
SEMI-ANNUAL REPORT

ARCHER FUNDS

BALANCED
INCOME
STOCK

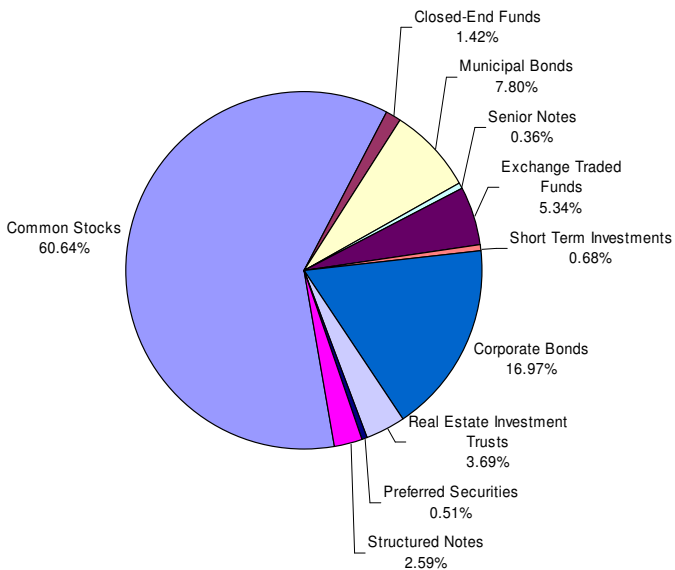
FEBRUARY 28, 2013
(UNAUDITED)

ARCHER BALANCED FUND

PORTFOLIO ILLUSTRATION

FEBRUARY 28, 2013 (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.

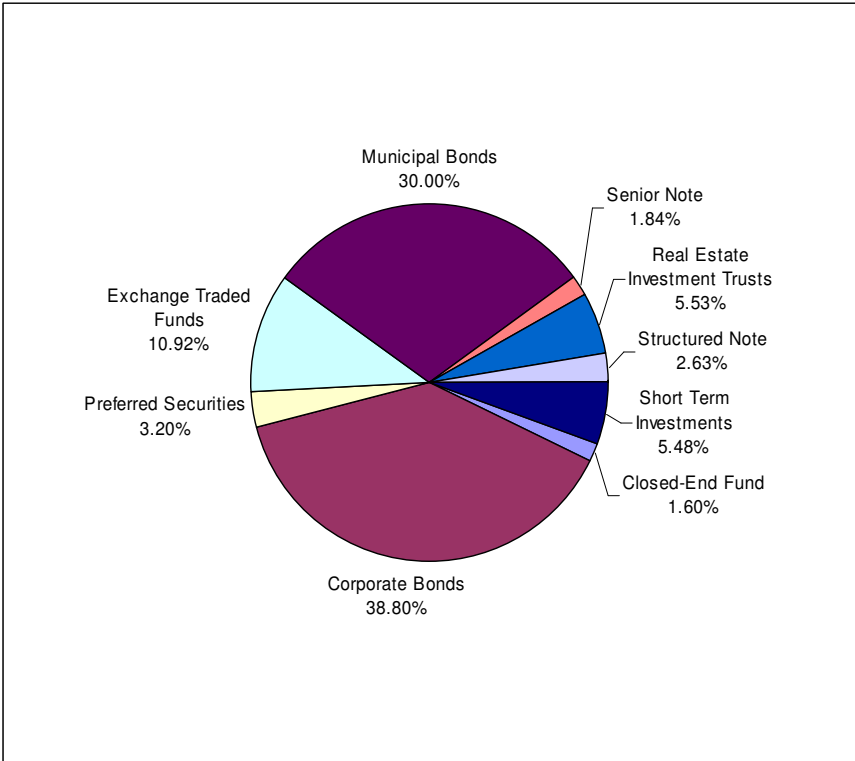


ARCHER INCOME FUND

PORTFOLIO ILLUSTRATION

FEBRUARY 28, 2013 (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.

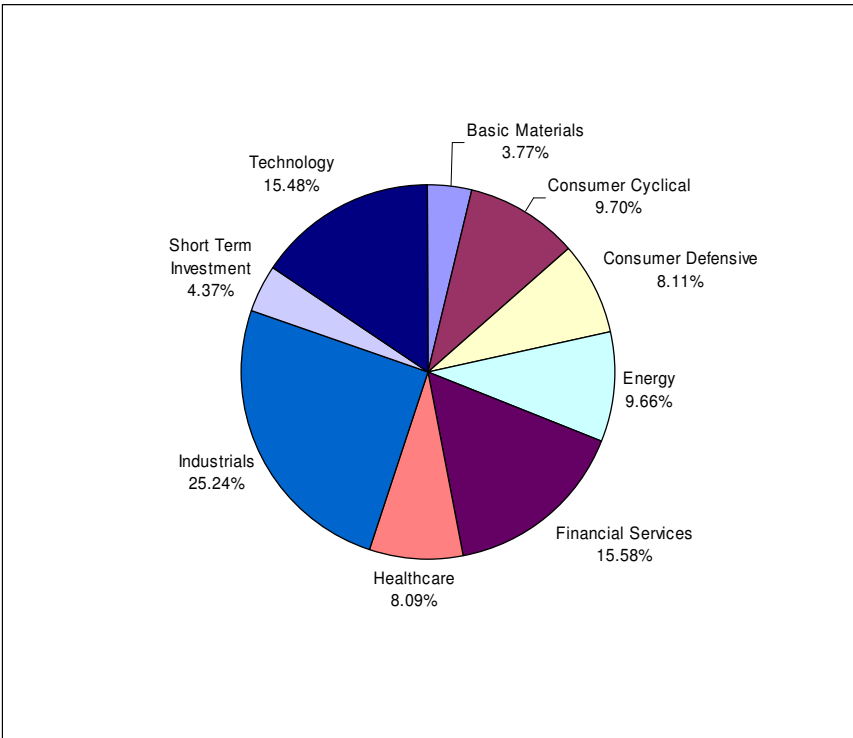


ARCHER STOCK FUND

PORTFOLIO ILLUSTRATION

FEBRUARY 28, 2013 (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 28, 2013 (UNAUDITED)

<u>Shares/Principal</u>	<u>Fair Value</u>
COMMON STOCK - 59.99%	
Agriculture Chemicals - 1.34%	
1,000 CF Industries Holdings, Inc.	\$ 200,830
Air Courier Services - 2.82%	
4,000 FedEx Corp.	421,720
Aircraft - 5.08%	
4,000 Boeing Co.	307,600
5,000 United Technologies Corp.	452,750
	760,350
Beverages - 1.77%	
3,500 PepsiCo, Inc.	265,195
Cable & Other Pay Television Services - 2.56%	
7,000 Walt Disney Co.	382,130
Computer & Office Equipment - 2.28%	
1,700 International Business Machines Corp.	341,411
Computer Peripheral Equipment - 1.90%	
35,000 Xerox Corp.	283,850
Construction Machinery & Equipment - 2.16%	
3,500 Caterpillar Inc.	323,295
Electric & Other Services Combined - 0.83%	
1,800 Duke Energy Corp.	124,650
Electric Services - 0.87%	
4,000 Public Service Enterprises Group, Inc.	130,360
Electronic Computers - 1.77%	
600 Apple, Inc.	264,840
Food -Retail - 1.64%	
3,500 Nestle S.A. ADR *	244,895

* Non-income producing

ADR- American Depository Receipt

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

ARCHER BALANCED FUND
SCHEDULE OF INVESTMENTS (CONTINUED)
FEBRUARY 28, 2013 (UNAUDITED)

