
ANNUAL REPORT

THE ARCHER FUNDS

BALANCED FUND (ARCHX)

INCOME FUND (ARINX)

STOCK FUND (ARSKX)

AUGUST 31, 2013

To Our Shareholders,

Archer Balanced Fund (ARCHX)

The Archer Balanced fund had a total return of 7.85% for the Year ended August 31, 2013 and 2.28% since inception (September 27, 2005) compared to a total return of 12.66% and 6.48% for the Dow Jones U.S. Moderate Relative Risk Index, over the same periods.

Performance Review

The Fund's annual performance has been consistent throughout its tenure. The managers of the Fund, having stayed consistent with long-term value positions in equities, believe the conservative positions of this fund are appropriate for this style of fund. The managers continue to reinforce their positions by managing stocks in long-term value and high quality short-term duration securities. We continue to position the portfolio for what we believe is an inevitable rise in long-term interest rates by overweighting high quality, short- to intermediate-term bonds. Once again, another factor that adversely impacted the relative performance of the fund was that the benchmark also contains a large weighting of long-term U.S. Treasuries which performed well during the period. Even with interest rates remaining near historic lows, price insensitive buyers flocked to the perceived relative safety of U.S. debt obligations driven by growing fear in the markets of other nations. We continue to believe that the United States will be forced to address its own debt problems which will add additional upward pressure on interest rates. We are currently seeing this very scenario play out in Washington with "Debt Ceiling" talks and a government shutdown. We are comfortable avoiding the Treasury bandwagon and believe it is prudent to avoid attempts to capture short-term performance in an effort to create long-term value for our fellow shareholders. We do not believe that fear and hope are credible long-term investment strategies

With the year-ending August 31, 2013, we have seen a slow rise in interest rates and believe the ongoing theme will be higher rates for the foreseeable future. The long-term value positions in high-quality short-term debt and value stocks suffered vs. growth and long-term Treasuries in September thru November of 2012. We still consider this method of investing to be prudent. The market does correct as it continues to rise and having value stocks should guard against any significant downturn in the market.

With this being said, our management team feels it is important to keep a portfolio of stocks and bonds that we feel will weather a downturn instead of chasing any upside. According to Morningstar, our Beta vs. the Best-Fit Index of Lifetime Moderate 2035, is .69 for a three year time period. This reduced risk should help us outperform for the next downturn in equities.

Equity Portfolio

Similar to prior year, we have continued to see the market perform well and corporate profits and cash flows have continued to increase. Again, the latest four quarters has produced by some accounts one of the healthiest earnings Wall Street has ever seen.

- We believe the Technology, Consumer Defensive, and Industrials will provide for a solid offense while enabling us to play defense if the market turns adversarial.

We will continue to adjust our equity portfolio to changing market conditions and look to reduce risk in the overall portfolio by maintaining a significant weighting in Industrials, Technology, Consumer Defensives, and Basic Materials.

Fixed-Income Portfolio

We have remained in much the same position as the prior year and have added a few shorter duration fixed income positions as some have matured during the last year. We continue to remain short-term with our holdings. Although it is becoming quite clear that the general level of interest rates may stay low for a couple of years still to come. We to continue to focus on value, sustainability, and patience and we believe it is prudent to avoid strategies that risk the destruction of principal in order to capture short-term income. With the end of Quantitative Easing on the horizon, the fight over the Debt Ceiling and the level of debt our Country faces, we believe staying invested in high-quality, short-term instruments remains our focus. Interest rates will rise at some point.

Current Strategy

We will continue to monitor the performance of each security on a case by case basis putting valuations on the securities and adjusting the portfolio likewise. There will be times when we discontinue holding a specific security if we feel the valuation is beyond a reasonable valuation of the company. There may be companies that have positive outlooks, but we feel the valuation becomes too high to justify staying in at those levels. If we feel the valuation plays to a “buying” level, then we may re-enter into stocks we have once sold.

While investing in the markets, it is important to focus on buying companies with long-term horizons, using a strict fundamental valuation of an individual company and not buying sectors because they are currently hot. All shareholders are encouraged to invest in the Fund over a long-term horizon.

The fund managers of the Archer Balanced Fund will continue to invest their own dollars in the Fund’s we manage to better align our interests with those we serve. Our investment strategy does not change and it is; be long-term in nature. We believe this portfolio is well positioned and we are confident that our disciplined process will reward our shareholders going forward. As always, we welcome any comments or questions from shareholders at any time.

The views expressed are those of the investment advisor as of August 31, 2013 and are not intended as a forecast or investment recommendation.

Archer Stock Fund (ARSKX)

The Archer Stock Fund posted a gain of 16.69% for the year ended August 31, 2013 and 5.67% since inception of March 11, 2011. This compared to a gain of 18.70% for the S&P 500 Index and 12.20% since inception.

