inc. | 247,304 |
| 18,000 Pfizer, Inc. | 380,250 |
| 12,000 Teva Pharmaceutical Industries, Ltd. ADR | 537,720 |
| | 1,674,764 |
| Plastics, Materials & Synthetic Resins/Rubber - 2.69% | |
| 8,000 EI Dupont de Nemours & Co. | 406,800 |
| Radio & TV Broadcasting & Communications - 0.46% | |
| 1,000 L-3 Communications Holdings, Inc. | 70,250 |
| Retail - Drug Stores - 4.18% | |
| 14,000 CVS Caremark Corp. | 631,400 |
| Services - Prepackaged Software - 3.78% | |
| 18,000 Microsoft Corp. | 571,320 |
| Surgical & Medical Instruments - 3.50% | |
| 9,100 Baxter International, Inc. | 528,983 |
| Telephone Communications (No Radio Telephone) - 3.86% | |
| 10,000 AT&T, Inc. | 305,900 |
| 9,000 P.T. Telekomunik Indonesia TBK ADR * | 278,010 |
| | 583,910 |
| TOTAL FOR COMMON STOCK (Cost \$9,225,231) - 64.56% | 9,764,941 |

* Non-income producing

ADR- American Depository Receipt

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ARCHER BALANCED FUND
SCHEDULE OF INVESTMENTS (CONTINUED)
FEBRUARY 29, 2012 (UNAUDITED)

| <u>Shares/Principal</u> | <u>Fair Value</u> |
|--|-------------------|
| CLOSED-END FUNDS - 0.67% | |
| 5,000 Western Asset Emerging Markets Debt Fund, Inc. | \$ 100,650 |
| TOTAL FOR CLOSED-END FUNDS (Cost \$100,059) - 0.67% | <u>100,650</u> |
| CORPORATE BONDS - 21.64% | |
| Cement, Hydraulic - 0.69% | |
| 100,000 CRH America, Inc., 5.30%, 10/15/13 | <u>104,686</u> |
| Computer & Office Equipment - 1.05% | |
| 75,000 Dell, Inc., 4.70%, 4/15/13 | 78,271 |
| 75,000 Hewlett-Packard Co., 4.75%, 6/2/14 | 80,574 |
| | <u>158,845</u> |
| Containers - Paper/Plastic - 0.72% | |
| 100,000 Sealed Air Corp., 7.875%, 6/15/17 | <u>109,380</u> |
| Crude Petroleum & Natural Gas - 0.67% | |
| 100,000 Chesapeake Energy Corp., 6.775%, 3/15/19 | <u>100,850</u> |
| Diversified Banking Institution - 0.97% | |
| 50,000 Ally Financial, Inc., 7.00%, 8/15/2013 ** | 51,025 |
| 100,000 Ally Financial, Inc., 6.70%, 6/15/2018 | 95,700 |
| | <u>146,725</u> |
| Electric Services - 0.36% | |
| 50,000 Appalachian Power Co., 4.95%, 2/1/15 | <u>54,729</u> |
| Finance Services - 4.36% | |
| 125,000 American Express Co., 5.55% 10/17/12 | 128,628 |
| 100,000 Block Financial Corp., 5.125%, 10/30/14 | 103,889 |
| 50,000 Block Financial Corp., 7.875%, 1/15/13 | 52,570 |
| 300,000 Citigroup Funding, 10.00%, 5/28/25 | 300,000 |
| 75,000 GE Capital Corp., 5.00%, 3/15/19 ** | 75,000 |
| | <u>660,087</u> |
| Heating Equipment - 0.55% | |
| 75,000 Fortune Brands, Inc., 6.375%, 6/15/14 | <u>82,442</u> |

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ARCHER BALANCED FUND
SCHEDULE OF INVESTMENTS (CONTINUED)
FEBRUARY 29, 2012 (UNAUDITED)

| <u>Shares/Principal</u> | <u>Fair Value</u> |
|--|-------------------|
| Miscellaneous Business Credit Institution - 0.84% | |
| 125,000 Ford Motor Credit Co. LLC., 7.80%, 6/01/12 | \$ 126,923 |
| National Commercial Banks - 3.25% | |
| 400,000 Bank of America Corp., 13.00%, 5/13/30 ** | 390,000 |
| 50,000 JP Morgan Chase & Co., 6.625%, 3/15/12 | 50,110 |
| 50,000 Wells Fargo & Co., 5.25%, 10/23/12 | 51,430 |
| | 491,540 |
| Plastics, Materials & Synthetic Resins - 0.34% | |
| 50,000 Dow Chemical Corp., 6.00%, 10/1/12 | 51,287 |
| Retail - Variety Stores - 0.41% | |
| 60,000 Wal-Mart Stores, Inc., 4.25%, 4/15/13 | 62,666 |
| Retail - Consumer Electronics Stores - 0.49% | |
| 70,000 Best Buy Company, Inc., 6.75%, 7/15/13 | 74,494 |
| Retail - Lumber & Other Building Material Dealers - 0.54% | |
| 75,000 Home Depot, Inc., 5.25%, 12/16/13 | 81,002 |
| Security Broker Dealers - 4.29% | |
| 50,000 Morgan Stanley & Co., 4.50%, 08/31/15 ** | 50,000 |
| 75,000 Morgan Stanley & Co., 10.50%, 3/16/30 ** | 69,094 |
| 50,000 Morgan Stanley & Co., 10.00%, 3/31/30 ** | 49,000 |
| 500,000 Morgan Stanley & Co., 10.00%, 4/28/30 ** | 480,000 |
| | 648,094 |
| Sugar & Confectionery Products - 0.71% | |
| 100,000 WM. Wrigley Jr. Co., 4.65%, 7/15/15 | 106,978 |
| Telephone Communications - 1.40% | |
| 150,000 AT&T, Inc., 6.70%, 11/15/13 | 163,875 |
| 45,000 New York Telephone Co., 7.00%, 6/15/13 | 48,441 |
| | 212,316 |
| TOTAL FOR CORPORATE BONDS (Cost \$3,204,314) - 21.64% | 3,273,044 |

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ARCHER BALANCED FUND
SCHEDULE OF INVESTMENTS (CONTINUED)
FEBRUARY 29, 2012 (UNAUDITED)

| <u>Shares/Principal</u> | <u>Fair Value</u> |
|---|----------------------|
| EXCHANGE TRADED FUNDS - 0.75% | |
| 1,000 iShares JP Morgan Emerging Markets Bond Fund | \$ 113,300 |
| TOTAL FOR EXCHANGE TRADED FUNDS (Cost \$111,029) - 0.75% | <u>113,300</u> |
| SENIOR NOTE - 0.35% | |
| Cellular Telecommunications - 0.35% | |
| 2,000 US Cellular Corp., PFD 6.95%, 5/15/60 | 53,020 |
| TOTAL FOR SENIOR NOTE (Cost \$49,920) - 0.35% | <u>53,020</u> |
| STRUCTURED NOTES - 2.38% | |
| 200,000 Suntrust Bank, Atlanta, GA, 0.00%, 9/22/14 | 236,248 |
| 100,000 Suntrust Bank, Atlanta, GA, 0.00%, 3/27/14 | 123,513 |
| TOTAL FOR STRUCTURED NOTES (Cost \$296,411) - 2.38% | <u>359,761</u> |
| REAL ESTATE INVESTMENT TRUST - 3.76% | |
| 22,000 Government Properties Income Trust | 513,260 |
| 2,000 Public Storage, PFD 6.50%, Series P | 55,292 |
| TOTAL FOR REAL ESTATE INVESTMENT TRUST (Cost \$577,711) - 3.76% | <u>568,552</u> |
| PREFERRED SECURITIES - 0.51% | |
| 3,000 Wells Fargo VII PFD, 5.85%, 5/1/33 | 76,590 |
| TOTAL FOR PREFERRED SECURITIES (Cost \$56,634) - 0.51% | <u>76,590</u> |
| MUNICIPAL BOND - 0.34% | |
| 50,000 Napa, CA, Solid Waste, 5.06%, 8/1/13 | 50,772 |
| TOTAL FOR MUNICIPAL BOND (Cost \$50,309) - 0.34% | <u>50,772</u> |
| SHORT TERM INVESTMENTS - 2.61% | |
| 394,580 Fidelity Institutional Money Market Portfolio 0.26 ** (Cost \$394,580) | 394,580 |
| TOTAL INVESTMENTS (Cost \$14,066,198) - 97.57% | <u>14,755,210</u> |
| OTHER ASSETS LESS LIABILITIES - 2.43% | <u>367,450</u> |
| NET ASSETS - 100.00% | <u>\$ 15,122,660</u> |

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ARCHER BALANCED FUND
SCHEDULE OF INVESTMENTS (CONTINUED)
FEBRUARY 29, 2012 (UNAUDITED)

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

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.

Level 2 - Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an active market, price for similar instruments, interest rates, prepayment speeds, yield curves, default rates and similar data.

Level 3 - Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund's own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities.