<u>Shares/Principal</u>	<u>Fair Value</u>
Gold & Silver Ores - 1.21%	
6,000 Barrick Gold Corp.	\$ 181,440
National Commercial Banks - 4.33%	
7,000 JPMorgan Chase & Co.	342,440
9,000 US Bancorp.	305,820
	<hr/> 648,260
Natural Gas Transmission - 2.48%	
10,000 Kinder Morgan, Inc.	370,700
Oil & Gas Filed Machinery & Equipment - 1.82%	
4,000 National Oilwell Varco, Inc.	272,520
Pharmaceutical Preparations - 5.42%	
4,600 Johnson & Johnson, Inc.	350,106
10,000 Pfizer, Inc.	273,700
5,000 Teva Pharmaceutical Industries, Ltd. ADR	187,000
	<hr/> 810,806
Petroleum Refining - 0.88%	
2,000 Royal Dutch Shell ADR	131,300
Plastics, Materials & Synthetic Resins/Rubber - 1.73%	
5,400 EI Dupont de Nemours & Co.	258,660
Retail - Drug Stores - 2.74%	
8,000 CVS Caremark Corp.	408,960
Retail - Eating Places - 3.43%	
2,600 McDonald's Corp.	249,340
4,800 Starbucks Corp.	263,280
	<hr/> 512,620
Search, Detection, Navigation, Guidance - 1.46%	
4,000 Raytheon Co.	218,280
Services - Business Services, NEC - 2.20%	
6,000 eBay, Inc. *	328,260
Services - Computer Programming & Data - 1.88%	
350 Google, Inc. Class A *	280,420

* Non-income producing

ADR- American Depository Receipt

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ARCHER BALANCED FUND
SCHEDULE OF INVESTMENTS (CONTINUED)
FEBRUARY 28, 2013 (UNAUDITED)

<u>Shares/Principal</u>	<u>Fair Value</u>
Services - Prepackaged Software - 3.35%	
18,000 Microsoft Corp.	\$ 500,400
Soap, Detergent, Cleaning Preparations, Perfumes, Cosmetics - 2.04%	
4,000 Procter & Gamble Co.	304,720
TOTAL FOR COMMON STOCK (Cost \$8,148,648) - 59.99%	
	8,970,872
CLOSED-END FUND - 1.40%	
9,500 Western Asset Emerging Markets Debt Fund, Inc.	210,045
TOTAL FOR CLOSED-END FUND (Cost \$198,327) - 1.40%	
	210,045
CORPORATE BONDS - 16.79%	
Beverages - 0.54%	
75,000 Beam, Inc., 6.375%, 6/15/14	80,267
Cement, Hydraulic - 0.69%	
100,000 CRH America, Inc., 5.30%, 10/15/13	102,557
Computer & Office Equipment - 1.03%	
75,000 Dell, Inc., 4.70%, 4/15/13	75,281
75,000 Hewlett-Packard Co., 4.75%, 6/2/14	78,306
	153,587
Containers - Paper/Plastic - 0.71%	
100,000 Sealed Air Corp., 7.875%, 6/15/17	105,500
Crude Petroleum & Natural Gas - 0.68%	
100,000 Chesapeake Energy Corp., 6.775%, 3/15/19	102,375
Distribution/Wholesale - 0.35%	
50,000 Tech Data Corp., 3.75%, 09/21/17	52,441
Diversified Banking Institution - 0.68%	
100,000 Ally Financial, Inc., 6.70%, 6/15/18	101,653
Electric Services - 0.36%	
50,000 Appalachian Power Co., 4.95%, 2/1/15	53,479

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ARCHER BALANCED FUND
SCHEDULE OF INVESTMENTS (CONTINUED)
FEBRUARY 28, 2013 (UNAUDITED)

<u>Shares/Principal</u>	<u>Fair Value</u>
Finance Services - 2.72%	
100,000 Block Financial Corp., 5.125%, 10/30/14	\$ 104,510
300,000 Citigroup Funding, 10.00%, 5/28/25	302,400
	<hr/> 406,910
Integrated Oils - 1.00%	
150,000 Murphy Oil Corp., 4.00%, 06/01/22	150,163
	<hr/>
National Commercial Banks - 2.67%	
400,000 Bank of America Corp., 7.768%, 5/13/30 **	400,000
	<hr/>
Property & Casualty Insurance - 0.73%	
90,000 Berkshire Hathaway, Inc., 7.125%, 10/15/23	108,675
	<hr/>
Retail - Grocery Stores - 0.35%	
50,000 Safeway, Inc., 4.75%, 12/1/21	52,995
	<hr/>
Retail - Consumer Electronics Stores - 0.48%	
70,000 Best Buy Company, Inc., 6.75%, 7/15/13	71,525
	<hr/>
Retail - Lumber & Other Building Material Dealers - 0.52%	
75,000 Home Depot, Inc., 5.25%, 12/16/13	77,784
	<hr/>
Retail - Variety Stores - 0.40%	
60,000 Wal-Mart Stores, Inc., 4.25%, 4/15/13	60,267
	<hr/>
Security Broker Dealers - 1.17%	
50,000 Morgan Stanley & Co., 3.00%, 08/31/15 **	50,248
75,000 Morgan Stanley & Co., 10.50% , 3/16/30 **	74,483
50,000 Morgan Stanley & Co., 10.00%, 3/31/30 **	50,363
	<hr/> 175,094
Software & Services - 0.69%	
100,000 BMC Software, Inc., 4.50%, 12/01/22	103,607
	<hr/>
Sugar & Confectionery Products - 0.71%	
100,000 WM. Wrigley Jr. Co., 4.65%, 7/15/15	105,977
	<hr/>
Telephone Communications - 0.31%	
45,000 New York Telephone Co., 7.00%, 6/15/13	45,826
	<hr/>
TOTAL FOR CORPORATE BONDS (Cost \$2,432,332) - 16.79%	
	<hr/> 2,510,682

** Variable rate security; the coupon rate shown represents the yield at February 28, 2013.
The accompanying notes are an integral part of these financial statements.

ARCHER BALANCED FUND

SCHEDULE OF INVESTMENTS (CONTINUED)

FEBRUARY 28, 2013 (UNAUDITED)

<u>Shares/Principal</u>		<u>Fair Value</u>
EXCHANGE TRADED FUND - 5.29%		
1,000	iShares Barclays Intermediate Credit Bond Fund	\$ 111,130
1,900	iShares JP Morgan Emerging Markets Bond Fund	226,423
2,000	iShares MSCI Emerging Market Min Vol Index Fund	122,060
500	iShares iBoxx \$ High Yield Corporate Bond Fund	47,020
6,600	JPMorgan Alerian MLP Index ETN	283,800
TOTAL FOR EXCHANGE TRADED FUND (Cost \$759,183) - 5.29%		790,433
MUNICIPAL BONDS - 7.71%		
40,000	Akron, OH Economic Dev., 5.50%, 12/1/15	42,533
25,000	Belding, MI Area Schools, 6.15%, 05/01/2024	28,607
75,000	Bridgeview, IL Stadium & Redev. Projs., 4.76%, 12/1/13	77,370
35,000	Bryan County, OK Indpt School District, 6.554%, 12/01/29	38,819
70,000	Gary Community School Bldg., 7.50%, 02/01/29	80,273
100,000	Georgia Loc. Govt., 4.75%, 6/1/28	102,952
30,000	Illinois St., 5.877%, 3/1/19	34,456
25,000	Katy Texas Schools, 5.998%, 02/15/2030	28,286
100,000	Kern Cnty, CA Pension Oblg., 5.25%, 8/15/19	72,733
55,000	Moncks Build America Bonds, 6.299%, 12/01/2030	59,296
25,000	Napa, CA, Solid Waste, 5.06%, 8/1/13	25,455
50,000	Reeves Cnty, TX Cops, 5.00%, 12/1/16	50,591
60,000	Reeves Cnty, TX Cops, 6.375%, 12/21/21	60,948
40,000	Richland Bean Blossom Bldg. Corp., 5.75%, 01/15/24	44,812
70,000	Saint Clair Cnty, IL School District., 4.00%, 1/1/21	68,888
25,000	Sangamon Cnty, IL School District, 4.00%, 02/01/15	26,554
25,000	Scago Public Facs Corp., 6.75%, 12/01/2029	29,079
25,000	Sedona, AZ Wastewater, 0.00%, 07/01/2021	18,992
207,000	Tobacco Settlement Auth Iowa, 6.50%, 6/1/23	201,554
60,000	University Enterprises Inc. CA, 5.25%, 10/1/20	61,049
TOTAL FOR MUNICIPAL BONDS (Cost \$1,149,115) - 7.71%		1,153,247
SENIOR NOTE - 0.36%		
Cellular Telecommunications - 0.36%		
2,000	US Cellular Corp., PFD 6.95%, 5/15/60	53,440
TOTAL FOR SENIOR NOTE (Cost \$49,920) - 0.36%		53,440
STRUCTURED NOTES - 2.56%		
200,000	Suntrust Bank, Atlanta, GA, 0.00%, 9/22/14	248,640
100,000	Suntrust Bank, Atlanta, GA, 0.00%, 3/27/14	133,830
TOTAL FOR STRUCTURED NOTES (Cost \$297,904) - 2.56%		382,470