Performance Review

The Fund opened in March of 2011 and thus did not get the benefit of the upward market trend in the first two months of 2011. However, we feel extremely comfortable with our positions and relative performance to the benchmarks. The Stock Fund is a go anywhere Fund seeking to maximize capital appreciation by investing in the most attractive equity investment opportunities regardless of company size, sector, industry, or country domicile. We are comfortable with the equity positions as of 8/31/2013. As of August 31, 2013 we have selected 50 equity positions we believe will outpace the S&P 500 index. This in turn will ultimately reduce our turnover of the portfolio as we plan to hold these positions until they reach beyond their Fair Market Values. We are overweight in Technology,

Industrials, Energy, Financial Services, and Consumer Defensive stocks and related industries. We continue to seek out positions with strong balance sheets who may have upward revised estimates and/or strong relative performance and will outperform the indices over the long-term.

Archer Income Fund (ARINX)

The Archer Income Fund had a loss of -3.15% for the year ended August 31, 2013 and 2.72% from the date of inception on March 11, 2011 compared to a loss of -2.46% and 3.80% for the year ended and since inception for the Barclay's Capital US Aggregate Bond Index and -.13% and 4.66% for the year ended and since inception for the Barclay's Intermediate Credit Index.

Performance Review

The Fund opened in March of 2011 and has turned in positive returns during what we would characterize as a volatile market for bond investors since the date of inception. The bond market continues to present investors with many challenges. Numerous U.S. economic indicators weakened against the backdrop of political gridlock in Washington, concern over heavily indebted European peripheral countries, the effects of the looming slowing of "quantitative easing" (QE) and the showdown surrounding the Debt Ceiling fight taking place in Washington. Fund performance relative to the Aggregate Index suffered due to our overweight position in corporate debt. We have thought for some time that interest rates would ultimately rise with the backdrop of Washington Politics, end to "QE3", and the sequestration which began in 2013. We expect rates to continue to rise as they have been artificially lowered by government intervention for several years.

We believe one advantage we have over many of our counterpart funds is we plan to hold our positions until they mature. We have not seen the outflow as many others competitors as reported in the news. In fact, we continue to have inflows into all our funds which has given us a distinct advantage of not having to liquidate positions at a loss. In fact, with yields rising, we continue to look to additional holdings and are buyers of shorter-term duration debt with the intention to collect the coupons until maturity. This should bode well for our shareholders. We believe in the positions we hold and continue to personally own the fund in our and our family accounts.

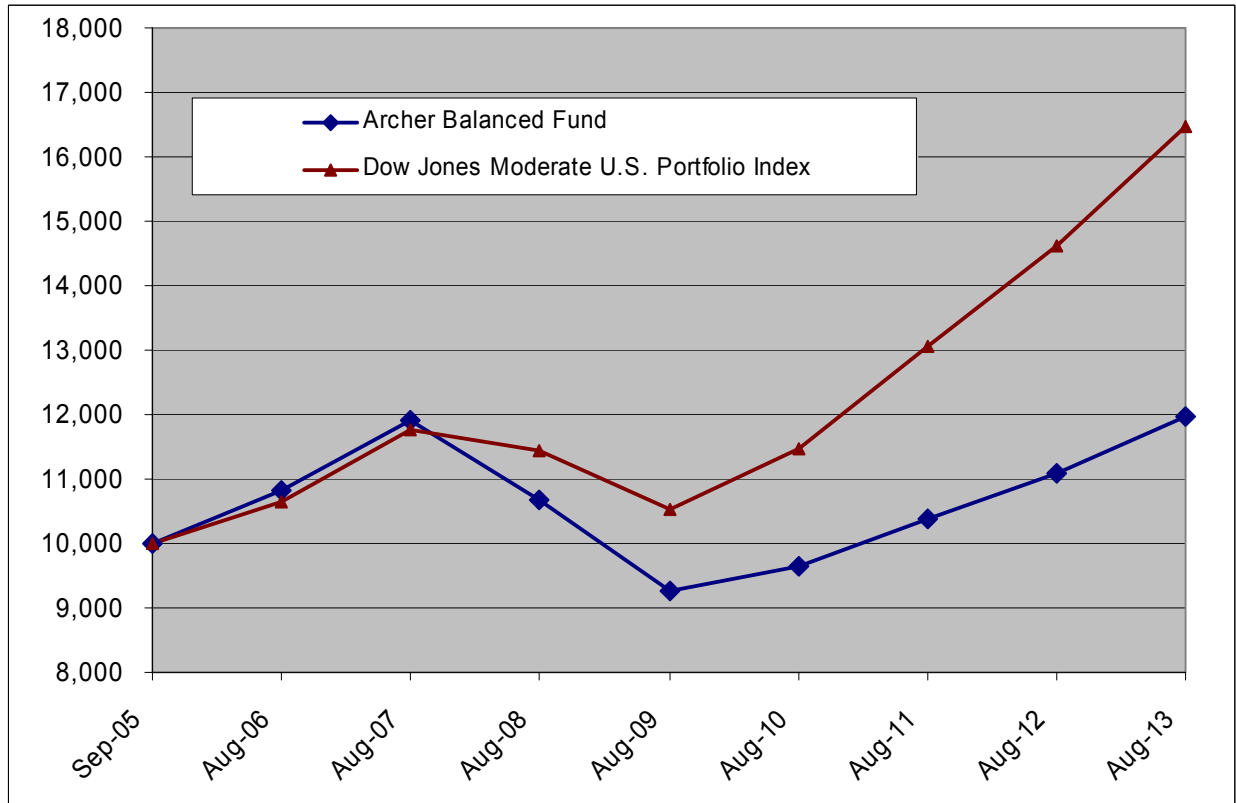
We continue to seek attractive long-term investment opportunities primarily in higher-yielding, segments of the investment grade corporate markets as well as those markets which will protect against a declining U.S. Dollar and rising interest rates. While we do not envision a sudden spike in interest rates, nor a default which would directly impact our holdings, we are mindful of the "tail risk" and continue to position the fixed income portfolio to protect against interest-rate, default and currency risks.