The following is a summary of inputs used as of February 29, 2012 in valuing the Fund's investments carried at value:

| Investments in Securities | Level 1 | Level 2 | Level 3 | Total |
|-------------------------------------|----------------------|----------------|----------------|----------------------|
| Common Stocks | \$ 9,764,941 | - | - | \$ 9,764,941 |
| Closed-End Funds | 100,650 | - | - | 100,650 |
| Corporate Bonds | 3,273,044 | - | - | 3,273,044 |
| Exchange Traded Funds | 113,300 | - | - | 113,300 |
| Senior Note | 53,020 | - | - | 53,020 |
| Structured Notes | 359,761 | - | - | 359,761 |
| Real Estate Investment Trusts | 568,552 | - | - | 568,552 |
| Preferred Securities | 76,590 | - | - | 76,590 |
| Municipal Bonds | 50,772 | - | - | 50,772 |
| Short-Term Investments: | | | | |
| Fidelity Institutional Money Market | 394,580 | - | - | 394,580 |
| | <u>\$ 14,755,210</u> | <u>-</u> | <u>-</u> | <u>\$ 14,755,210</u> |

ARCHER INCOME FUND
SCHEDULE OF INVESTMENTS
FEBRUARY 29, 2012 (UNAUDITED)

| <u>Shares/Principal</u> | <u>Fair Value</u> |
|--|-------------------|
| CLOSED-END FUND - DEBT - 2.50% | |
| 4,700 Western Asset Emerging Market | \$ 94,611 |
| TOTAL FOR CLOSED-END FUND (Cost \$88,306) - 2.50% | <u>94,611</u> |
| CORPORATE BONDS - 46.30% | |
| Beverages - Non-Alcoholic - 1.46% | |
| 50,000 Cott Beverages, Inc., 8.375%, 11/15/17 | <u>55,062</u> |
| Commercial Banks - Western US - 1.34% | |
| 50,000 Zions Bancorp, 5.50%, 5/10/16 | <u>50,459</u> |
| Crude Petroleum & Natural Gas - 1.33% | |
| 50,000 Chesapeake Energy Corp., 6.775%, 3/15/19 | <u>50,425</u> |
| Diversified Banking Institution - 11.79% | |
| 100,000 Bank of America Corp., 6.75%, 9/9/13 (Australia) | 100,273 |
| 75,000 Goldman Sachs Group Inc., 4.00%, 5/18/23 ** | 73,875 |
| 250,000 Morgan Stanley, 10.00%, 4/8/12 (Brazil) | 157,250 |
| 50,000 Ally Financial, Inc., 7.00%, 8/15/13 ** | 51,025 |
| 66,000 Ally Financial, Inc., 6.70%, 6/15/18 | <u>63,162</u> |
| | <u>445,585</u> |
| Diversified Financial Services - 2.71% | |
| 100,000 GE Capital Australia, 6.75%, 2/18/14 (Australia) | <u>102,357</u> |
| Electric & Other Services Combined - 1.45% | |
| 50,000 CMS Energy, Inc., 6.25%, 2/01/20 | 54,715 |
| Finance Services - 3.40% | |
| 125,000 American Express Co., 5.55%, 10/17/2012 | <u>128,628</u> |
| Miscellaneous Business Credit Institution - 4.80% | |
| 125,000 Ford Motor Credit Co., 7.80%, 6/1/12 | 126,923 |
| 50,000 Ford Credit Canada Ltd., 7.50%, 8/18/15 | <u>54,500</u> |
| | <u>181,423</u> |

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ARCHER INCOME FUND
SCHEDULE OF INVESTMENTS (CONTINUED)
FEBRUARY 29, 2012 (UNAUDITED)

| <u>Shares/Principal</u> | <u>Fair Value</u> |
|--|-------------------|
| Multimedia - 1.49% | |
| 50,000 Time Warner Inc., 4.75%, 3/29/21 | \$ 56,329 |
| National Commercial Banks - 2.81% | |
| 100,000 Citigroup, Inc., 6.50%, 8/19/13 | 106,005 |
| Oil Company - Exploration & Production - 3.11% | |
| 100,000 Southwestern Energy Co., 7.125%, 10/10/17 | 117,407 |
| Retail - Consumer Electronics Stores - 2.11% | |
| 75,000 Best Buy Company, Inc., 6.75%, 7/15/13 | 79,815 |
| Supranational Bank - 6.49% | |
| 91,819 European BK Recon & Dev., 6.75%, 2/19/13 (Indonesia) | 96,156 |
| 650,000 International Bank Recon & Dev., 6.50%, 9/11/13 | 52,339 |
| 165,000 International Bank Recon & Dev., 8.25%, 1/24/13 | 96,623 |
| | 245,118 |
| Steel Works, Blast Furnaces, Rolling Mills (Coke Ovens) - 2.01% | |
| 75,000 Arcelormittal, 3.75%, 3/1/16 | 76,025 |
| TOTAL FOR CORPORATE BONDS (Cost \$1,798,765) - 46.30% | |
| | 1,749,353 |
| EXCHANGE TRADED FUNDS - 18.17% | |
| 600 iShares Barclays Intermediate Credit Bond | 65,628 |
| 1,000 iShares iBoxx \$ Invest Grade Corp. Bond | 117,700 |
| 1,000 iShares JP Morgan Emerging Markets Bond | 113,300 |
| 6,000 PowerShares Build America Bond | 176,520 |
| 6,000 PowerShares Preferred | 86,640 |
| 1,500 Vanguard Intermediate-Term Corp. Bond Idx ETF | 126,900 |
| TOTAL FOR EXCHANGE TRADED FUNDS (Cost \$639,153) - 18.17% | |
| | 686,688 |
| MUNICIPAL BONDS - 10.85% | |
| 50,000 Clark County Nevada, 6.36%, 11/1/24 | 56,298 |
| 50,000 Illinois State, 5.665%, 3/1/18 | 54,853 |
| 100,000 Tobacco Settlement Auth IA, 6.50%, 6/1/23 | 93,701 |

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ARCHER INCOME FUND
SCHEDULE OF INVESTMENTS (CONTINUED)
FEBRUARY 29, 2012 (UNAUDITED)

| <u>Shares/Principal</u> | <u>Fair Value</u> |
|---|-------------------|
| MUNICIPAL BONDS – (Continued) | |
| 130,000 TSACS Inc., 4.75%, 6/1/22 | \$ 129,366 |
| 75,000 Westfield In County Option Income Tax Revenue 3.50%, 11/01/16 | 75,731 |
| TOTAL FOR MUNICIPAL BONDS (Cost \$396,014) - 10.85% | <u>409,949</u> |
| PREFERRED SECURITIES - 2.71% | |
| 50,000 Edison International, PFD 6.25%, 8/01/49 Series E ** | 51,006 |
| 2,000 First Republic Bank, PFD 6.70%, 12/31/49 | 51,400 |
| TOTAL FOR PREFERRED SECURITIES (Cost \$101,672) - 2.71% | <u>102,406</u> |
| REAL ESTATE INVESTMENT TRUSTS - 8.71% | |
| REITS - Diversified - 8.71% | |
| 2,000 Duke Realty Corp., PFD 6.95%, Series M | 50,600 |
| 3,500 Duke Realty Corp., PFD 6.50%, Series K | 87,220 |
| 2,500 Public Storage, PFD 6.45%, Series F | 63,700 |
| 3,000 Public Storage, PFD 6.625%, Series M | 76,695 |
| 200,000 Regency Centers Corp., PFD 6.625%, 12/03/49, Series 6 | 50,780 |
| TOTAL FOR REAL ESTATE INVESTMENT TRUST (Cost \$322,019) - 8.71% | <u>328,995</u> |
| SENIOR NOTE - 2.81% | |
| Cellular Telecommunications - 2.81% | |
| 4,000 US Cellular Corp., PFD 6.95%, 5/15/60 | 106,040 |
| TOTAL FOR SENIOR NOTE (Cost \$99,840) - 2.81% | <u>106,040</u> |
| STRUCTURED NOTE - 3.90% | |
| Diversified Banking Institution - 3.90% | |
| 100,000 Morgan Stanley, 4.50%, 8/30/15 ** | 97,500 |
| 50,000 Morgan Stanley & Co., 4.50%, 08/31/15 ** | 50,000 |
| TOTAL FOR STRUCTURED NOTE (Cost \$147,748) - 3.90% | <u>147,500</u> |

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ARCHER INCOME FUND
SCHEDULE OF INVESTMENTS (CONTINUED)
FEBRUARY 29, 2012 (UNAUDITED)

| <u>Shares/Principal</u> | <u>Fair Value</u> |
|---|----------------------------|
| SHORT TERM INVESTMENTS - 4.54% | |
| 171,545 Fidelity Institutional Money Market 0.26% ** (Cost \$171,545) | \$ 171,545 |
| TOTAL INVESTMENTS (Cost \$3,765,062) - 100.52% | <u>3,797,087</u> |
| LIABILITIES IN EXCESS OF OTHER ASSETS - (0.52)% | <u>(18,775)</u> |
| NET ASSETS - 100.00% | <u><u>\$ 3,778,312</u></u> |

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SCHEDULE OF INVESTMENTS (CONTINUED)
FEBRUARY 29, 2012 (UNAUDITED)

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| Investments in Securities | Level 1 | Level 2 | Level 3 | Total |
|-------------------------------------|--------------------|------------------|----------------|--------------------|
| Closed-End Fund - Debt | \$ 94,611 | - | - | \$ 94,611 |
| Corporate Bonds | 1,592,103 | 157,250 | - | 1,749,353 |
| Exchange Traded Funds | 686,688 | - | - | 686,688 |
| Municipal Bonds | 409,949 | - | - | 409,949 |
| Preferred Securities | 102,406 | - | - | 102,406 |
| Real Estate Investment Trusts | 328,995 | - | - | 328,995 |
| Senior Note | 106,040 | - | - | 106,040 |
| Structured Note | 147,500 | - | - | 147,500 |
| Short-Term Investments: | | | | |
| Fidelity Institutional Money Market | 171,545 | - | - | 171,545 |
| | <u>\$3,639,837</u> | <u>\$157,250</u> | <u>-</u> | <u>\$3,797,087</u> |

ARCHER STOCK FUND
SCHEDULE OF INVESTMENTS
FEBRUARY 29, 2012 (UNAUDITED)

| <u>Shares/Principal</u> | <u>Fair Value</u> |
|--|---------------------|
| COMMON STOCK - 98.43% | |
| Adhesives & Sealants - 0.61% | |
| 900 HB Fuller Co. | <u>\$ 27,117</u> |
| Aircraft - 1.43% | |
| 1,000 Triumph Group, Inc. | <u>63,800</u> |
| Application Software - 2.07% | |
| 2,900 Microsoft Corp. | <u>92,046</u> |
| Biological Products (No Diagnostic Substances) - 1.98% | |
| 1,300 Amgen, Inc. | <u>88,413</u> |
| Business Services - 1.83% | |
| 700 Visa, Inc. Class A | <u>81,459</u> |
| Cable & Other Pay Television Services - 1.47% | |
| 1,400 Discovery Communications, Inc. Class A * | <u>65,310</u> |
| Calculating & Accounting Machines (No Electronic Computers) - 2.15% | |
| 2,000 Verifone Systems, Inc. * | <u>95,780</u> |
| Chemicals - Major Diversified - 0.53% | |
| 700 Dow Chemical Co. | <u>23,457</u> |
| Commercial Banks - NEC - 1.38% | |
| 500 Credicorp Ltd. * | <u>61,445</u> |
| Computer & Office Equipment - 2.51% | |
| 500 Lexmark International, Inc. Class A | 18,440 |
| 4,700 Cisco Systems, Inc. | <u>93,436</u> |
| | <u>111,876</u> |
| Computer Storage Devices - 0.43% | |
| 700 EMC Corp. * | <u>19,383</u> |