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ARCHER BALANCED FUND
SCHEDULE OF INVESTMENTS (CONTINUED)
FEBRUARY 28, 2013 (UNAUDITED)

<u>Shares/Principal</u>	<u>Fair Value</u>
REAL ESTATE INVESTMENT TRUSTS - 3.65%	
12,000 Government Properties Income Trust	\$ 317,520
10,000 Duke Realty Corp.	161,600
500 PS Business Parks Inc., PFD 6.00%, Series T	12,805
2,000 Public Storage, PFD 6.50%, Series P	53,880
TOTAL FOR REAL ESTATE INVESTMENT TRUSTS (Cost \$480,824) - 3.65%	<u>545,805</u>
PREFERRED SECURITIES - 0.50%	
3,000 PNC Financial Services Group, Inc., 5.375%, 12/31/49	75,390
TOTAL FOR PREFERRED SECURITIES (Cost \$74,550) - 0.50%	<u>75,390</u>
SHORT TERM INVESTMENTS - 0.67%	
100,121 Fidelity Institutional Money Market Portfolio 0.16% ** (Cost \$100,121)	<u>100,121</u>
TOTAL INVESTMENTS (Cost \$13,690,924) - 98.92%	<u>14,792,505</u>
OTHER ASSETS LESS LIABILITIES - 1.08%	<u>162,201</u>
NET ASSETS - 100.00%	<u><u>\$ 14,954,706</u></u>

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ARCHER BALANCED FUND

SCHEDULE OF INVESTMENTS (CONTINUED)

FEBRUARY 28, 2013 (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 28, 2013 in valuing the Fund's investments carried at value:

Investments in Securities	Level 1	Level 2	Level 3 +	Total
Common Stocks	\$ 8,970,872	\$ -	\$ -	\$ 8,970,872
Closed-End Funds	210,045	-	-	210,045
Corporate Bonds	2,510,682	-	-	2,510,682
Exchange Traded Funds	790,433	-	-	790,433
Senior Note	53,440	-	-	53,440
Structured Notes	382,470	-	-	382,470
Real Estate Investment Trusts	545,805	-	-	545,805
Preferred Securities	75,390	-	-	75,390
Municipal Bonds	1,153,247	-	-	1,153,247
Short-Term Investments:				
Fidelity Institutional Money Market	100,121	-	-	100,121
	<u>\$14,792,505</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,792,505</u>

The Fund did not hold any Level 3 assets during the six months ended February 28, 2013. There were no significant transfers into or out of Level 1 or Level 2 during the period. It is the Fund's policy to recognize transfers into and out of Level 1 and Level 2 at the end of the reporting period.

+ Please see footnote 3 in notes to financial statements or additional information on Level 3 securities. The accompanying notes are an integral part of these financial statements.

ARCHER INCOME FUND

SCHEDULE OF INVESTMENTS

FEBRUARY 28, 2013 (UNAUDITED)

<u>Shares/Principal</u>	<u>Fair Value</u>
CLOSED-END FUND - DEBT - 1.60%	
4,200 Western Asset Emerging Market Debt Fund, Inc.	\$ 92,862
TOTAL FOR CLOSED-END FUND (Cost \$81,757) - 1.89%	<u>92,862</u>
CORPORATE BONDS - 38.82%	
Aerospace/Defense - Major Diversified - 1.38%	
75,000 Exelis, Inc. 5.55%, 10/01/21	<u>79,875</u>
Beverages - Non-Alcoholic - 0.94%	
50,000 Cott Beverages, Inc., 8.375%, 11/15/17	<u>54,312</u>
Brewery - 2.50%	
250,000 Ambev Intl. Finance Co., 9.50%, 7/24/17 **	<u>144,812</u>
Commercial Banks - Western US - 0.87%	
50,000 Zions Bancorp, 5.50%, 5/10/16	<u>50,387</u>
Commercial Service - Finance - 1.23%	
800,000 GE Capital Corp., 8.87%, 06/02/18	<u>71,216</u>
Computer & Office Equipment - 2.61%	
100,000 Hewlett-Packard, 4.375%, 09/15/21	101,100
50,000 Lexmark, Int'l, Inc., 5.125%, 03/15/20	<u>50,065</u>
	151,165
Consumer Products - 0.93%	
50,000 Avon Products, Inc., 5.75%, 03/01/18	<u>54,035</u>
Crude Petroleum & Natural Gas - 0.88%	
50,000 Chesapeake Energy Corp., 6.775%, 3/15/19	<u>51,188</u>
Distribution/Wholesale - 2.69%	
100,000 Ingram Micro, Inc., 5.00%, 08/10/22	103,500
50,000 Tech Data Corp., 3.75%, 09/21/17	<u>52,440</u>
	155,940
Diversified Banking Institution - 2.91%	
100,000 Bank of America Corp., 6.75%, 9/9/13 (Australia)	101,557
66,000 Ally Financial, Inc., 6.70%, 6/15/18	<u>67,091</u>
	<u>168,648</u>

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ARCHER INCOME FUND
SCHEDULE OF INVESTMENTS (CONTINUED)
FEBRUARY 28, 2013 (UNAUDITED)

<u>Shares/Principal</u>	<u>Fair Value</u>
Diversified Financial Services - 1.78%	
100,000 GE Capital Australia, 6.75%, 2/18/14 (Australia)	<u>\$ 103,053</u>
Electric & Other Services Combined - 1.02%	
50,000 CMS Energy, Inc., 6.25%, 2/01/20	<u>59,325</u>
Enterprise Software/Services - 1.74%	
100,000 BMC Software, Inc., 4.25%, 02/15/22	<u>100,888</u>
Finance Services - 0.90%	
50,000 Morgan Stanley, 4.90%, 2/23/17 (Canada)	<u>52,038</u>
Medical - Generic Drugs - 1.57%	
75,000 Watson Pharmaceuticals, Inc. 6.125%, 8/15/19	<u>91,173</u>
Metal Mining - 1.77%	
100,000 Cliffs Natural Resources, Inc., 4.875%, 4/01/21	<u>102,329</u>
Miscellaneous Business Credit Institution - 0.97%	
50,000 Ford Credit Canada Ltd., 7.50%, 8/18/15 (Canada)	<u>55,950</u>
Multimedia - 0.97%	
50,000 Time Warner Inc., 4.75%, 3/29/21	<u>56,189</u>
National Commercial Banks - 1.77%	
100,000 Citigroup, Inc., 6.50%, 8/19/13	<u>102,681</u>
Oil Company - Exploration & Production - 3.01%	
50,000 Whiting Petroleum Corp., 6.50%, 10/01/18	53,750
100,000 Southwestern Energy Co., 7.125%, 10/10/17	<u>120,509</u>
	<u>174,259</u>
Retail - Consumer Electronics Stores - 1.32%	
75,000 Best Buy Company, Inc., 6.75%, 7/15/13	<u>76,634</u>
Retail - Discretionary - 1.73%	
100,000 Staples, Inc., 4.375%, 1/12/23	<u>100,460</u>
Supranational Bank - 0.89%	
650,000 International Bank Recon & Dev., 6.50%, 9/11/13	<u>51,581</u>