Archer Balanced Fund

Performance Illustration

August 31, 2013 (Unaudited)

Cumulative Performance Comparison of \$10,000 Investment Since Inception *



Average Annual Total Returns For the Periods Ended August 31, 2013

	Archer Balanced Fund	Dow Jones Moderate U.S. Portfolio Index
1 Year	7.85%	12.66%
3 Year	7.38%	12.74%
Since Inception	2.28%	6.48%
Value	\$ 11,957	\$ 16,459

*This chart assumes an initial investment of \$10,000 made on September 27, 2005.

Past Performance does not guarantee future results.

Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Returns shown do not reflect taxes that a shareholder would pay on fund distributions or on the redemption of fund shares.

The Dow Jones Moderate Portfolio is a member of the Dow Jones Relative Risk Indexes that measures the performance of conservative, moderate and aggressive portfolios based on incremental levels of potential risk. The indexes are designed to systematically measure various levels of risk relative to the risk of a U.S. all-stock index. Investors can identify an appropriate benchmark as the index that has the most similar historic risk characteristics.

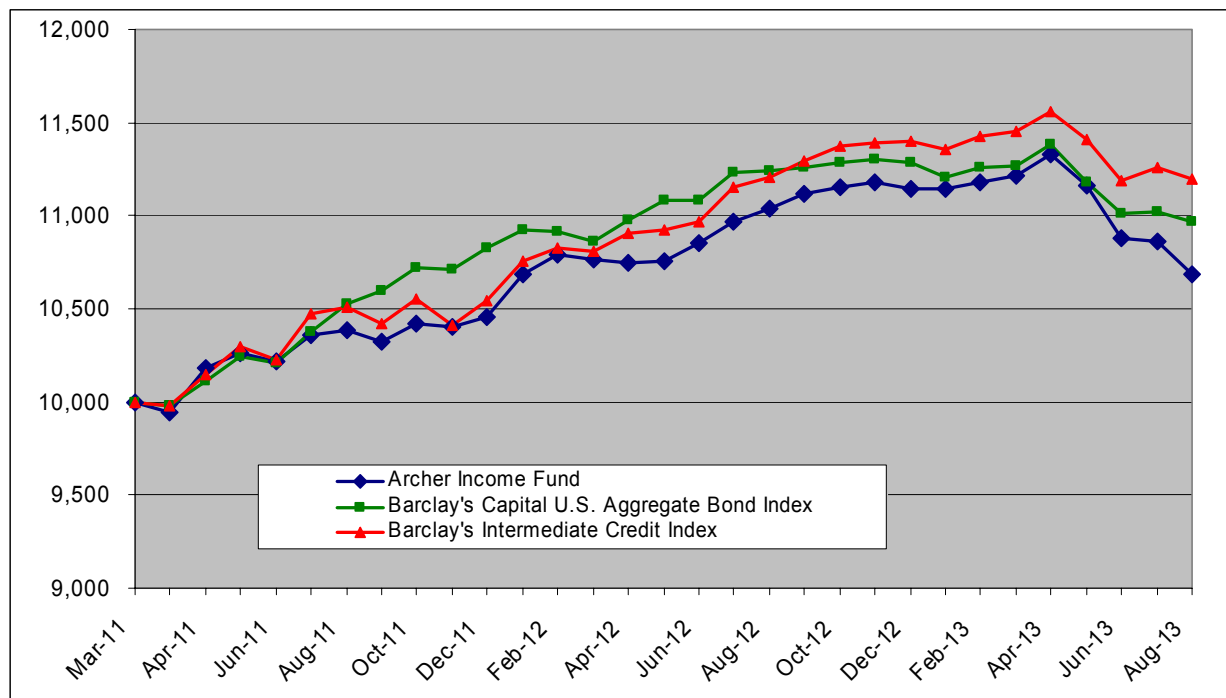
Current performance may be lower or higher than the performance data quoted. To obtain performance data current to the most recent month end, please call (800) 238-7701.

Archer Income Fund

Performance Illustration

August 31, 2013 (Unaudited)

Cumulative Performance Comparison of \$10,000 Investment Since Inception *



Average Annual Total Returns For the Periods Ended August 31, 2013

	Archer Income Fund	Barclay's Capital U.S. Aggregate Bond Index	Barclay's Intermediate Credit Index
1 Year	-3.15%	-2.46%	-0.13%
Since Inception	2.72%	3.80%	4.66%
Value	\$ 10,687	\$ 10,967	\$ 11,194

*This chart assumes an initial investment of \$10,000 made on March 11, 2011.