* Non-income producing

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ARCHER STOCK FUND
SCHEDULE OF INVESTMENTS (CONTINUED)
FEBRUARY 29, 2012 (UNAUDITED)

| <u>Shares/Principal</u> | <u>Fair Value</u> |
|--|-------------------|
| Construction Machinery & Equipment - 0.51% | |
| 200 Caterpillar, Inc. | \$ 22,842 |
| Construction, Mining & Materials Handling Machinery & Equipment - 0.43% | |
| 300 Dover Corp. | 19,206 |
| Crude Petroleum & Natural Gas - 0.47% | |
| 200 Occidental Petroleum Corp. | 20,874 |
| Cutler, Handtools & General Hardware - 0.52% | |
| 300 Stanley Black & Decker, Inc. | 23,040 |
| Diversified Investments - 0.47% | |
| 900 Main Street Capital Corp. | 21,060 |
| Diversified Machinery - 0.46% | |
| 400 Graco, Inc. | 20,472 |
| Drug Manufacturers - Other - 1.83% | |
| 2,200 Endo Pharmaceutical Holdings, Inc. * | 81,554 |
| Electric Lighting & Wiring Equipment - 0.41% | |
| 300 Cooper Industries Plc Class A (Ireland) | 18,366 |
| Electromedical & Electrotherapeutic Apparatus - 1.48% | |
| 900 Zoll Medical Corp. * | 65,835 |
| Electronic Computers - 0.81% | |
| 500 Nice Systems Ltd. * | 17,095 |
| 1,100 Dell, Inc. * | 19,030 |
| | 36,125 |
| Engines & Turbines - 0.54% | |
| 200 Cummins, Inc. | 24,114 |

* Non-income producing

The accompanying notes are an integral part of these financial statements.

ARCHER STOCK FUND
SCHEDULE OF INVESTMENTS (CONTINUED)
FEBRUARY 29, 2012 (UNAUDITED)

| <u>Shares/Principal</u> | <u>Fair Value</u> |
|--|-------------------|
| Farm Machinery & Equipment - 2.30% | |
| 1,500 AGCO Corp. * | \$ 77,445 |
| 300 Deere & Co. | 24,879 |
| | <hr/> 102,324 |
| Farm Products - 1.81% | |
| 1,200 Bunge Ltd. * | <hr/> 80,784 |
| Gas & Other Services - 0.67% | |
| 500 Sempra Energy | 29,620 |
| Gold & Silver Ores - 3.10% | |
| 1,500 Barrick Gold Corp. | 71,595 |
| 6,000 Kinross Gold Corp. | 66,480 |
| | <hr/> 138,075 |
| Health Care Plans - 1.37% | |
| 1,300 Aetna, Inc. | <hr/> 60,788 |
| Industrial Instruments for Measurement Display & Control - 0.47% | |
| 400 Danaher Corp. | <hr/> 21,132 |
| Industrial Metals & Minerals - 1.75% | |
| 1,225 Cliffs Natural Resources, Inc. | <hr/> 77,763 |
| In Vitro & In Vivo Diagnostic Substance - 0.43% | |
| 800 Myriad Genetics, Inc. * | <hr/> 19,360 |
| Laboratory Analytical Instruments - 0.60% | |
| 600 FEI Co. * | <hr/> 26,712 |
| Lawn & Garden Tractors & Home Lawn & Garden Equipment - 1.22% | |
| 800 Toro Co. | <hr/> 54,192 |
| Long-Term Care Facilities - 0.43% | |
| 700 Ensign Group, Inc. | <hr/> 19,187 |

* Non-income producing

The accompanying notes are an integral part of these financial statements.

ARCHER STOCK FUND
SCHEDULE OF INVESTMENTS (CONTINUED)
FEBRUARY 29, 2012 (UNAUDITED)

| <u>Shares/Principal</u> | <u>Fair Value</u> |
|--|-------------------|
| Lumber & Wood Products (No Furniture) - 0.42% | |
| 500 Koppers Holdings, Inc. | \$ 18,815 |
| Miscellaneous Fabricated Metal Products - 0.62% | |
| 1,000 Barnes Group, Inc. | 27,700 |
| Miscellaneous Food Preparations & Kindred Products - 0.44% | |
| 300 Green Mountain Coffee Roasters * | 19,491 |
| Miscellaneous Industrial & Commercial Machinery & Equipment - 2.98% | |
| 2,300 Actuant Corp. Class A | 64,791 |
| 1,300 Eaton Corp. | 67,847 |
| | 132,638 |
| Miscellaneous Transportation Equipment - 1.19% | |
| 800 Polaris Industries, Inc. | 52,848 |
| Motorhomes - 0.44% | |
| 600 Thor Industries, Inc. | 19,542 |
| National Commercial Banks - 2.28% | |
| 2,500 US Bancorp. | 73,500 |
| 900 Wells Fargo & Co. | 28,161 |
| | 101,661 |
| Oil & Gas Field Services, NBC - 3.08% | |
| 900 Schlumberger N.V. Ltd. | 69,849 |
| 3,400 Basic Energy Services, Inc. * | 67,524 |
| | 137,373 |
| Oil & Gas Filed Machinery & Equipment - 2.04% | |
| 1,100 National Oilwell Varco, Inc. | 90,783 |
| Paints, Varnishes, Lacquers, Enamels & Allied Products - 0.82% | |
| 400 PPG Industries, Inc. | 36,500 |
| Personal Computers - 2.44% | |
| 200 Apple, Inc. * | 108,488 |

* Non-income producing

The accompanying notes are an integral part of these financial statements.

ARCHER STOCK FUND
SCHEDULE OF INVESTMENTS (CONTINUED)
FEBRUARY 29, 2012 (UNAUDITED)

| <u>Shares/Principal</u> | <u>Fair Value</u> |
|--|-------------------|
| Pharmaceutical Preparations - 2.01% | |
| 2,000 Teva Pharmaceutical Industries Ltd. ADR | <u>\$ 89,620</u> |
| Public Building & Related Furniture - 2.06% | |
| 2,000 BE Aerospace, Inc. * | <u>91,680</u> |
| Pumps & Pumping Equipment - 0.53% | |
| 200 Flowserve Corp. | <u>23,714</u> |
| Radio & TV Broadcasting & Communications - 2.21% | |
| 2,100 Dolby Laboratories, Inc. Class A * | 79,947 |
| 300 Qualcomm, Inc. | <u>18,654</u> |
| | <u>98,601</u> |
| Railroads, Line-Haul Operating - 2.21% | |
| 900 Genesee & Wyoming, Inc. Class A * | 53,478 |
| 1,100 RailAmerica, Inc. * | 22,660 |
| 200 Union Pacific Corp. | <u>22,050</u> |
| | <u>98,188</u> |
| Retail - Apparel & Accessory Stores - 1.76% | |
| 700 Phillips-Van Heusen Corp. | 59,507 |
| 600 Zumiez, Inc. * | <u>18,852</u> |
| | <u>78,359</u> |
| Retail - Auto & Home Supply Stores - 1.34% | |
| 700 Advance Auto Parts, Inc. | <u>59,759</u> |
| Retail - Auto Dealers & Gasoline Stations - 0.55% | |
| 800 Carmax, Inc. * | <u>24,552</u> |
| Retail - Eating Places - 1.18% | |
| 1,900 Brinker International, Inc. | <u>52,421</u> |
| Retail - Home Furniture, Furnishings & Equipment Stores - 1.07% | |
| 800 Bed Bath & Beyond, Inc. * | <u>47,792</u> |

* Non-income producing

ADR- American Depository Receipt

The accompanying notes are an integral part of these financial statements.

ARCHER STOCK FUND
SCHEDULE OF INVESTMENTS (CONTINUED)
FEBRUARY 29, 2012 (UNAUDITED)

| <u>Shares/Principal</u> | <u>Fair Value</u> |
|--|-------------------|
| Retail - Retail Stores, NEC - 1.41% | |
| 2,400 Titan Machinery, Inc. | \$ 62,856 |
| Retail - Shoe Stores - 2.16% | |
| 500 DSW, Inc. Class A | 28,200 |
| 1,000 Genesco, Inc. * | 68,140 |
| | <u>96,340</u> |
| Retail - Variety Stores - 1.09% | |
| 900 Family Dollar Stores, Inc. | <u>48,591</u> |
| Savings Institution, Federally Chartered - 0.86% | |
| 1,600 Capitol Federal Financial, Inc. | 18,704 |
| 1,200 Washington Federal, Inc. | 19,440 |
| | <u>38,144</u> |
| Secondary Smelting & Refining of Non-Ferrous Metals - 1.32% | |
| 4,000 Titanium Metals Corp. * | <u>58,640</u> |
| Semi-Conductors & Related Devices - 1.15% | |
| 1,900 Intel Corp. | <u>51,072</u> |
| Services - Computer Integrated Systems - 0.80% | |
| 600 CACI International, Inc. * | <u>35,484</u> |
| Services - Automotive Repair, Services & Parking - 0.41% | |
| 400 Monro Muffler Brake, Inc. | <u>18,348</u> |
| Services - Business Services - 0.55% | |
| 200 Alliance Data Systems Corp. * | <u>24,272</u> |
| Services - Computer Programming, Data Processing & Etc. - 2.08% | |
| 150 Google, Inc. Class A * | <u>92,737</u> |
| Services - Computer Programming Services - 0.43% | |
| 1,600 Perficient, Inc. * | <u>19,328</u> |

* Non-income producing

The accompanying notes are an integral part of these financial statements.