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ARCHER INCOME FUND

SCHEDULE OF INVESTMENTS (CONTINUED)

FEBRUARY 28, 2013 (UNAUDITED)

<u>Shares/Principal</u>	<u>Fair Value</u>
Steel Works, Blast Furnaces, Rolling Mills (Coke Ovens) - 1.33%	
75,000 Arcelormittal, 3.75%, 3/1/16	\$ 77,279
Television Broadcasting Stations - 1.11 %	
54,000 CBS Broadcasting, Inc. 7.125%, 11/01/23	64,175
TOTAL FOR CORPORATE BONDS (Cost \$2,184,608) - 38.82%	
	<u>2,249,592</u>
EXCHANGE TRADED FUNDS - 10.92%	
800 iShares Barclays Intermediate Credit Bond	88,904
500 iShares iBoxx High Yield Corp. Bond	54,015
1,000 iShares iBoxx \$ Invest Grade Corp. Bond	120,330
1,000 iShares JP Morgan Emerging Markets Bond	119,170
3,000 PowerShares Build America Bond	91,620
6,000 PowerShares Preferred	89,040
800 Vanguard Intermediate-Term Corp. Bond Idx ETF	69,816
TOTAL FOR EXCHANGE TRADED FUNDS (Cost \$583,902) - 10.92%	
	<u>632,895</u>
MUNICIPAL BONDS - 30.03%	
25,000 Brier Creek School Bldg. Corp., 6.08%, 7/15/24	29,324
35,000 Caddo County OK Gov't Bldg., 5.858%, 9/01/25	37,114
60,000 City of Akron Ohio, 5.50%, 12/01/15	63,799
25,000 City of Auburndale Florida, 4.30%, 12/01/26	26,168
50,000 Commonwealth of Puerto Rico, 5.50%, 7/01/14	52,197
50,000 County of Clark Nevada, 6.36%, 11/1/24	59,583
50,000 County of Reeves Texas, 5.00%, 12/1/16	50,590
25,000 County of Reeves Texas, 6.75%, 12/01/19	25,603
40,000 County of Reeves Texas, 6.375%, 12/21/21	40,632
50,000 Dickinson County Michigan, 4.80%, 11/01/18	52,317
100,000 Erie County NY Tobacco Asset Corp, 6.00%, 6/1/28	99,103
35,000 Evansville Redevelopment Authority, 6.15%, 2/01/24	38,986
40,000 Evansville Redevelopment BAB, 6.86%, 2/01/29	44,910
50,000 Georgia Local Government, 4.75%, 6/1/28	51,476
50,000 Hoboken NJ Services, 5.33%, 2/01/18	51,421
65,000 Hudson County, 6.89%, 03/01/26	72,847
93,000 Iowa Tobacco Settlement Authority, 6.50%, 6/1/23	90,553
25,000 Missouri State Health & Educational Fac., 5.80%, 10/01/23	27,803
50,000 Nassau County, NY Series F, 6.80%, 10/01/27	58,483
20,000 North Vernon, 5.125%, 2/01/24	20,172

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ARCHER INCOME FUND
SCHEDULE OF INVESTMENTS (CONTINUED)
FEBRUARY 28, 2013 (UNAUDITED)

<u>Shares/Principal</u>	<u>Fair Value</u>
75,000 Public Finance Authority, 5.75%, 6/1/23	\$ 79,327
30,000 Saint Clair County School District No. 189 East St. Louis, 4.00%, 1/1/21	29,524
50,000 State of Illinois, 5.665%, 3/1/18	57,178
70,000 State of Illinois, 5.877%, 3/1/19	80,398
50,000 State of Illinois, 6.200%, 7/01/21	56,365
75,000 State of Illinois, 4.95%, 6/1/23	78,561
125,000 TSACS Inc., 4.75%, 6/1/22	125,886
100,000 University of Central Florida, 5.125, 10/01/20	100,996
25,000 Village of Bridgeview Illinois, 4.76%, 12/01/13	25,790
75,000 Westfield County Indiana Option Income Tax Revenue 3.50%, 11/01/16	75,515
35,000 Worcester County, 2.50%, 12/01/18	37,155
TOTAL FOR MUNICIPAL BONDS (Cost \$1,708,325) - 30.03%	<u>1,739,776</u>
 PREFERRED SECURITIES - 3.20%	
50,000 Edison International, PFD 6.25%, 8/01/49 Series E **	55,278
2,000 First Republic Bank, PFD 6.70%, 12/31/49	54,840
3,000 PNC Financial Services Group, Inc., 5.375%, 12/31/49	75,390
TOTAL FOR PREFERRED SECURITIES (Cost \$176,186) - 3.20%	<u>185,508</u>
 REAL ESTATE INVESTMENT TRUSTS - 5.53%	
REITS - Diversified - 5.53%	
2,000 Digital Realty Trust, PFD 6.625%, Series F	53,160
5,500 Duke Realty Corp., PFD 6.50%, Series K	139,220
3,000 Public Storage, PFD 5.20%, 12/31/49	75,240
2,000 Regency Centers Corp., PFD 6.625%, 12/03/49, Series 6	52,860
TOTAL FOR REAL ESTATE INVESTMENT TRUST (Cost \$309,906) - 5.53%	<u>320,480</u>
 SENIOR NOTE - 1.85%	
Cellular Telecommunications - 1.85%	
4,000 US Cellular Corp., PFD 6.95%, 5/15/60	106,880
TOTAL FOR SENIOR NOTE (Cost \$99,840) - 1.85%	<u>106,880</u>
 STRUCTURED NOTE - 2.63%	
Diversified Banking Institution - 2.63%	
100,000 Morgan Stanley, 3.00%, 8/30/15 **	102,125
50,000 Morgan Stanley & Co., 4.50%, 08/31/15 **	50,247
TOTAL FOR STRUCTURED NOTE (Cost \$148,391) - 2.63%	<u>152,372</u>

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ARCHER INCOME FUND
SCHEDULE OF INVESTMENTS (CONTINUED)
FEBRUARY 28, 2013 (UNAUDITED)

<u>Shares/Principal</u>	<u>Fair Value</u>
SHORT TERM INVESTMENTS - 5.49%	
317,817 Fidelity Institutional Money Market 0.16% ** (Cost \$317,817)	<u>\$ 317,817</u>
TOTAL INVESTMENTS (Cost \$5,610,732) - 100.07%	<u>5,798,182</u>
LIABILITIES IN EXCESS OF OTHER ASSETS - (0.07)%	<u>(3,986)</u>
NET ASSETS - 100.00%	<u>\$ 5,794,196</u>

** Variable rate security; the coupon rate shown represents the yield at February 28, 2013.
The accompanying notes are an integral part of these financial statements.

ARCHER INCOME FUND

SCHEDULE OF INVESTMENTS (CONTINUED)

FEBRUARY 28, 2013 (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 28, 2013 in valuing the Fund's investments carried at value:

Investments in Securities	Level 1	Level 2	Level 3	Total
Closed-End Fund - Debt	\$ 92,862	\$ -	\$ -	\$ 92,862
Corporate Bonds	2,249,592	-	-	2,249,592
Exchange Traded Funds	632,895	-	-	632,895
Municipal Bonds	1,739,776	-	-	1,739,776
Preferred Securities	185,508	-	-	185,508
Real Estate Investment Trusts	320,480	-	-	320,480
Senior Note	106,880	-	-	106,880
Structured Note	152,372	-	-	152,372
Short-Term Investments:				
Fidelity Institutional Money Market	317,817	-	-	317,817
	<u>\$ 5,798,182</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,798,182</u>

The Fund did not hold any Level 3 assets during the six months ended February 28, 2013. There were no significant transfers into or out of Level 1 or Level 2 during the period. It is the Fund's policy to recognize transfers into and out of Level 1 and Level 2 at the end of the reporting period.