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Returns shown do not reflect taxes that a shareholder would pay on fund distributions or on the redemption of fund shares.

The Barclay's Capital U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including U.S. Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS, and CMBS. The U.S. Aggregate Index was created in 1986.

The Barclay's Capital Intermediate Credit Index consists of dollar-denominated, investment-grade, publicly-issued securities with a maturity of between one and ten years and that are issued by both corporate issuers and non-corporate issuers.

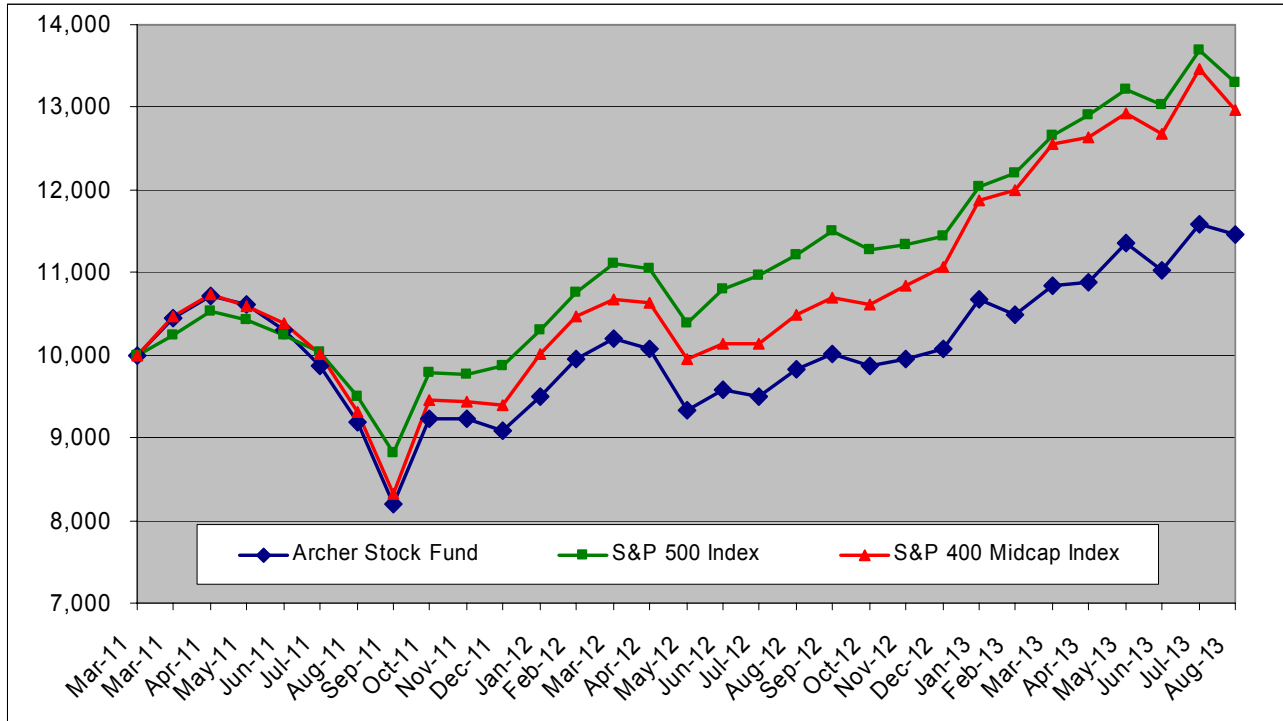
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Archer Stock Fund

Performance Illustration

August 31, 2013 (Unaudited)

Cumulative Performance Comparison of \$10,000 Investment Since Inception *



Average Annual Total Returns
For the Periods Ended August 31, 2013

	Archer Stock Fund	S&P 500 Index	S&P 400 Midcap Index
1 Year	16.69%	18.70%	23.64%
Since Inception	5.67%	12.20%	11.06%
Value	\$ 11,463	\$ 13,298	\$ 12,968

*This chart assumes an initial investment of \$10,000 made on March 11, 2011.

Past Performance does not guarantee future results.

Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Returns shown do not reflect taxes that a shareholder would pay on fund distributions or on the redemption of fund shares.