ARCHER STOCK FUND
SCHEDULE OF INVESTMENTS (CONTINUED)
FEBRUARY 29, 2012 (UNAUDITED)

| <u>Shares/Principal</u> | <u>Fair Value</u> |
|---|---------------------|
| Services - Engineering Services - 0.44% | |
| 800 Tetra Tech, Inc. * | <u>\$ 19,648</u> |
| Services - Equipment Rental & Leasing - 0.85% | |
| 500 TAL International Group, Inc. | 18,020 |
| 600 Textainer Group Holdings Ltd. | <u>19,932</u> |
| | <u>37,952</u> |
| Services - Help Supply Services - 1.28% | |
| 2,000 Robert Half International Inc. | <u>56,860</u> |
| Services - Medical Laboratories, Inc. - 1.67% | |
| 3,700 Bio Reference Laboratories, Inc. * | <u>74,518</u> |
| Services - Personal Services - 1.31% | |
| 1,000 Coinstar, Inc. * | <u>58,230</u> |
| Services - Prepackaged Software - 2.22% | |
| 2,000 BMC Software, Inc. * | 74,880 |
| 900 Parametric Technology Corp. * | <u>24,030</u> |
| | <u>98,910</u> |
| Sporting Goods Stores - 0.56% | |
| 700 Cabela's, Inc. Class A * | <u>24,836</u> |
| State Commercial Banks - 2.94% | |
| 400 SVB Financial Group * | 23,712 |
| 1,600 Texas Capital BancShares, Inc. * | 54,224 |
| 1,800 Bank of the Ozarks, Inc. | <u>52,830</u> |
| | <u>130,766</u> |
| Sugar & Confectionery Products - 0.41% | |
| 300 Hershey Co. | <u>18,210</u> |
| Surgical & Medical Instruments & Apparatus - 0.43% | |
| 650 ResMed, Inc. * | <u>19,045</u> |

* Non-income producing

The accompanying notes are an integral part of these financial statements.

ARCHER STOCK FUND
SCHEDULE OF INVESTMENTS (CONTINUED)
FEBRUARY 29, 2012 (UNAUDITED)

| <u>Shares/Principal</u> | <u>Fair Value</u> |
|--|-------------------|
| Telephone & Telegraph Apparatus - 2.45% | |
| 700 Netgear, Inc. * | \$ 26,299 |
| 4,000 Polycom, Inc. * | 82,600 |
| | 108,899 |
| Trucking (No Local) - 1.02% | |
| 1,300 Celadon Group, Inc. | 19,188 |
| 600 Old Dominion Freight Line, Inc. * | 26,106 |
| | 45,294 |
| Wholesale - Electrical Apparatus & Equipment, Wiring Supplies - 0.45% | |
| 600 Enersys, Inc. * | 20,148 |
| | 4,383,164 |
| TOTAL FOR COMMON STOCK (Cost \$ 4,101,075) - 98.43% | |
| | 4,383,164 |
| SHORT-TERM INVESTMENTS - 1.51% | |
| 67,267 Fidelity Institutional Money Market Portfolio 0.26%** (Cost \$67,267) | 67,267 |
| | 67,267 |
| TOTAL INVESTMENTS (Cost \$4,168,342) - 99.94% | |
| | 4,450,431 |
| OTHER ASSETS LESS LIABILITIES - 0.06% | |
| | 2,526 |
| NET ASSETS - 100.00% | |
| | \$4,452,957 |

* Non-income producing

** Variable rate security; the coupon rate shown represents the yield at February 29, 2012.

The accompanying notes are an integral part of these financial statements.

ARCHER STOCK FUND
SCHEDULE OF INVESTMENTS (CONTINUED)
FEBRUARY 29, 2012 (UNAUDITED)

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

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.

Level 2 - Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an active market, price for similar instruments, interest rates, prepayment speeds, yield curves, default rates and similar data.

Level 3 - Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund's own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities.

The following is a summary of inputs used as of February 29, 2012 in valuing the Fund's investments carried at value:

| Investments in Securities | Level 1 | Level 2 | Level 3 | Total |
|---|--------------------|----------------|----------------|--------------------|
| Common Stocks | \$4,383,164 | - | - | \$4,383,164 |
| Short-Term Investments: | | | | |
| Fidelity Institutional Money Market Portfolio | 67,267 | - | - | 67,267 |
| | <u>\$4,450,431</u> | <u>-</u> | <u>-</u> | <u>\$4,450,431</u> |

ARCHER FUNDS
STATEMENT OF ASSETS & LIABILITIES
FEBRUARY 29, 2012 (UNAUDITED)

| | Balanced Fund | Income Fund | Stock Fund |
|---|--------------------------|------------------------|-----------------------|
| Assets: | | | |
| Investments in Securities, at Value (Cost \$14,066,198, \$3,765,062, and \$4,168,342, respectfully) | \$14,755,210 | \$ 3,797,087 | \$4,450,431 |
| Cash | - | - | 2,715 |
| Receivables | | | |
| Shareholder Purchases | 11,950 | 4,131 | 3,177 |
| Receivable from Advisor | 1,148 | 3,079 | 1,257 |
| Receivable for Securities Sold | 412,000 | - | - |
| Interest | 33,740 | 46,079 | 12 |
| Dividend | 29,162 | 343 | 5,215 |
| Prepaid Expenses | 41,453 | 9,776 | 11,510 |
| Total Assets | <u>15,284,663</u> | <u>3,860,495</u> | <u>4,474,317</u> |
| Liabilities: | | | |
| Payables: | | | |
| Payable for Securities Purchased | 98,700 | 65,142 | - |
| Due to Custodian | - | 3,644 | - |
| Shareholder Sales | 42,490 | - | 9,394 |
| Accrued Expenses | 20,813 | 13,397 | 11,966 |
| Total Liabilities | <u>162,003</u> | <u>82,183</u> | <u>21,360</u> |
| Net Assets | <u>\$15,122,660</u> | <u>\$ 3,778,312</u> | <u>\$4,452,957</u> |
| Net Assets Consist of: | | | |
| Paid In Capital | \$16,089,712 | \$ 3,743,804 | \$4,475,292 |
| Accumulated Undistributed Net Investment Income (Loss) | 15,818 | (1,706) | (6,149) |
| Accumulated Net Realized Gain (Loss) on Investments | (1,671,882) | 4,189 | (298,275) |
| Net Unrealized Appreciation in Value of Investments | <u>689,012</u> | <u>32,025</u> | <u>282,089</u> |
| Net Assets (unlimited shares authorized; 1,673,413, 184,767, and 149,299 shares outstanding, respectfully) | <u>\$15,122,660</u> | <u>\$ 3,778,312</u> | <u>\$4,452,957</u> |
| Net Asset Value and Offering Price Per Share | <u>\$ 9.04</u> | <u>\$ 20.45</u> | <u>\$ 29.83</u> |
| Redemption Price Per Share (\$9.04 x 0.995), (\$20.45 x 0.99), & (\$29.83 x 0.99), respectfully * | <u>\$ 8.99</u> | <u>\$ 20.25</u> | <u>\$ 29.53</u> |

*The Balanced Fund will deduct a 0.50% redemption fee from redemption proceeds if purchased and redeemed within 30 days. The Income and Stock Funds will deduct a 1.00% redemption fee from redemption proceeds if purchased and redeemed within 90 days.

The accompanying notes are an integral part of these financial statements.

ARCHER FUNDS
STATEMENT OF OPERATIONS
FOR THE SIX MONTHS ENDED FEBRUARY 29, 2012 (UNAUDITED)

| | Balanced Fund | Income Fund | Stock Fund |
|--|--------------------------|------------------------|-----------------------|
| Investment Income: | | | |
| Dividends (net of foreign withholding taxes of \$2,831, \$0, and \$221, respectfully) | \$ 152,494 | \$ 30,412 | \$ 19,202 |
| Interest | 147,550 | 94,584 | 126 |
| Total Investment Income | <u>300,044</u> | <u>124,996</u> | <u>19,328</u> |
| Expenses: | | | |
| Advisory Fees (a) | 52,751 | 7,721 | 13,178 |
| Transfer Agent | 15,717 | 7,779 | 5,984 |
| Administrative (a) | 35,264 | 15,166 | 15,166 |
| Registration | 10,010 | 364 | 364 |
| Legal | 8,929 | 4,384 | 4,246 |
| Audit | 6,381 | 7,280 | 7,280 |
| Custody | 5,672 | 3,089 | 3,889 |
| Trustee | 3,845 | 859 | 997 |
| Miscellaneous | 804 | 402 | 752 |
| Insurance | 5,131 | 170 | 213 |
| Printing and Mailing | 310 | - | - |
| Total Expenses | <u>144,814</u> | <u>47,214</u> | <u>52,069</u> |
| Fees Waived and Reimbursed by the Advisor (a) | <u>(60,412)</u> | <u>(28,683)</u> | <u>(26,592)</u> |
| Net Expenses | <u>84,402</u> | <u>18,531</u> | <u>25,477</u> |
| Net Investment Income (Loss) | <u>215,642</u> | <u>106,465</u> | <u>(6,149)</u> |
| Realized and Unrealized Gain (Loss) on Investments: | | | |
| Net Realized Gain (Loss) on Investments | 820 | 5,408 | (167,558) |
| Net Realized Gain on Written Options | 53,819 | - | - |
| Net Change in Unrealized Appreciation on Investments | 688,645 | 19,264 | 509,378 |
| Net Realized and Unrealized Gain on Investments | <u>743,284</u> | <u>24,672</u> | <u>341,820</u> |
| Net Increase in Net Assets Resulting from Operations | <u>\$ 958,926</u> | <u>\$ 131,137</u> | <u>\$335,671</u> |

(a) See Note 5 in the Notes to the Financial Statements.

The accompanying notes are an integral part of these financial statements.