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

ARCHER STOCK FUND

SCHEDULE OF INVESTMENTS

FEBRUARY 28, 2013 (UNAUDITED)

<u>Shares/Principal</u>	<u>Fair Value</u>
COMMON STOCK - 95.82%	
Accident & Health Insurance - 1.97%	
2,000 Reinsurance Group of America, Inc.	\$ 115,000
Agriculture Chemicals - 3.79%	
550 CF Industries Holdings	110,456
1,100 Monsanto Co.	111,133
	<u>221,589</u>
Air Courier Services - 1.56%	
9,501 Air T, Inc. *	91,495
Application Software - 2.04%	
4,300 Microsoft Corp.	119,540
Asset Management - 4.08%	
1,550 Cognizant Technology Solutions Corp. *	118,994
500 Blackrock, Inc.	119,875
	<u>238,869</u>
Biological Products (No Diagnostic Substances) - 2.19%	
1,400 Amgen, Inc.	128,170
Business Services - 2.17%	
800 Visa, Inc. Class A	126,912
Computer Storage Devices - 3.79%	
4,500 EMC Corp. *	103,545
2,500 Western Digital Corp.	117,900
	<u>221,445</u>
Farm Machinery & Equipment - 3.71%	
2,000 AGCO Corp. *	102,960
1,300 Deere & Co.	114,179
	<u>217,139</u>
Farm Products - 2.03%	
1,600 Bunge Ltd.	118,576
Grain Mill Products - 2.04%	
1,800 Corn Products International, Inc.	119,160

* Non-income producing

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

ARCHER STOCK FUND

SCHEDULE OF INVESTMENTS (CONTINUED)

FEBRUARY 28, 2013 (UNAUDITED)

<u>Shares/Principal</u>	<u>Fair Value</u>
Heavy Construction Other Than Building Construction Contractors - 2.09%	
2,500 Jacobs Engineering Group, Inc. *	<u>\$ 122,100</u>
Household Appliances - 2.08%	
1,700 AO Smith Corp.	<u>121,601</u>
Industrial Trucks Tractors Trailers & Stackers - 1.79%	
3,200 Terex Corp. *	<u>104,992</u>
Life Insurance - 1.82%	
3,000 MetLife, Inc.	<u>106,320</u>
Measuring & Controlling Devices - 2.02%	
1,600 Thermo Fisher Scientific, Inc.	<u>118,080</u>
Mining Machinery & Equipment (No Oil & Gas Field) - 2.06%	
1,900 Joy Global, Inc.	<u>120,346</u>
Miscellaneous Manufacturing Industries - 2.02%	
7,400 International Game Technology	<u>117,956</u>
Miscellaneous Transportation Equipment - 1.94%	
1,300 Polaris Industries, Inc.	<u>113,581</u>
National Commercial Banks - 3.76%	
2,200 JP Morgan Chase & Co.	107,624
3,300 US Bancorp.	<u>112,134</u>
	<u>219,758</u>
Oil & Gas Equipment & Services - 2.13%	
3,000 Halliburton Co.	<u>124,530</u>
Oil & Gas Filed Machinery & Equipment - 1.86%	
1,600 National Oilwell Varco, Inc.	<u>109,008</u>
Oil & Gas Field Services - 3.82%	
1,800 Oceaneering International, Inc.	114,462
1,400 Schlumberger Ltd. N.V.	<u>108,990</u>
	<u>223,452</u>
Personal Computers - 1.89%	
250 Apple, Inc.	<u>110,350</u>

* Non-income producing

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

ARCHER STOCK FUND

SCHEDULE OF INVESTMENTS (CONTINUED)

FEBRUARY 28, 2013 (UNAUDITED)

<u>Shares/Principal</u>	<u>Fair Value</u>
Petroleum Refining - 1.86%	
3,600 Suncor Energy, Inc.	\$ 108,900
Public Building & Related Furniture - 2.25%	
2,500 BE Aerospace, Inc. *	131,525
Radio & TV Broadcasting & Communications - 1.91%	
1,700 Qualcomm, Inc.	111,588
Retail-Grocery Stores - 1.95%	
5,500 Natural Grocers by Vitamin Cottage, Inc. *	113,850
Retail - Miscellaneous Shopping Goods Store - 1.90%	
2,100 First Cash Financial Services, Inc. *	111,111
Semiconductors & Related Devices - 1.93%	
5,400 Intel Corp.	112,752
Services - Auto Rental & Leasing (No Drivers) - 1.92%	
2,000 Ryder System, Inc.	112,400
Services - Business Services, NEC - 3.91%	
2,000 eBay, Inc. *	109,420
3,500 Liquidity Services, Inc. *	119,175
	228,595
Services - Engineering Services - 1.97%	
4,000 Tetra Tech, Inc. *	115,440
Services - Help Supply Services - 1.92%	
6,000 TeleTech Holdings Inc. *	112,572
Services - Medical Laboratories - 1.99%	
4,400 Bio-Reference Laboratories Inc. *	116,512
Services - Prepackaged Software - 1.93%	
3,300 Oracle Corp.	112,992
State Commercial Banks - 1.95%	
2,700 Texas Capital BancShares, Inc. *	114,102

* Non-income producing

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

ARCHER STOCK FUND
SCHEDULE OF INVESTMENTS (CONTINUED)
FEBRUARY 28, 2013 (UNAUDITED)

<u>Shares/Principal</u>	<u>Fair Value</u>
Surgical & Medical Instruments & Apparatus - 1.90%	
2,500 ResMed, Inc.	<u>\$ 111,225</u>
Wholesale - Drugs Proprietaries & Druggist - 2.11%	
3,000 Nu Skin Enterprises, Inc., Class A	<u>123,600</u>
Wholesale - Electrical Apparatus & Equipment, Wiring Supplies - 3.92%	
2,900 Enersys, Inc. *	118,552
1,500 WESCO International, Inc. *	<u>110,850</u>
	<u>229,402</u>
Wholesale - Motor Vehicles & Motor Vehicle Parts & Supplies - 1.85%	
5,100 LKQ Corp. *	<u>108,069</u>
TOTAL FOR COMMON STOCK (Cost \$5,143,760) - 95.82%	
	<u>5,604,604</u>
SHORT-TERM INVESTMENTS - 4.37%	
255,911 Fidelity Institutional Money Market Portfolio 0.16%** (Cost \$255,911)	<u>255,911</u>
TOTAL INVESTMENTS (Cost \$5,399,671) - 100.19%	
	<u>5,860,515</u>
LIABILITIES IN EXCESS OF OTHER ASSETS - (0.19)%	
	<u>(11,098)</u>
NET ASSETS - 100.00%	
	<u><u>\$5,849,417</u></u>

* Non-income producing

** Variable rate security; the coupon rate shown represents the yield at February 28, 2013.

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

ARCHER STOCK FUND

SCHEDULE OF INVESTMENTS (CONTINUED)

FEBRUARY 28, 2013 (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 28, 2013 in valuing the Fund's investments carried at value:

Investments in Securities	Level 1	Level 2	Level 3	Total
Common Stocks	\$ 5,604,604	\$ -	\$ -	\$ 5,604,604
Short-Term Investments:				
Fidelity Institutional Money Market Portfolio	255,911	-	-	255,911
	<u>\$ 5,860,515</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,860,515</u>

The Fund did not hold any Level 3 assets during the six months ended February 28, 2013. There were no significant transfers into or out of Level 1 or Level 2 during the period. It is the Fund's policy to recognize transfers into and out of Level 1 and Level 2 at the end of the reporting period.