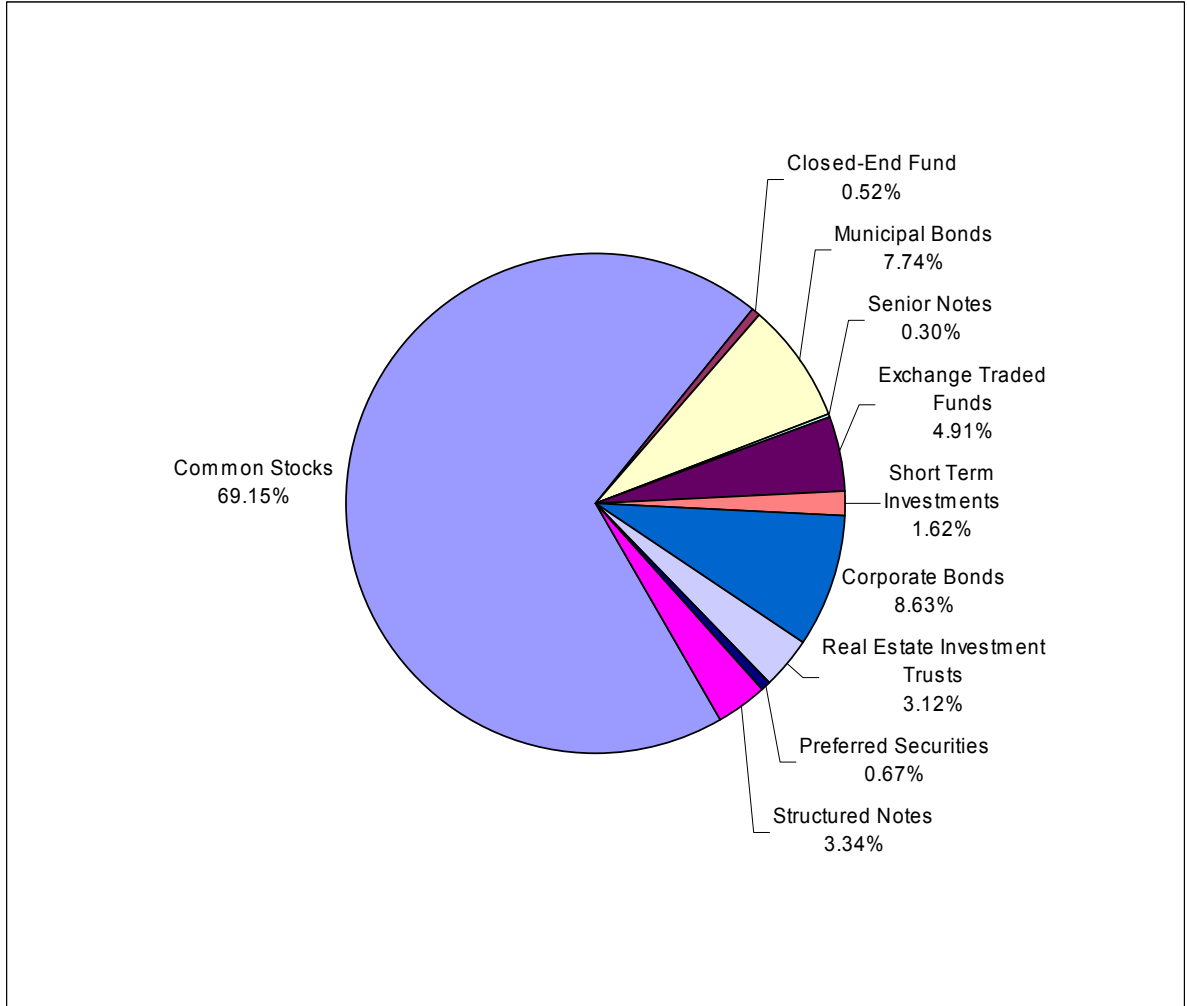
The Standard & Poor's 500 Index ("S&P 500") is a market value-weighted index, representing the aggregate market value of the common equity of 500 stocks primarily traded on the New York Stock Exchange. The S&P 500 is a widely recognized, unmanaged index of common stock prices. The figures for the S&P 500 reflect all dividends reinvested but do not reflect any deductions for fees, expenses or taxes.

The Standard & Poor's 400 Index ("S&P 400") is an unmanaged benchmark that assumes reinvestment of all distributions and excludes the effect of taxes and fees. The Index is composed of 400 medium capitalization domestic common stocks and is representative of a broader market range of securities than is found in the Fund's portfolio. Individuals cannot invest directly in the Index; however, an individual can invest in exchange traded funds or other investment vehicles that attempt to track the performance of a benchmark index.

Current performance may be lower or higher than the performance data quoted. To obtain performance data current to the most recent month end, please call (800) 238-7701.