ARCHER BALANCED FUND

STATEMENTS OF CHANGES IN NET ASSETS

| | (Unaudited) | |
|---|----------------------|----------------------|
| | Six Months | |
| | Ended | Years Ended |
| | 2/29/2012 | 8/31/2011 |
| Increase (Decrease) in Net Assets From Operations: | | |
| Net Investment Income | \$ 215,642 | \$ 314,098 |
| Net Realized Gain on Investments and Call Options Written | 54,639 | 531,369 |
| Net Change in Unrealized Appreciation on Investments and Call Options Written | 688,645 | 246,818 |
| Net Increase in Net Assets Resulting from Operations | <u>958,926</u> | <u>1,092,285</u> |
| Distributions to Shareholders: | | |
| Net Investment Income | (349,094) | (312,163) |
| Total Distributions | <u>(349,094)</u> | <u>(312,163)</u> |
| Capital Share Transactions: | | |
| Proceeds from Sale of Shares | 1,792,834 | 1,660,481 |
| Shares Issued on Reinvestment of Dividends | 345,950 | 288,043 |
| Early Redemption Fees * | - | - |
| Cost of Shares Redeemed | (1,574,765) | (2,801,323) |
| Net Increase (Decrease) from Capital Share Transactions | <u>564,019</u> | <u>(852,799)</u> |
| Net Assets: | | |
| Net Increase (Decrease) in Net Assets | 1,173,851 | (72,677) |
| Beginning of Year | 13,948,809 | 14,021,486 |
| End of Year (Including Accumulated Undistributed Net Investment Income/(Loss) of \$15,818 and \$149,270, respectively) | <u>\$ 15,122,660</u> | <u>\$ 13,948,809</u> |
| Share Transactions: | | |
| Shares Sold | 207,039 | 186,297 |
| Shares Issued on Reinvestment of Dividends | 40,700 | 33,032 |
| Shares Redeemed | (181,277) | (314,873) |
| Net Increase (Decrease) in Shares | 66,462 | (95,544) |
| Outstanding at Beginning of Year | 1,606,951 | 1,702,495 |
| Outstanding at End of Year | <u>1,673,413</u> | <u>1,606,951</u> |

* The Fund charges a 0.50% redemption fee on shares redeemed within 30 calendar days of purchase.
The accompanying notes are an integral part of these financial statements.

ARCHER INCOME FUND

STATEMENTS OF CHANGES IN NET ASSETS

| | (Unaudited) Six Months Ended 2/29/2012 | Period Ended * 8/31/2011 |
|---|---|-----------------------------|
| Increase (Decrease) in Net Assets From Operations: | | |
| Net Investment Income | \$ 106,465 | \$ 65,468 |
| Net Realized Gain (Loss) on Investments | 5,408 | (847) |
| Net Change in Unrealized Appreciation on Investments | 19,264 | 12,761 |
| Net Increase in Net Assets Resulting from Operations | 131,137 | 77,382 |
| Distributions to Shareholders: | | |
| Net Investment Income | (169,206) | - |
| Realized Gains | (4,922) | - |
| Total Distributions | (174,128) | - |
| Capital Share Transactions: | | |
| Proceeds from Sale of Shares | 1,480,956 | 2,590,524 |
| Shares Issued on Reinvestment of Dividends | 164,349 | - |
| Early Redemption Fees ** | - | - |
| Cost of Shares Redeemed | (443,359) | (48,549) |
| Net Increase from Capital Share Transactions | 1,201,946 | 2,541,975 |
| Net Assets: | | |
| Net Increase in Net Assets | 1,158,955 | 2,619,357 |
| Beginning of Year | 2,619,357 | - |
| End of Year (Including Accumulated Undistributed Net Investment Income/(Loss) of \$(1,706) and \$65,468, respectively) | \$ 3,778,312 | \$ 2,619,357 |
| Share Transactions: | | |
| Shares Sold | 71,887 | 128,514 |
| Shares Issued on Reinvestment of Dividends | 8,280 | - |
| Shares Redeemed | (21,498) | (2,416) |
| Net Increase in Shares | 58,669 | 126,098 |
| Outstanding at Beginning of Year | 126,098 | - |
| Outstanding at End of Year | 184,767 | 126,098 |

* The Fund commenced investment operations on March 31, 2011.

** The Fund charges a 1.00% redemption fee on shares redeemed within 90 calendar days of purchase.

The accompanying notes are an integral part of these financial statements.

ARCHER STOCK FUND

STATEMENTS OF CHANGES IN NET ASSETS

| | (Unaudited) | |
|--|---------------------|---------------------|
| | Six Months | |
| | Ended | Period Ended * |
| | 2/29/2012 | 8/31/2011 |
| Increase (Decrease) in Net Assets From Operations: | | |
| Net Investment Loss | \$ (6,149) | \$ (2,780) |
| Net Realized Loss on Investments | (167,558) | (130,717) |
| Net Change in Unrealized Appreciation (Depreciation) on Investments | 509,378 | (227,289) |
| Net Increase (Decrease) in Net Assets Resulting from Operations | <u>335,671</u> | <u>(360,786)</u> |
| Distributions to Shareholders: | | |
| Net Investment Income | - | - |
| Total Distributions | <u>-</u> | <u>-</u> |
| Capital Share Transactions: | | |
| Proceeds from Sale of Shares | 1,284,363 | 3,333,425 |
| Shares Issued on Reinvestment of Dividends | - | - |
| Early Redemption Fees ** | - | - |
| Cost of Shares Redeemed | (67,674) | (72,042) |
| Net Increase from Capital Share Transactions | <u>1,216,689</u> | <u>3,261,383</u> |
| Net Assets: | | |
| Net Increase in Net Assets | 1,552,360 | 2,900,597 |
| Beginning of Year | 2,900,597 | - |
| End of Year (Including Accumulated Undistributed Net Investment Income/(Loss) of \$(6,149) and \$0, respectively) | <u>\$ 4,452,957</u> | <u>\$ 2,900,597</u> |
| Share Transactions: | | |
| Shares Sold | 46,577 | 107,815 |
| Shares Issued on Reinvestment of Dividends | - | - |
| Shares Redeemed | (2,477) | (2,616) |
| Net Increase in Shares | 44,100 | 105,199 |
| Outstanding at Beginning of Year | 105,199 | - |
| Outstanding at End of Year | <u>149,299</u> | <u>105,199</u> |

* The Fund commenced investment operations on March 31, 2011.

** The Fund charges a 1.00% redemption fee on shares redeemed within 90 calendar days of purchase.

The accompanying notes are an integral part of these financial statements.

ARCHER BALANCED FUND

FINANCIAL HIGHLIGHTS

SELECTED DATA FOR A SHARE OUTSTANDING THROUGHOUT THE PERIOD.

| | (Unaudited) | For the Years Ended | | | | |
|--|--------------|---------------------|--------------|---------------|---------------|---------------|
| | Six Months | | | | | |
| | Ended | <u>8/31/</u> | <u>8/31/</u> | <u>8/31/</u> | <u>8/31/</u> | <u>8/31/</u> |
| | <u>2/29/</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> |
| | <u>2012</u> | | | | | |
| Net Asset Value, at Beginning of Period | \$ 8.68 | \$ 8.24 | \$ 8.09 | \$ 9.68 | \$ 11.31 | \$ 10.75 |
| Income (Loss) From Investment Operations: | | | | | | |
| Net Investment Income * | 0.13 | 0.19 | 0.16 | 0.17 | 0.33 | 0.29 |
| Net Gain (Loss) on Securities (Realized and Unrealized) | <u>0.44</u> | <u>0.43</u> | <u>0.19</u> | <u>(1.48)</u> | <u>(1.46)</u> | <u>0.79</u> |
| Total from Investment Operations | 0.57 | 0.62 | 0.35 | (1.31) | (1.13) | 1.08 |
| Distributions: | | | | | | |
| Net Investment Income | (0.21) | (0.18) | (0.20) | (0.28) | (0.25) | (0.29) |
| Realized Gains | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>(0.25)</u> | <u>(0.23)</u> |
| Total from Distributions | (0.21) | (0.18) | (0.20) | (0.28) | (0.50) | (0.52) |
| Proceeds from Redemption Fees ** | - | - | - | - | - | - |
| Net Asset Value, at End of Period | \$ 9.04 | \$ 8.68 | \$ 8.24 | \$ 8.09 | \$ 9.68 | \$ 11.31 |
| Total Return *** | 6.76% | 7.54% | 4.23% | (13.28)% | (10.46)% | 10.09% |
| Ratios/Supplemental Data: | | | | | | |
| Net Assets at End of Period (Thousands) | \$ 15,123 | \$13,949 | \$14,021 | \$ 10,490 | \$ 9,909 | \$10,749 |
| Before Waivers and Reimbursements | | | | | | |
| Ratio of Expenses to Average Net Assets | 2.06%† | 2.00% | 2.01% | 2.93% | 2.30% | 2.21% |
| Ratio of Net Investment Income to Average Net Assets | 2.21%† | 1.30% | 1.06% | 0.57% | 2.10% | 1.85% |
| After Waivers and Reimbursements | | | | | | |
| Ratio of Expenses to Average Net Assets | 1.20%† | 1.20% | 1.20% | 1.20% | 1.20% | 1.20% |
| Ratio of Net Investment Income to Average Net Assets | 3.06%† | 2.10% | 1.87% | 2.29% | 3.20% | 2.86% |
| Portfolio Turnover | 37.16% | 69.95% | 77.73% | 79.42% | 115.68% | 66.98% |

† Annualized

* Per share net investment income (loss) has been determined on the basis of average shares outstanding during the period.

** Amount less than \$0.005 per share.

*** 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.

The accompanying notes are an integral part of these financial statements.