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

ARCHER FUNDS

STATEMENT OF ASSETS & LIABILITIES

FEBRUARY 28, 2013 (UNAUDITED)

	Balanced Fund	Income Fund	Stock Fund
Assets:			
Investments in Securities, at Value (Cost \$13,690,924, \$5,610,732, and \$5,399,671, respectively)	\$14,792,505	\$5,798,182	\$5,860,515
Cash	1,012	433	529
Receivables			
Investments Sold	288,565	-	104,949
Receivable from Advisor	213	1,150	130
Interest	37,312	54,823	28
Dividend	32,553	1,189	8,155
Prepaid Expenses	31,853	10,078	9,819
Total Assets	15,184,013	5,865,855	5,984,125
Liabilities:			
Payables:			
Shareholder Redemptions	7,960	3,354	3,111
Investments Purchased	188,468	50,438	112,977
Due to Administrator	5,854	2,333	2,333
Due to Trustees	2,153	754	694
Accrued Expenses	24,872	14,780	15,593
Total Liabilities	229,307	71,659	134,708
Net Assets	\$14,954,706	\$5,794,196	\$5,849,417
Net Assets Consist of:			
Paid In Capital	\$15,641,934	\$5,735,563	\$5,575,700
Accumulated Undistributed Net Investment Income (Loss)	(5,949)	26,629	(128)
Accumulated Net Realized Loss on Investments	(1,782,860)	(155,446)	(186,999)
Net Unrealized Appreciation in Value of Investments	1,101,581	187,450	460,844
Net Assets (unlimited shares authorized; 1,626,800, 282,024, and 185,669 shares outstanding, respectively)	\$14,954,706	\$5,794,196	\$5,849,417
Net Asset Value and Offering Price Per Share	\$ 9.19	\$ 20.55	\$ 31.50
Redemption Price Per Share (\$9.19 x 0.995), (\$20.55 x 0.99), & (\$31.50 x 0.99), respectively *	\$ 9.14	\$ 20.34	\$ 31.19

*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 28, 2013 (UNAUDITED)

	Balanced Fund	Income Fund	Stock Fund
Investment Income:			
Dividends (net of foreign withholding taxes of \$3,309, \$0, and \$324, respectively)	\$174,720	\$ 30,847	\$ 37,012
Interest	121,856	84,740	112
Total Investment Income	<u>296,576</u>	<u>115,587</u>	<u>37,124</u>
Expenses:			
Advisory Fees (a)	57,028	12,822	19,268
Transfer Agent	15,233	15,083	7,843
Administrative (a)	38,019	7,770	15,083
Registration	16,686	5,047	5,667
Legal	10,523	3,423	4,223
Audit	6,346	3,272	3,330
Custody	3,318	2,468	3,768
Trustee	2,896	992	992
Miscellaneous	1,295	748	747
Insurance	1,767	671	685
Printing and Mailing	1,104	300	200
Total Expenses	<u>154,215</u>	<u>52,596</u>	<u>61,806</u>
Fees Waived and Reimbursed by the Advisor (a)	(62,970)	(21,823)	(24,554)
Net Expenses	<u>91,245</u>	<u>30,773</u>	<u>37,252</u>
Net Investment Income (Loss)	<u>205,331</u>	<u>84,814</u>	<u>(128)</u>
Realized and Unrealized Gain (Loss) on Investments:			
Net Realized Gain (Loss) on Investments	(91,125)	(46,186)	120,957
Net Realized Gain on Written Options	-	-	-
Capital Gain Distributions from Portfolio Company	228	467	-
Net Change in Unrealized Appreciation on Investments	<u>565,439</u>	<u>23,307</u>	<u>215,745</u>
Net Realized and Unrealized Gain (Loss) on Investments	<u>474,542</u>	<u>(22,412)</u>	<u>336,702</u>
Net Increase in Net Assets Resulting from Operations	<u>\$679,873</u>	<u>\$ 62,402</u>	<u>\$ 336,574</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 2/28/2013	Year Ended 8/31/2012
Increase (Decrease) in Net Assets From Operations:		
Net Investment Income	\$ 205,331	\$ 404,779
Net Realized Gain (Loss) on Investments and Call Options Written	(91,125)	33,518
Capital Gain Distributions from Portfolio Company	228	1,040
Net Change in Unrealized Appreciation on Investments and Call Options Written	565,439	535,775
Net Increase in Net Assets Resulting from Operations	679,873	975,112
Distributions to Shareholders:		
Net Investment Income	(416,235)	(349,094)
Total Distributions	(416,235)	(349,094)
Capital Share Transactions:		
Proceeds from Sale of Shares	975,597	3,220,546
Shares Issued on Reinvestment of Dividends	411,019	345,950
Early Redemption Fees *	-	-
Cost of Shares Redeemed	(2,128,329)	(2,708,542)
Net Increase (Decrease) from Capital Share Transactions	(741,713)	857,954
Net Assets:		
Net Increase (Decrease) in Net Assets	(478,075)	1,483,972
Beginning of Year	15,432,781	13,948,809
End of Year (Including Accumulated Undistributed Net Investment Income (Loss) of \$(5,949) and \$204,955, respectively)	\$ 14,954,706	\$ 15,432,781
Share Transactions:		
Shares Sold	107,287	368,469
Shares Issued on Reinvestment of Dividends	46,920	40,700
Shares Redeemed	(234,386)	(309,141)
Net Increase (Decrease) in Shares	(80,179)	100,028
Outstanding at Beginning of Year	1,706,979	1,606,951
Outstanding at End of Year	1,626,800	1,706,979

* 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	Year Ended
	2/28/2013	8/31/2012
Increase (Decrease) in Net Assets From Operations:		
Net Investment Income	\$ 84,814	\$ 186,018
Net Realized Loss on Investments	(46,186)	(105,117)
Capital Gain Distributions from Portfolio Company	467	1,157
Net Change in Unrealized Appreciation on Investments	23,307	151,382
Net Increase in Net Assets Resulting from Operations	<u>62,402</u>	<u>233,440</u>
Distributions to Shareholders:		
Net Investment Income	(73,715)	(235,954)
Realized Gains	-	(4,922)
Total Distributions	<u>(73,715)</u>	<u>(240,876)</u>
Capital Share Transactions:		
Proceeds from Sale of Shares	1,253,476	2,505,483
Shares Issued on Reinvestment of Dividends	70,888	228,132
Early Redemption Fees *	-	-
Cost of Shares Redeemed	(299,903)	(564,488)
Net Increase from Capital Share Transactions	<u>1,024,461</u>	<u>2,169,127</u>
Net Assets:		
Net Increase in Net Assets	1,013,148	2,161,691
Beginning of Year	4,781,048	2,619,357
End of Year (Including Accumulated Undistributed Net Investment Income of \$26,629 and \$15,530, respectively)	<u>\$ 5,794,196</u>	<u>\$ 4,781,048</u>
Share Transactions:		
Shares Sold	60,818	122,186
Shares Issued on Reinvestment of Dividends	3,450	11,431
Shares Redeemed	(14,508)	(27,452)
Net Increase in Shares	<u>49,760</u>	<u>106,165</u>
Outstanding at Beginning of Year	232,263	126,098
Outstanding at End of Year	<u>282,023</u>	<u>232,263</u>

* 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	Year Ended
	2/28/2013	8/31/2012
Increase (Decrease) in Net Assets From Operations:		
Net Investment Loss	\$ (128)	\$ (10,545)
Net Realized Gain (Loss) on Investments	120,957	(177,239)
Net Change in Unrealized Appreciation on Investments	215,745	472,388
Net Increase in Net Assets Resulting from Operations	<u>336,574</u>	<u>284,604</u>
Distributions to Shareholders:		
Net Investment Income	-	-
Total Distributions	<u>-</u>	<u>-</u>
Capital Share Transactions:		
Proceeds from Sale of Shares	916,284	2,000,078
Shares Issued on Reinvestment of Dividends	-	-
Early Redemption Fees *	-	-
Cost of Shares Redeemed	(321,163)	(267,557)
Net Increase from Capital Share Transactions	<u>595,121</u>	<u>1,732,521</u>
Net Assets:		
Net Increase in Net Assets	931,695	2,017,125
Beginning of Year	4,917,722	2,900,597
End of Year (Including Accumulated Undistributed Net Investment Income (Loss) of \$(128) and \$0, respectively)	<u>\$ 5,849,417</u>	<u>\$ 4,917,722</u>
Share Transactions:		
Shares Sold	29,408	71,061
Shares Issued on Reinvestment of Dividends	-	-
Shares Redeemed	(10,593)	(9,406)
Net Increase in Shares	<u>18,815</u>	<u>61,655</u>
Outstanding at Beginning of Year	166,854	105,199
Outstanding at End of Year	<u>185,669</u>	<u>166,854</u>