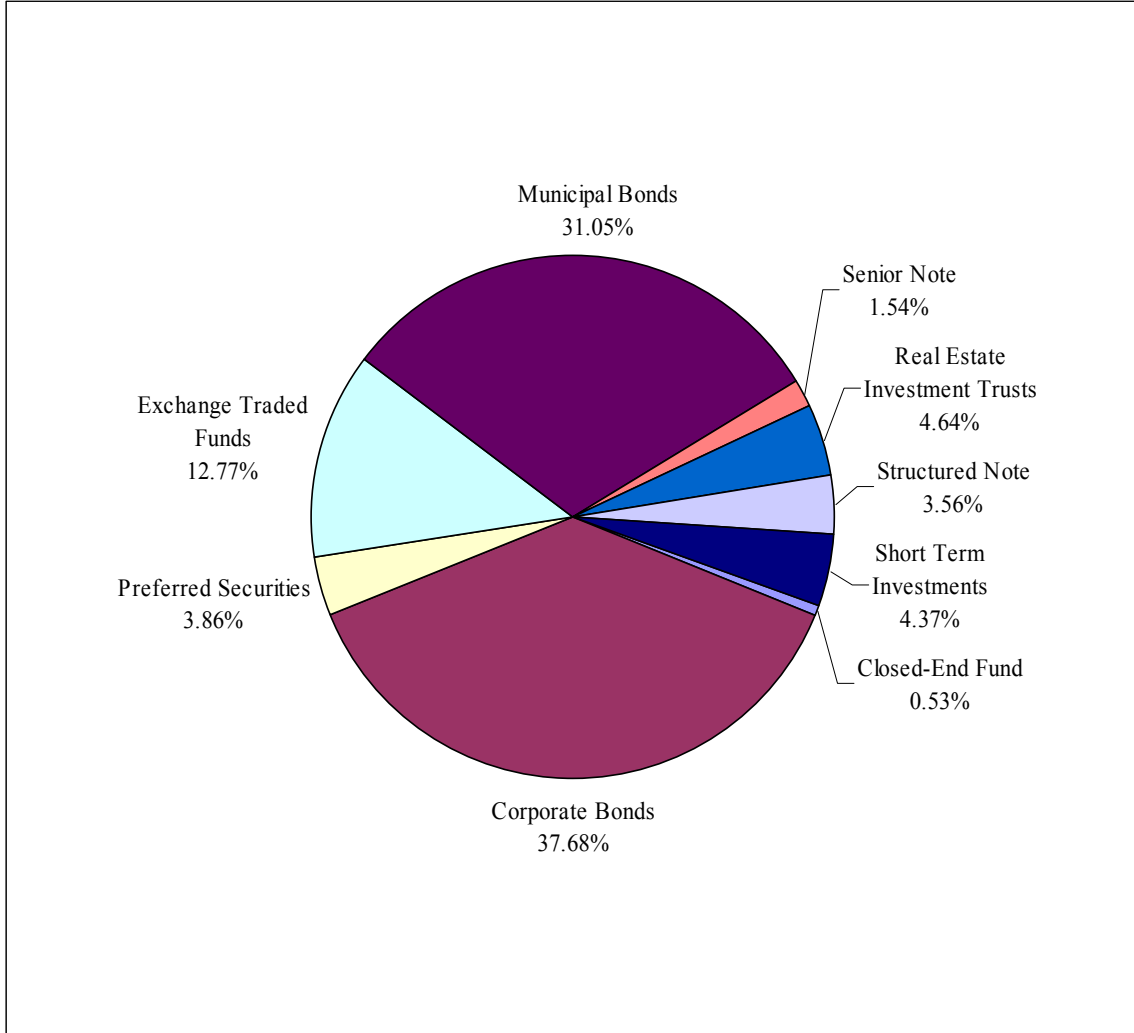
**Archer Balanced Fund
Graphical Illustration
August 31, 2013 (Unaudited)**

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.



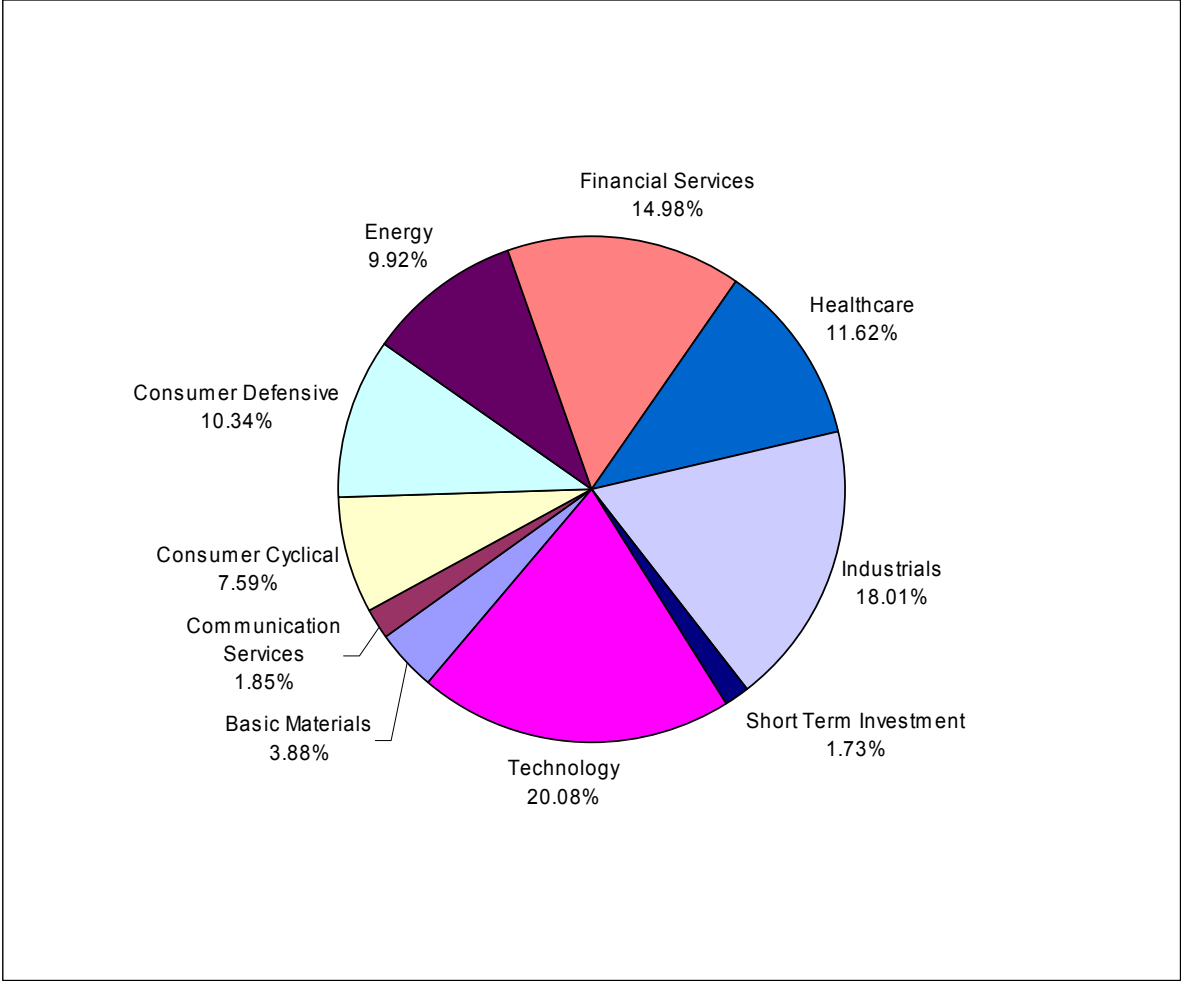
Archer Income Fund
Graphical Illustration
August 31, 2013 (Unaudited)