ARCHER INCOME FUND

FINANCIAL HIGHLIGHTS

SELECTED DATA FOR A SHARE OUTSTANDING THROUGHOUT THE PERIOD.

| | (Unaudited) Six Months Ended <u>2/29/2012</u> | Period Ended (b) <u>8/31/2011</u> |
|---|--|--------------------------------------|
| Net Asset Value, at Beginning of Period | \$ 20.77 | \$ 20.00 |
| Income (Loss) From Investment Operations: | | |
| Net Investment Income * | 0.70 | 0.73 |
| Net Gain (Loss) on Securities (Realized and Unrealized) | 0.08 | 0.04 |
| Total from Investment Operations | 0.78 | 0.77 |
| Distributions: | | |
| Net Investment Income | (1.07) | - |
| Realized Gains | (0.03) | - |
| Total from Distributions | (1.10) | - |
| Proceeds from Redemption Fees ** | - | - |
| Net Asset Value, at End of Period | \$ 20.45 | \$ 20.77 |
| Total Return *** | 3.93% | 3.85%(a) |
| Ratios/Supplemental Data: | | |
| Net Assets at End of Period (Thousands) | \$ 3,778 | \$ 2,619 |
| Before Waivers and Reimbursements | | |
| Ratio of Expenses to Average Net Assets | 3.05%† | 4.21%† |
| Ratio of Net Investment Income to Average Net Assets | 5.03%† | 4.43%† |
| After Waivers and Reimbursements | | |
| Ratio of Expenses to Average Net Assets | 1.20%† | 1.20%† |
| Ratio of Net Investment Income to Average Net Assets | 6.88%† | 7.44%† |
| Portfolio Turnover | 8.16% | 11.01% |

(a) Not Annualized

(b) The Fund commenced investment operations on March 31, 2011.

† Annualized

* Per share net investment income (loss) has been determined on the basis of average shares outstanding during the period.

** Amount less than \$0.005 per share.

*** 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.

The accompanying notes are an integral part of these financial statements.

ARCHER STOCK FUND

FINANCIAL HIGHLIGHTS

SELECTED DATA FOR A SHARE OUTSTANDING THROUGHOUT THE PERIOD.

| | (Unaudited) | |
|---|------------------|------------------|
| | Six Months | |
| | Ended | Period Ended (b) |
| | <u>2/29/2012</u> | <u>8/31/2011</u> |
| Net Asset Value, at Beginning of Period | \$ 27.57 | \$ 30.00 |
| Income (Loss) From Investment Operations: | | |
| Net Investment Income (Loss) * | (0.05) | (0.03) |
| Net Gain (Loss) on Securities (Realized and Unrealized) | 2.31 | (2.40) |
| Total from Investment Operations | 2.26 | (2.43) |
| Distributions: | | |
| Net Investment Income | - | - |
| Realized Gains | - | - |
| Total from Distributions | - | - |
| Proceeds from Redemption Fees ** | - | - |
| Net Asset Value, at End of Period | \$ 29.83 | \$ 27.57 |
| Total Return *** | 8.20% | (8.10)% (a) |
| Ratios/Supplemental Data: | | |
| Net Assets at End of Period (Thousands) | \$ 4,453 | \$ 2,901 |
| Before Waivers and Reimbursements | | |
| Ratio of Expenses to Average Net Assets | 2.96% † | 3.99% † |
| Ratio of Net Investment Loss to Average Net Assets | (1.86)% † | (2.78)% † |
| After Waivers and Reimbursements | | |
| Ratio of Expenses to Average Net Assets | 1.45% † | 1.45% † |
| Ratio of Net Investment Loss to Average Net Assets | (0.35)% † | (0.24)% † |
| Portfolio Turnover | 190.02% | 163.69% |

(a) Not Annualized

(b) The Fund commenced investment operations on March 31, 2011.

† Annualized

* Per share net investment income (loss) has been determined on the basis of average shares outstanding during the period.

** Amount less than \$0.005 per share.

*** 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.

The accompanying notes are an integral part of these financial statements.

ARCHER FUNDS
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 29, 2012 (UNAUDITED)

NOTE 1. ORGANIZATION

The Archer Investment Series Trust, an Ohio business trust (the “Trust”), is an open-end investment management company established under the laws of Ohio by an Agreement and Declaration of Trust dated October 7, 2009 (the “Trust Agreement”). The Trust Agreement permits the Board of Trustees (the “Board”) to issue an unlimited number of shares of beneficial interest of separate series. The Trust currently consists of three funds: The Archer Balanced Fund (the “Balanced Fund”), the Archer Income Fund (the “Income Fund”), and the Archer Stock Fund (the “Stock Fund”). The investment objective of the Balanced Fund is total return. Total return is comprised of both income and capital appreciation. The Balanced Fund commenced operations on June 11, 2010. Prior to June 11, 2010, the Balanced Fund operated as a series of the Unified Series Trust, an open-end investment company established under the laws of Ohio by an Agreement and Declaration of Trust dated October 17, 2002. The Balanced Fund originally commenced investment operations on September 27, 2005.

The Income Fund and the Stock Fund each commenced investment operations on March 11, 2011. The investment objective of the Income Fund is income while secondarily striving for capital appreciation. The investment objective of the Stock Fund is capital appreciation. The investment advisor to the Funds is Archer Investment Corporation, Inc. (the “Advisor”). See Note 5 for additional information regarding the Advisor.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies followed by the Funds in the preparation of its financial statements. These policies are in conformity with accounting principles generally accepted in the United States of America (“GAAP”).

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

Federal Income Taxes – The Funds make no provision for federal income or excise tax. The Funds intend 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 their taxable income. The Funds also intend to

ARCHER FUNDS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FEBRUARY 29, 2012 (UNAUDITED)

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 Funds could incur a tax expense.

In addition, GAAP requires management of the Funds to analyze all open tax years, fiscal years 2008-2011 (for the Balanced Fund), as defined by IRS statute of limitations for all major industries, including federal tax authorities and certain state tax authorities. As of and during the six months ended February 29, 2012, the Funds did not have a liability for any unrecognized tax benefits. The Funds have no examination in progress and are not aware of any tax positions for which it is reasonably possible that the total tax amounts of unrecognized tax benefits will significantly change in the next twelve months.

Security Transactions and Related Income - The Funds follows industry practice and record security transactions on the trade date. Realized gains and losses are computed using the specific cost of the security. 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 Funds' understanding of the applicable country's tax rules and rates.

Dividends and Distributions - The Funds intend to distribute substantially all of its net investment income as dividends to its shareholders on at least an annual basis. The Funds intend 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 Funds.

ARCHER FUNDS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FEBRUARY 29, 2012 (UNAUDITED)

Redemption Fee - To discourage short-term trades by investors, the Balanced Fund will impose a redemption fee of 0.50% of the total redemption amount (calculated at market value) if shares are redeemed within thirty calendar days of purchase. The Income and Stock Funds will each impose a redemption fee of 1.00% of the total redemption amount (calculated at market value) if shares are redeemed within ninety calendar days of purchase. There were no redemption fees collected for the Funds for the six months ended February 29, 2012.

Options - The Balanced and Income Funds may sell covered call options as part of their investment programs to obtain market exposure or to manage risk or hedge against adverse market conditions. When a fund writes an option, an amount equal to the premium received by the fund is recorded as a liability and is subsequently adjusted to the current fair value of the option written. Premiums received from writing options that expire unexercised are treated by the fund on the expiration date as realized gains from investments. The difference between the premium and the amount paid on effecting a closing purchase transaction, including brokerage commissions, is also treated as a realized gain, or if the premium is less than the amount paid for the closing purchase transaction, as a realized loss.

If a call option is exercised, the premium is added to the proceeds from the sale of the underlying security or currency in determining whether the fund has realized a gain or loss. If a put option is exercised, the premium reduces the cost basis of the securities purchased by the fund. The fund, as writer of an option, bears the market risk of an unfavorable change in the price of the security underlying the written option. See Note 4 for additional information on options transactions.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles 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 these estimates.

Subsequent Events - Management has evaluated the impact of all subsequent events through the date the financial statements were issued and has determined that there were no subsequent events requiring recognition or disclosure in these financial statements.

ARCHER FUNDS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FEBRUARY 29, 2012 (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. 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.

Equity securities, including common stocks, American Depositary Receipts, estate investment trusts, exchanged-traded funds, real preferred securities and bonus certificates, are generally 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 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 Advisor determines that the

ARCHER FUNDS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FEBRUARY 29, 2012 (UNAUDITED)

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 Advisor, 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 funds. These securities will be categorized as Level 1 securities.

Fixed income securities, such as corporate bonds, municipal bonds and structured notes, 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 Advisor 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 Advisor decides that a price provided by the pricing service does not accurately reflect the fair value of the securities, when prices are not readily available from a pricing service, or when restricted or illiquid securities are being valued, securities are valued at fair value as determined in good faith by the Advisor, in conformity with guidelines adopted by and subject to review of the Board of Trustees. These securities will be categorized as Level 3 securities. The Advisor used inputs such as pricing of similar securities and market movements of the underlying common stock to fair value reverse convertible bonds. 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.

In accordance with the Trust's good faith pricing guidelines, the Advisor 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 Advisor 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

ARCHER FUNDS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FEBRUARY 29, 2012 (UNAUDITED)

(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 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 of a market but before a Funds' 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. Good faith pricing may also be used in instances when the bonds the Fund invests in may default or otherwise cease to have market quotations readily available.

NOTE 4. DERIVATIVE TRANSACTIONS

As of February 29, 2012, there were no options outstanding in either the Balanced or Income Funds.