* 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	8/31/	8/31/	8/31/	8/31/	8/31/
	Ended	2012	2011	2010	2009	2008
	2/28/2013					
Net Asset Value, at Beginning of Period	\$ 9.04	\$ 8.68	\$ 8.24	\$ 8.09	\$ 9.68	\$ 11.31
Income (Loss) From Investment Operations:						
Net Investment Income *	0.12	0.24	0.19	0.16	0.17	0.33
Net Gain (Loss) on Securities (Realized and Unrealized)	0.28	0.33	0.43	0.19	(1.48)	(1.46)
Total from Investment Operations	0.40	0.57	0.62	0.35	(1.31)	(1.13)
Distributions:						
Net Investment Income	(0.25)	(0.21)	(0.18)	(0.20)	(0.28)	(0.25)
Realized Gains	0.00	0.00	0.00	0.00	0.00	(0.25)
Total from Distributions	(0.25)	(0.21)	(0.18)	(0.20)	(0.28)	(0.50)
Proceeds from Redemption Fees **	-	-	-	-	-	-
Net Asset Value, at End of Period	\$ 9.19	\$ 9.04	\$ 8.68	\$ 8.24	\$ 8.09	\$ 9.68
Total Return ***	4.55%	6.76%	7.54%	4.23%	(13.28)%	(10.46)%
Ratios/Supplemental Data:						
Net Assets at End of Period (Thousands)	\$ 14,955	\$15,433	\$13,949	\$14,021	\$ 10,490	\$ 9,909
Before Waivers and Reimbursements						
Ratio of Expenses to Average Net Assets	2.03%†	2.16%	2.00%	2.01%	2.93%	2.30%
Ratio of Net Investment Income to Average Net Assets	1.87%†	1.83%	1.30%	1.06%	0.57%	2.10%
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	2.70%†	2.79%	2.10%	1.87%	2.29%	3.20%
Portfolio Turnover	53.33%	76.14%	69.95%	77.73%	79.42%	115.68%

† 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 2/28/2013	Year Ended 8/31/2012	Period Ended (b) 8/31/2011
Net Asset Value, at Beginning of Period	\$ 20.58	\$ 20.77	\$ 20.00
Income (Loss) From Investment Operations:			
Net Investment Income *	0.34	1.03	0.73
Net Gain on Securities (Realized and Unrealized)	(0.07)	0.20	0.04
Total from Investment Operations	0.27	1.23	0.77
Distributions:			
Net Investment Income	(0.30)	(1.39)	-
Realized Gains	-	(0.03)	-
Total from Distributions	(0.30)	(1.42)	-
Proceeds from Redemption Fees **	-	-	-
Net Asset Value, at End of Period	\$ 20.55	\$ 20.58	\$ 20.77
Total Return ***	1.32%	6.26%	3.85% (a)
Ratios/Supplemental Data:			
Net Assets at End of Period (Thousands)	\$ 5,794	\$ 4,781	\$ 2,619
Before Waivers and Reimbursements			
Ratio of Expenses to Average Net Assets	2.05%†	2.57%	4.21%†
Ratio of Net Investment Income to Average Net Assets	2.45%†	3.67%	4.43%†
After Waivers and Reimbursements			
Ratio of Expenses to Average Net Assets	1.20%†	1.20%	1.20%†
Ratio of Net Investment Income to Average Net Assets	3.30%†	5.04%	7.44%†
Portfolio Turnover	12.39%	24.29%	11.01%

(a) Not Annualized

(b) The Fund commenced investment operations on March 11, 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 2/28/2013	Year Ended 8/31/2012	Period Ended (b) 8/31/2011
Net Asset Value, at Beginning of Period	\$ 29.47	\$ 27.57	\$ 30.00
Income (Loss) From Investment Operations:			
Net Investment Income (Loss) *	-	(0.07)	(0.03)
Net Gain (Loss) on Securities (Realized and Unrealized)	2.03	1.97	(2.40)
Total from Investment Operations	2.03	1.90	(2.43)
Distributions:			
Net Investment Income	-	-	-
Realized Gains	-	-	-
Total from Distributions	-	-	-
Proceeds from Redemption Fees **	-	-	-
Net Asset Value, at End of Period	\$ 31.50	\$ 29.47	\$ 27.57
Total Return ***	6.89%	6.89%	(8.10)% (a)
Ratios/Supplemental Data:			
Net Assets at End of Period (Thousands)	\$ 5,849	\$ 4,918	\$ 2,901
Before Waivers and Reimbursements			
Ratio of Expenses to Average Net Assets	2.40% †	2.78%	3.99% †
Ratio of Net Investment Loss to Average Net Assets	(0.96)% †	(1.59)%	(2.78)% †
After Waivers and Reimbursements			
Ratio of Expenses to Average Net Assets	1.45% †	1.45%	1.45% †
Ratio of Net Investment Loss to Average Net Assets	(0.00)% †	(0.26)%	(0.24)% †
Portfolio Turnover	165.51%	399.91%	163.69%

(a) Not Annualized

(b) The Fund commenced investment operations on March 11, 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 28, 2013 (UNAUDITED)

NOTE 1. ORGANIZATION

The Archer Investment Series Trust, an Ohio business trust (the “Trust”), is an open-end, diversified, 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 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 2009-2012 for the Balanced Fund and fiscal years 2011-2012 for the Income and Stock Funds, 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

ARCHER FUNDS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FEBRUARY 28, 2013 (UNAUDITED)

ended February 28, 2013, 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 follow 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.

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 28, 2013.

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

ARCHER FUNDS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FEBRUARY 28, 2013 (UNAUDITED)

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.

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, real estate investment trusts, exchanged-traded funds, 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

ARCHER FUNDS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FEBRUARY 28, 2013 (UNAUDITED)

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 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.

The following table sets forth a summary of the changes in the fair value of the Balanced Fund's level 3 investments for the six months ended February 28, 2013:

	Investments
Balance Beginning at August 31, 2012	\$ 495,000
Accrued Accretion/(Amortization)	(1,792)
Change in Unrealized Appreciation/(Depreciation)	(4,416)
Realized Gain/(Loss)	11,208
Purchases/Sales	(500,000)
Transfers In/(Out) of Level 3	-
Balance End at February 28, 2013	<u>\$ -</u>

See the Fund's Schedule of Investments for details on investments and levels.

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

ARCHER FUNDS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FEBRUARY 28, 2013 (UNAUDITED)

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 (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 28, 2013, there were no options outstanding in either the Balanced or Income Funds. The Balanced and Income Funds did not have any options transactions during the six months ended February 28, 2013.

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:

Asset Derivatives

Investment in Securities, at Value

Schedule of Investments - Structured Notes

Balanced Fund	\$ 382,470
Income Fund	\$ 152,372

ARCHER FUNDS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FEBRUARY 28, 2013 (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 28, 2013, the Advisor earned fees of \$57,028 for the Balanced Fund, \$12,822 for the Income Fund, and \$19,268 for the Stock Fund, before the waivers and reimbursements described below. At February 28, 2013, the Advisor owed the Balanced Fund, Income Fund and the Stock Fund \$213, \$1,150 and \$130, respectively.

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 28, 2013, the Advisor earned administrative fees of \$38,019 for the Balanced Fund, \$7,770 for the Income Fund, and \$15,083 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 28, 2013, the Advisor waived fees and/or reimbursed expenses of \$62,970. 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, 2015 totaled \$365,013.

The amounts subject to repayment by the Balanced Fund, pursuant to the aforementioned conditions, at August 31, 2012 were as follows:

<u>Amount</u>	<u>Subject to Repayment by August 31,</u>
\$105,447	2013
\$120,162	2014
\$139,404	2015

ARCHER FUNDS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FEBRUARY 28, 2013 (UNAUDITED)

The Advisor owed the Balanced Fund \$213 at February 28, 2013 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 28, 2013, the Advisor waived fees and/or reimbursed expenses of \$21,823. 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, 2015 totaled \$77,208.