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
Graphical Illustration
August 31, 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
August 31, 2013

<u>Shares/Principal</u>	<u>Fair Value</u>
COMMON STOCK - 69.09%	
Agriculture Chemicals - 1.86%	
1,600 CF Industries Holdings, Inc.	\$ 304,544
Air Courier Services - 2.62%	
4,000 FedEx Corp.	429,440
Aircraft - 5.59%	
4,000 Boeing Co.	415,680
5,000 United Technologies Corp.	500,500
	<u>916,180</u>
Beverages - 3.52%	
3,500 PepsiCo, Inc.	279,055
7,800 The Coca-Cola Co.	297,804
	<u>576,859</u>
Bituminous Coal & Lignite Surface Mining - 1.48%	
14,100 Peabody Energy Corp.	242,520
Cable & Other Pay Television Services - 2.60%	
7,000 Walt Disney Co.	425,810
Computer & Office Equipment - 1.89%	
1,700 International Business Machines Corp.	309,859
Computer Peripheral Equipment - 2.13%	
35,000 Xerox Corp.	349,300
Construction Machinery & Equipment - 1.76%	
3,500 Caterpillar Inc.	288,890
Electric & Other Services Combined - 1.12%	
2,800 Duke Energy Corp.	183,680
Electric Services - 0.79%	
4,000 Public Service Enterprises Group, Inc.	129,680
Electronic Computers - 2.08%	
700 Apple, Inc.	341,051
Financial Services - 1.97%	
4,500 American Express Co.	323,595

Archer Balanced Fund**Schedule of Investments**August 31, 2013

<u>Shares/Principal</u>	<u>Fair Value</u>
Food -Retail - 1.52%	
3,800 Nestle S.A. ADR	<u>248,710</u>
Gold & Silver Ores - 1.37%	
11,700 Barrick Gold Corp.	<u>224,055</u>
Hospital & Medical Service Plans - 0.52%	
1,000 WellPoint Inc.	<u>85,140</u>
Heavy Construction Other Than Building Construction - Contractors - 1.55%	
4,000 Fluor Corp.	<u>253,720</u>
National Commercial Banks - 5.30%	
7,500 JPMorgan Chase & Co.	378,975
9,000 US Bancorp.	325,170
4,000 Wells Fargo & Co.	<u>164,320</u>
	<u>868,465</u>
Natural Gas Transmission - 2.31%	
10,000 Kinder Morgan, Inc.	<u>379,300</u>
Oil & Gas Field Machinery & Equipment - 1.81%	
4,000 National Oilwell Varco, Inc.	<u>297,200</u>
Pharmaceutical Preparations - 4.75%	
1,700 Celgene Corp. *	237,966
3,000 Johnson & Johnson, Inc.	259,230
10,000 Pfizer, Inc.	<u>282,100</u>
	<u>779,296</u>
Petroleum Refining - 1.34%	
3,400 Royal Dutch Shell Plc. ADR	<u>219,606</u>
Railroads, Line-Haul Operating - 1.41%	
1,500 Union Pacific Corp.	<u>230,310</u>
Retail - Drug Stores - 2.83%	
8,000 CVS Caremark Corp.	<u>464,400</u>
Retail - Eating Places - 3.56%	
2,600 McDonald's Corp.	245,336
4,800 Starbucks Corp.	<u>338,496</u>
	<u>583,832</u>
Search, Detection, Navigation, Guidance - 1.84%	
4,000 Raytheon Co.	<u>301,640</u>