For the six months ended February 29, 2012, the Balanced Fund's transactions in options written were as follows (100 shares of common stock underlie each option contract):

| | <u>Number of Contracts</u> | <u>Premiums Received</u> |
|--|--------------------------------|------------------------------|
| Options outstanding at August 31, 2011 | - | \$ - |
| Options written | 85 | 8,598 |
| Options exercised | - | - |
| Options expired | (85) | (8,598) |
| Options terminated in closing purchase transaction | <u>-</u> | <u>-</u> |
| Options outstanding at February 29, 2012 | <u><u>-</u></u> | <u><u>\$ -</u></u> |

ARCHER FUNDS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FEBRUARY 29, 2012 (UNAUDITED)

The location on the Statement of Assets and Liabilities of the Balanced and Income Funds' derivative positions, which are not accounted for as hedging instruments under GAAP, is as follows:

| | <u>Asset Derivatives</u> |
|--|--------------------------|
| Investment in Securities, at Value | |
| Schedule of Investments - Structured Notes | |
| Balanced Fund | \$ 359,761 |
| Income Fund | \$ 147,500 |

Realized and unrealized gains and losses on derivatives contracts entered into during the six months ended February 29, 2012 by the Balanced Fund are recorded in the following locations in the Statement of Operations:

| | <u>Location</u> | <u>Realized</u> | | <u>Location</u> | <u>Unrealized</u> |
|----------------------|----------------------------------|--------------------|---|-----------------|--------------------|
| | | <u>Gain/(Loss)</u> | | | <u>Gain/(Loss)</u> |
| | Net | | | | |
| Call Options Written | Realized Gain on Written Options | \$53,819 | Net Change in Unrealized Appreciation/(Depreciation) on Investments | | \$0 |
| Structured Notes | Net Realized Gain on Investments | \$21,199 | Net Change in Unrealized Appreciation/(Depreciation) on Investments | | \$63,350 |

Realized and unrealized gains and losses on derivatives contracts entered into during the six months ended February 29, 2012 by the Income Fund are recorded in the following locations in the Statement of Operations:

| | <u>Location</u> | <u>Realized</u> | | <u>Location</u> | <u>Unrealized</u> |
|------------------|------------------------------|--------------------|---|-----------------|--------------------|
| | | <u>Gain/(Loss)</u> | | | <u>Gain/(Loss)</u> |
| | Net | | | | |
| Structured Notes | Realized Gain on Investments | \$0 | Net Change in Unrealized Appreciation/(Depreciation) on Investments | | (\$248) |

The Income Fund had no options transactions during the six months ended February 29, 2012.

ARCHER FUNDS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FEBRUARY 29, 2012 (UNAUDITED)

NOTE 5. FEES AND OTHER TRANSACTIONS WITH AFFILIATES

The Advisor, under the terms of the management agreement (the “Agreement”), manages the Funds’ investments. As compensation for its management services, each Fund is obligated to pay the Advisor a fee computed and accrued daily and paid monthly at an annual rate of 0.75% for the Balanced Fund, 0.50% for the Income Fund, and 0.75% for the Stock Fund of each Fund’s average daily net assets. For the six months ended February 29, 2012, the Advisor earned fees of \$52,751 for the Balanced Fund, \$7,721 for the Income Fund, and \$13,178 for the Stock Fund, before the waivers and reimbursements described below.

The Advisor also performs administrative duties for the Funds, in which the Advisor receives administrative fees. Administrative fees are paid according to the following schedule for each of the Funds: 0.50% on average net assets under \$50 million, 0.07% on assets from \$50 million up to \$100 million, 0.05% on average net assets over \$100 million up to \$150 million, and 0.03% on assets over \$150 million. The minimum monthly fee is \$2,500. During the six months ended February 29, 2012, the Advisor earned administrative fees of \$35,264 for the Balanced Fund, \$15,166 for the Income Fund, and \$15,166 for the Stock Fund.

Archer Balanced Fund

The Advisor has contractually agreed to waive its management fee and/or reimburse expenses through December 31, 2013 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 expenses, and any indirect expenses (such as expenses incurred by other investment companies in which the Balanced Fund invests) do not exceed 1.20% of the Balanced Fund’s average daily net assets. For the six months ended February 29, 2012, the Advisor waived fees and/or reimbursed expenses of \$60,412. Each waiver or reimbursement by the Advisor is subject to repayment by the Balanced Fund within the three fiscal years following the fiscal year in which the particular waiver or reimbursement occurred, provided that the Balanced Fund is able to make the repayment without exceeding the 1.20% expense limitation. Advisory fees waived and/or reimbursed expenses that may be subject to potential recoupment by the Advisor through August 31, 2014 totaled \$372,095.

ARCHER FUNDS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FEBRUARY 29, 2012 (UNAUDITED)

The amounts subject to repayment by the Balanced Fund, pursuant to the aforementioned conditions, at August 31, 2011 were as follows:

| <u>Amount</u> | <u>Subject to Repayment by August 31,</u> |
|---------------|---|
| \$146,486 | 2012 |
| \$105,447 | 2013 |
| \$120,162 | 2014 |

The Advisor owed the Balanced Fund \$1,148 at February 29, 2012 for reimbursement of expenses.

Archer Income Fund

The Advisor has contractually agreed to waive its management fee and/or reimburse expenses through December 31, 2013 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 expenses, and any indirect expenses (such as expenses incurred by other investment companies in which the Income Fund invests) do not exceed 1.20% of the Income Fund's average daily net assets. For the six months ended February 29, 2012, the Advisor waived fees and/or reimbursed expenses of \$28,683. Each waiver or reimbursement by the Advisor is subject to repayment by the Income Fund within the three fiscal years following the fiscal year in which the particular waiver or reimbursement occurred, provided that the Income Fund is able to make the repayment without exceeding the 1.20% expense limitation. Advisory fees waived and/or reimbursed expenses that may be subject to potential recoupment by the Advisor through August 31, 2014 totaled \$26,451.

The amounts subject to repayment by the Income Fund, pursuant to the aforementioned conditions, at August 31, 2011 were as follows:

| <u>Amount</u> | <u>Subject to Repayment by August 31,</u> |
|---------------|---|
| \$ 26,451 | 2014 |

The Advisor owed the Income Fund \$3,079 at February 29, 2012 for reimbursement of expenses.

ARCHER FUNDS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FEBRUARY 29, 2012 (UNAUDITED)

Archer Stock Fund

The Advisor has contractually agreed to waive its management fee and/or reimburse expenses through December 31, 2013 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 expenses, and any indirect expenses (such as expenses incurred by other investment companies in which the Stock Fund invests) do not exceed 1.45% of the Stock Fund's average daily net assets. For the six months ended February 29, 2012, the Advisor waived fees and/or reimbursed expenses of \$26,592. Each waiver or reimbursement by the Advisor is subject to repayment by the Stock Fund within the three fiscal years following the fiscal year in which the particular waiver or reimbursement occurred, provided that the Stock Fund is able to make the repayment without exceeding the 1.45% expense limitation. Advisory fees waived and/or reimbursed expenses that may be subject to potential recoupment by the Advisor through August 31, 2014 totaled \$29,562.

The amounts subject to repayment by the Stock Fund, pursuant to the aforementioned conditions, at August 31, 2011 were as follows:

| <u>Amount</u> | <u>Subject to Repayment by August 31, 2014</u> |
|---------------|--|
| \$ 29,562 | |

The Advisor owed the Stock Fund \$1,257 at February 29, 2012 for reimbursement of expenses.

Distribution Plan

The Funds have adopted a Distribution Plan (the "Plan") pursuant to Rule 12b-1 under the 1940 Act. The Plan provides that each Fund will pay its Advisor and/or any registered securities dealer, financial institution or any other person (a "Recipient") a shareholder servicing fee aggregating 0.25% of the average daily net assets of each 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. The Fund and/or its Advisor may pay all or a portion of these fees to any Recipient who renders assistance in distributing or

ARCHER FUNDS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FEBRUARY 29, 2012 (UNAUDITED)

promoting the sale of shares, or who provides certain shareholder services, pursuant to a written agreement. The Plan is a compensation plan, which means that compensation is provided regardless of 12b-1 expenses actually incurred. The Plan is not currently activated and the plan will not be activated through December 31, 2013 for the Balanced, Income, and Stock Funds.

NOTE 6. INVESTMENTS

Archer Balanced Fund

For the six months ended February 29, 2012, purchases and sales of investment securities, other than short-term investments and short-term U.S. government obligations were \$5,075,852 and \$4,900,965, respectively.

Archer Income Fund

For the six months ended February 29, 2012, purchases and sales of investment securities, other than short-term investments and short-term U.S. government obligations were \$1,467,331 and \$203,124, respectively.

Archer Stock Fund

For the six months ended February 29, 2012, purchases and sales of investment securities, other than short-term investments and short-term U.S. government obligations were \$7,736,716 and \$6,505,117, respectively.

NOTE 7. BENEFICIAL OWNERSHIP

The beneficial ownership, either directly or indirectly, or 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 1940 Act. As of February 29, 2012, First Clearing, LLC. held in omnibus accounts for the benefit of others approximately 63.22% of the voting securities of the Balanced Fund and may be deemed to control the Fund. As of February 29, 2012, First Clearing, LLC. held in omnibus accounts for the benefit of others approximately 78.80% of the voting securities of the Income Fund and may be deemed to control the Fund. As of February 29, 2012, First Clearing, LLC. held in omnibus accounts for the benefit of others approximately 83.47% of the voting securities of the Stock Fund and may be deemed to control the Fund.

ARCHER FUNDS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FEBRUARY 29, 2012 (UNAUDITED)

NOTE 8. TAX MATTERS

The Funds tax basis capital gains and losses are determined only at the end of each fiscal year. For tax purposes, at August 31, 2011, the following represents the tax basis capital gains and losses:

| | <u>Balanced Fund</u> | <u>Income Fund</u> | <u>Stock Fund</u> |
|---|--------------------------|------------------------|-----------------------|
| Undistributed ordinary income | \$ 149,270 | \$ 65,468 | \$ -0- |
| Post-October capital loss deferrals Realized between 3/11/2011 and 8/31/2011* | \$ -0- | \$ 848 | \$ 121,780 |
| Capital Loss Carryforwards *** Expiring 08/30/2017 | \$ (679,870) | \$ -0- | \$ -0- |
| 08/30/2018 | \$ (1,046,652) | \$ -0- | \$ -0- |
| | <u>\$ (1,726,522)</u> | <u>\$ -0-</u> | <u>\$ -0-</u> |

As of February 29, 2012, the tax basis components of distributable earnings, unrealized appreciation (depreciation) and cost of investment securities for each of the Funds were as follows:

| | <u>Balanced Fund</u> | <u>Income Fund</u> | <u>Stock Fund</u> |
|---|--------------------------|------------------------|-----------------------|
| Gross unrealized appreciation on investment securities | \$ 934,691 | \$ 127,394 | \$ 370,920 |
| Gross unrealized depreciation on investment securities | \$(245,679) | \$ (95,370) | \$(88,831) |
| Net unrealized appreciation on investment securities | <u>\$ 689,012</u> | <u>\$ 32,024</u> | <u>\$ 282,089</u> |
| Cost of investment securities (including short-term Investments)** | \$14,066,198 | \$3,765,062 | \$4,168,342 |

* These deferrals are considered incurred in the subsequent year.