The amounts subject to repayment by the Income Fund, pursuant to the aforementioned conditions, at August 31, 2012 were as follows:

<u>Amount</u>	<u>Subject to Repayment by August 31,</u>
\$ 26,451	2014
\$ 50,757	2015

The Advisor owed the Income Fund \$1,150 at February 28, 2013 for reimbursement of expenses.

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 28, 2013, the Advisor waived fees and/or reimbursed expenses of \$24,554. 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, 2015 totaled \$83,968.

ARCHER FUNDS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FEBRUARY 28, 2013 (UNAUDITED)

The amounts subject to repayment by the Stock Fund, pursuant to the aforementioned conditions, at August 31, 2012 were as follows:

<u>Amount</u>	<u>Subject to Repayment by August 31,</u>
\$ 29,562	2014
\$ 54,406	2015

The Advisor owed the Stock Fund \$130 at February 28, 2013 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 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 28, 2013, purchases and sales of investment securities, other than short-term investments and short-term U.S. government obligations were \$7,976,950 and \$8,480,197, respectively.

Archer Income Fund

For the six months ended February 28, 2013, purchases and sales of investment securities, other than short-term investments and short-term U.S. government obligations were \$1,563,760 and \$609,710, respectively.

ARCHER FUNDS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FEBRUARY 28, 2013 (UNAUDITED)

Archer Stock Fund

For the six months ended February 28, 2013, purchases and sales of investment securities, other than short-term investments and short-term U.S. government obligations were \$8,892,141 and \$8,406,033, respectively.

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 as amended. As of February 28, 2013, First Clearing, LLC., for the benefit of its customers owned, in aggregate, approximately 62.75% of the voting securities of the Balanced Fund, approximately 78.82% of the voting securities of the Income Fund, and approximately 82.15% of the voting securities of the Stock Fund and may be deemed to control each of the respective Funds.

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, 2012, 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	<u>\$ 204,955</u>	<u>\$ 15,530</u>	<u>\$ -0-</u>
Post-October capital loss deferrals			
Realized between 11/1/2011 and 8/31/2012*	<u>\$ -0-</u>	<u>\$109,251</u>	<u>\$ 25,929</u>
Capital Loss Carryforwards (a)			
Expiring 08/30/2017	\$ (645,312)	\$ -0-	\$ -0-
08/30/2018	\$(1,046,650)	\$ -0-	\$ -0-
No Expiration – Short-Term	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$(265,999)</u>
	<u>\$(1,691,962)</u>	<u>\$ -0-</u>	<u>\$(265,999)</u>

ARCHER FUNDS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FEBRUARY 28, 2013 (UNAUDITED)

As of February 2013, the tax basis components of distributable earnings, unrealized appreciation (depreciation) and cost of investment securities for each of the Funds were as follows:

	Balanced Fund	Income Fund	Stock Fund
Gross unrealized appreciation on investment securities	\$ 1,265,760	\$ 207,053	\$ 537,289
Gross unrealized depreciation on investment securities	<u>\$ (164,179)</u>	<u>\$ (19,603)</u>	<u>\$ (76,445)</u>
Net unrealized appreciation on investment securities	<u>\$ 1,101,581</u>	<u>\$ 187,450</u>	<u>\$ 460,844</u>
 Cost of investment securities (including short-term Investments)**	 <u>\$13,690,924</u>	 <u>\$5,610,732</u>	 <u>\$5,399,671</u>

* 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.

(a) 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.

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.

The Regulated Investment Company Modernization Act of 2010 generally allows capital losses incurred in a taxable year beginning after December 22, 2010 (post-enactment year) to be carried forward for an unlimited period to the extent not utilized. However, any capital loss carry-forward generated in a post-enactment year must be carried forward to offset subsequent year net capital gains before any capital loss carry-forward from a pre-enactment year can be used. This may increase the risk that a capital loss generated in a pre-enactment year will expire unutilized. Income and long-term capital gain distributions are determined in accordance with Federal income tax regulations, which may differ from accounting principles generally accepted in the United States.

The Stock Fund did not pay any distributions for the six months ended February 28, 2013 and year ended August 31, 2012.

ARCHER FUNDS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FEBRUARY 28, 2013 (UNAUDITED)

The Balanced and Income Funds paid the following distributions for the six months ended February 28, 2013 and year ended August 31, 2012:

Balanced Fund

<u>Six Months Ended</u>	<u>\$ Amount</u>	<u>Tax Character</u>
2/28/2013	\$ 416,235	Ordinary Income

<u>Years Ended</u>	<u>\$ Amount</u>	<u>Tax Character</u>
8/31/2012	\$ 349,094	Ordinary Income

Income Fund

<u>Six Months Ended</u>	<u>\$ Amount</u>	<u>Tax Character</u>
2/28/2013	\$ 73,715	Ordinary Income

<u>Years Ended</u>	<u>\$ Amount</u>	<u>Tax Character</u>
8/31/2012	\$ 235,954	Ordinary Income
8/31/2012	\$ 4,433	Short-Term Capital Gain
8/31/2012	\$ 489	Long-Term Capital Gain

NOTE 9. NEW ACCOUNTING PRONOUNCEMENT

In December 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update ("ASU") No. 2011-11 (the "Pronouncement") related to disclosures about offsetting assets and liabilities. The amendments in this ASU require an entity to disclose information about offsetting and related arrangements to enable users of its financial statements to understand the effect of those arrangements on its financial position. The ASU is effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. The Pronouncement requires retrospective application for all comparative periods presented. Management is currently evaluating the impact that this Pronouncement may have on the Fund's financial statements.

ARCHER FUNDS

EXPENSE ILLUSTRATION

FEBRUARY 28, 2013 (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, 2012 through February 28, 2013).

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 28, 2013 (UNAUDITED)

Balanced Fund

	Beginning Account Value	Ending Account Value	Expenses Paid During the Period*
	<u>September 1, 2012</u>	<u>February 28, 2013</u>	<u>September 1, 2012 to February 28, 2013</u>
Actual	\$1,000.00	\$1,045.52	\$6.09
Hypothetical (5% Annual Return before expenses)	\$1,000.00	\$1,018.84	\$6.01

* Expenses are equal to the Balanced Fund's annualized expense ratio of 1.20%, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

Income Fund

	Beginning Account Value	Ending Account Value	Expenses Paid During the Period*
	<u>September 1, 2012</u>	<u>February 28, 2013</u>	<u>September 1, 2012 to February 28, 2013</u>
Actual	\$1,000.00	\$1,013.20	\$5.99
Hypothetical (5% Annual Return before expenses)	\$1,000.00	\$1,018.84	\$6.01

* Expenses are equal to the Income Fund's annualized expense ratio of 1.20%, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

Stock Fund

	Beginning Account Value	Ending Account Value	Expenses Paid During the Period*
	<u>September 1, 2012</u>	<u>February 28, 2013</u>	<u>September 1, 2012 to February 28, 2013</u>
Actual	\$1,000.00	\$1,068.88	\$7.44
Hypothetical (5% Annual Return before expenses)	\$1,000.00	\$1,017.60	\$7.25

* Expenses are equal to the Stock Fund's annualized expense ratio of 1.45%, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

ARCHER FUNDS

TRUSTEES AND OFFICERS

FEBRUARY 28, 2013 (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 (66) Independent Trustee, January 2010 to present	General Securities Corp. – President; 1982-Present
Donald G. Orzeske, J. D. (58) 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 (45) 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, (56) Treasurer, December 2009 to present	Mutual Shareholders Services, LLC – Principal Owner. January 1999 – present.
C. Richard Ropka, Esq. (50) 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 (33) 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 28, 2013 (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 June 30, 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.

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INVESTMENT ADVISOR

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

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Sanville & Company
1514 Old York Road
Abington, PA 19001

LEGAL COUNSEL

Law Office of C. Richard Ropka, LLC
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.