** The difference between the book cost and tax cost of investments represents disallowed wash sales for tax purposes.

*** The capital loss carryforward will be used to offset any capital gains realized by the Fund in future years through the expiration date. The Fund will not make distributions from capital gains while a capital loss carryforward remains.

ARCHER FUNDS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FEBRUARY 29, 2012 (UNAUDITED)

Permanent book and tax differences relating to shareholder distributions may result in reclassifications to paid in capital and may affect the per-share allocation between net investment income and realized and unrealized gain/loss. Undistributed net investment income and accumulated undistributed net realized gain/loss on investment transactions may include temporary book and tax differences which reverse in subsequent periods. Any taxable income or gain remaining at fiscal year end is distributed in the following year.

On December 28, 2011, the Balanced Fund paid an income distribution of \$0.2136 per share to shareholders of record on December 27, 2011.

On December 28, 2010, the Balanced Fund paid an income distribution of \$0.1822 per share to shareholders of record on December 27, 2010.

The tax characterization of distributions for the six months ended February 29, 2012, and year ended August 31, 2011 for the Balanced Fund were as follows:

| | <u>2/29/2012</u> | <u>8/31/2011</u> |
|--------------------------|------------------|------------------|
| Ordinary Income | \$349,094 | \$312,163 |
| Short-Term Capital Gains | - | - |
| Long-Term Capital Gains | - | - |
| Total | <u>\$349,094</u> | <u>\$312,163</u> |

On December 28, 2011, the Income Fund paid an income distribution of \$1.0385 per share to shareholders of record on December 27, 2011.

On December 28, 2011, the Income Fund paid an long-term capital gain distribution of \$0.0031 per share to shareholders of record on December 27, 2011.

On December 28, 2011, the Income Fund paid an short-term capital gain distribution of \$0.0281 per share to shareholders of record on December 27, 2011.

On February 29, 2012, the Income Fund paid an income distribution of \$0.0291 per share to shareholders of record on February 28, 2012.

ARCHER FUNDS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FEBRUARY 29, 2012 (UNAUDITED)

The tax characterization of distributions for the six months ended February 29, 2012 for the Income Fund were as follows:

| | |
|--------------------------|------------------|
| | <u>2/29/2012</u> |
| Ordinary Income | \$169,206 |
| Short-Term Capital Gains | 4,433 |
| Long-Term Capital Gains | <u>489</u> |
| Total | <u>\$174,128</u> |

For the six months ended February 29, 2012, there were no distributions paid for the Archer Stock Fund.

NOTE 9. NEW ACCOUNTING PRONOUNCEMENT

In May 2011 the Financial Accounting Standards Board issued Accounting Standards Update (“ASU”) No. 2011-04 “Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. Generally Accepted Accounting Principles (“GAAP”) and International Financial Reporting Standards (“IFRS”). ASU 2011-04 includes common requirements for measurement of and disclosure about fair value between U.S. GAAP and IFRS. ASU 2011-04 will require reporting entities to disclose additional information for fair value measurements categorized within Level 3 of the fair value hierarchy. In addition, ASU 2011-04 will require reporting entities to make disclosures about amounts and reasons for all transfers in and out of Level 1 and Level 2 fair value measurements. The new and revised disclosures are effective for interim and annual reporting periods beginning after December 15, 2011. Management is currently evaluating the implications of ASU No. 2011-04 and its impact on the financial statements.

ARCHER FUNDS
EXPENSE ILLUSTRATION
FEBRUARY 29, 2012 (UNAUDITED)

Expense Example

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(s) 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 (September 1, 2011 through February 29, 2012).

Actual Expenses

The first line of the tables 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 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The second line of the tables below provides information about hypothetical account values and hypothetical expenses based on each Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not such 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 redemption fees. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

ARCHER FUNDS
EXPENSE ILLUSTRATION (CONTINUED)
FEBRUARY 29, 2012 (UNAUDITED)

| | Balanced Fund | | |
|---|------------------------------------|---------------------------------|---|
| | Beginning Account Value | Ending Account Value | Expenses Paid During the Period* |
| | <u>September 1, 2011</u> | <u>February 29, 2012</u> | <u>September 1, 2011 to February 29, 2012</u> |
| Actual | \$1,000.00 | \$1,067.65 | \$6.17 |
| Hypothetical (5% Annual Return before expenses) | \$1,000.00 | \$1,018.90 | \$6.02 |

* Expenses are equal to the Value Fund's annualized expense ratio of 1.20%, multiplied by the average account value over the period, multiplied by 182/366 (to reflect the one-half year period).

| | Income Fund | | |
|---|------------------------------------|---------------------------------|---|
| | Beginning Account Value | Ending Account Value | Expenses Paid During the Period* |
| | <u>September 1, 2011</u> | <u>February 29, 2012</u> | <u>September 1, 2011 to February 29, 2012</u> |
| Actual | \$1,000.00 | \$1,039.26 | \$6.08 |
| Hypothetical (5% Annual Return before expenses) | \$1,000.00 | \$1,018.90 | \$6.02 |

* Expenses are equal to the Value Fund's annualized expense ratio of 1.20%, multiplied by the average account value over the period, multiplied by 182/366 (to reflect the one-half year period).

| | Stock Fund | | |
|---|------------------------------------|---------------------------------|---|
| | Beginning Account Value | Ending Account Value | Expenses Paid During the Period* |
| | <u>September 1, 2011</u> | <u>February 29, 2012</u> | <u>September 1, 2011 to February 29, 2012</u> |
| Actual | \$1,000.00 | \$1,081.97 | \$7.51 |
| Hypothetical (5% Annual Return before expenses) | \$1,000.00 | \$1,017.65 | \$7.27 |

* Expenses are equal to the Value Fund's annualized expense ratio of 1.45%, multiplied by the average account value over the period, multiplied by 182/366 (to reflect the one-half year period).

ARCHER FUNDS

TRUSTEES AND OFFICERS

FEBRUARY 29, 2012 (UNAUDITED)

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

The following tables provide information regarding the Trustees and Officers.

Independent Trustees

| Name, Address*, (Age), Position with Trust**, Term of Position with Trust | Principal Occupation During Past 5 Years and Other Directorships |
|--|---|
| David Miller (65) Independent Trustee, January 2010 to present | General Securities Corp. – President; 1982-Present |
| Donald G. Orzeske, J. D. (57) Independent Trustee, January 2010 to present | GOODIN, ORZESKE & BLACKWELL, P.C. - Attorney at Law – Shareholder - 2000-Present |

* The address for each trustee is: .9000 Keystone Crossing, Suite 630, Indianapolis, IN 46240

** The Trust currently consists of 3 Funds.

Interested Trustees & Officers

| Name, Address*, (Age), Position with Trust**, Term of Position with Trust | Principal Occupation During Past 5 Years and Other Directorships |
|--|---|
| Troy Patton (44) Trustee & President, December 2009 to present | Frontier CPA Group – Managing Partner. 1996-2004 Archer Investment Corporation, Inc. – President. July 2005 – Present Patton and Associates, LLC – Managing Partner. January 2005 – Present |
| Gregory Getts, (55) Treasurer, December 2009 to present | Mutual Shareholders Services, LLC – Principal Owner. January 1999 – present. |
| C. Richard Ropka, Esq. (49) Secretary, December 2009 to present | Attorney - Law Office of C. Richard Ropka, LLC May 1, 2008 – present, Attorney - Rabil, Ropka, Kingett and Stewart, LLC January 1, 2004 – May 1, 2008 |
| Sara Mahon (32) Chief Compliance Officer, December 2009 to present | Executive Assistant/Compliance, Archer Financial Advisors, Inc., 2006 – present, Executive Assistant/Compliance, Archer Balanced Fund (NASDAQ: ARCHX), 2006 – present; Executive Assistant, Frontier Investment Advisors/Fiducial, 2001 – 2006. |

* The address for each trustee and officer of the Trust is 9000 Keystone Crossing, Suite 630, Indianapolis, IN 46240

** The Trust currently consists of 3 Funds.

ARCHER FUNDS
ADDITIONAL INFORMATION
FEBRUARY 29, 2012 (UNAUDITED)

Information Regarding 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 proxies during the most recent 12-month period ended August 31, are available without charge upon request by (1) calling the Fund at (800)238-7701 and (2) from Fund documents filed with the Securities and Exchange Commission ("SEC") on the SEC's website at www.sec.gov.

Information Regarding Portfolio Holdings

The Fund files a complete schedule of investments with the SEC for the first and third quarter of each fiscal year on Form N-Q. The Fund's first and third fiscal quarters end on November 30 and May 31. The Fund's Form N-Q's are available on the SEC's website at <http://sec.gov>, or they may be reviewed and copied at the SEC's Public Reference Room in Washington, DC (call 1-800-732-0330 for information on the operation of the Public Reference Room). You may also obtain copies by calling the Fund at 1-800-238-7701.

Information Regarding Statement of Additional Information

The Statement of Additional Information includes additional information about the Directors and is available without charge upon request, by calling toll free at 1-800-238-7701.

INVESTMENT ADVISOR

Archer Investment Corporation, Inc.
9000 Keystone Crossing, Suite 630
Indianapolis, IN 46240

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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Abington, PA 19001

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215 Fries Mill Road
Turnersville, NJ 08012

CUSTODIAN

Huntington National Bank
41 South Street
Columbus, OH 43125

TRANSFER AGENT AND FUND ACCOUNTANT

Mutual Shareholder Services
8000 Town Centre Drive, Suite 400
Broadview Heights, OH 44147

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