Archer Balanced Fund

Schedule of Investments

August 31, 2013

<u>Shares/Principal</u>	<u>Fair Value</u>
Semiconductors & Related Devices - 1.88%	
14,000 Intel Corp.	<u>307,720</u>
Services - Computer Programming & Data - 2.33%	
450 Google, Inc. Class A *	<u>381,105</u>
Services - General Medical & Surgical Hospitals, NEC - 1.63%	
7,000 HCA Holdings, Inc.	<u>267,330</u>
Services - Prepackaged Software - 1.83%	
9,000 Microsoft Corp.	<u>300,600</u>
Soap, Detergent, Cleaning Preparations, Perfumes, Cosmetics - 1.90%	
4,000 Procter & Gamble Co.	<u>311,560</u>
TOTAL FOR COMMON STOCK (Cost \$10,121,041) - 69.09%	
	<u>11,325,397</u>
CLOSED-END FUND - 0.52%	
5,000 Western Asset Emerging Markets Debt Fund, Inc.	<u>84,650</u>
TOTAL FOR CLOSED-END FUND (Cost \$108,274) - 0.52%	
	<u>84,650</u>
CORPORATE BONDS - 8.62%	
Banks & Financial Institutions - 0.29%	
50,000 Societe Generale, 1.4162%, 4/22/20 **	<u>48,340</u>
Bituminous Coal & Lignite Surface Mining - 0.31%	
50,000 Peabody Energy Corp., 7.875%, 11/1/26	<u>50,750</u>
Cement, Hydraulic - 0.61%	
100,000 CRH America, Inc., 5.30%, 10/15/13	<u>100,522</u>
Computer & Office Equipment - 0.47%	
75,000 Hewlett-Packard Co., 4.75%, 6/2/14	<u>77,034</u>
Distribution/Wholesale - 0.31%	
50,000 Tech Data Corp., 3.75%, 09/21/17	<u>50,792</u>
Diversified Banking Institution - 0.62%	
100,000 Ally Financial, Inc., 6.70%, 6/15/18	<u>101,100</u>
Electric Services - 0.32%	
50,000 Appalachian Power Co., 4.95%, 2/1/15	<u>52,552</u>
Finance Services - 0.64%	
100,000 Block Financial Corp., 5.125%, 10/30/14	<u>104,470</u>

Archer Balanced Fund
Schedule of Investments
August 31, 2013

<u>Shares/Principal</u>	<u>Fair Value</u>
Integrated Oils - 0.90%	
150,000 Murphy Oil Corp., 4.00%, 06/01/22	<u>146,913</u>
Miscellaneous Business Credit Institution - 0.60%	
100,000 Ford Motor Credit Co. LLC., 1.5141%, 11/20/18 **	<u>98,487</u>
Property & Casualty Insurance - 0.96%	
140,000 Zurich Reinsurance Centre Holdings, Inc., 7.125%, 10/15/23	<u>157,570</u>
Retail - Grocery Stores - 0.32%	
50,000 Safeway, Inc., 4.75%, 12/1/21	<u>51,862</u>
Retail - Lumber & Other Building Material Dealers - 0.46%	
75,000 Home Depot, Inc., 5.25%, 12/16/13	<u>76,007</u>
Security Broker Dealers - 0.31%	
50,000 Morgan Stanley & Co., 3.00%, 08/31/15 **	50,496
Software & Services - 0.60%	
100,000 BMC Software, Inc., 4.50%, 12/01/22	<u>98,000</u>
Sugar & Confectionery Products - 0.64%	
100,000 WM. Wrigley Jr. Co., 4.65%, 7/15/15	<u>105,738</u>
Telephone Communications (No Radio Telephone) - 0.26%	
2,000 QWest Corp., 6.125%, 6/1/53	<u>42,140</u>
TOTAL FOR CORPORATE BONDS (Cost \$1,410,637) - 8.62%	
	<u>1,412,773</u>
EXCHANGE TRADED FUNDS - 4.91%	
1,000 iShares Barclays 20+ Year Treas Bond Fund	105,990
1,000 iShares Barclays Intermediate Credit Bond Fund	107,200
2,000 iShares Floating Rate Bond Fund	101,320
900 iShares JPMorgan USD Emerging Markets Bond Fund	95,544
6,600 JPMorgan Alerian MLP Index ETN	295,284
4,000 PowerShares Senior Loan Port Fund	<u>98,880</u>
TOTAL FOR EXCHANGE TRADED FUNDS (Cost \$792,399) - 4.91%	
	<u>804,218</u>

Archer Balanced Fund**Schedule of Investments****August 31, 2013**

<u>Shares/Principal</u>		<u>Fair Value</u>
MUNICIPAL BONDS - 7.74%		
40,000	Akron, OH Economic Dev., 5.50%, 12/1/15	42,006
25,000	Belding, MI Area Schools, 6.15%, 05/01/2024	26,080
75,000	Bridgeview, IL Stadium & Redev. Projs., 4.76%, 12/1/13	75,781
35,000	Bryan County, OK Indpt School District, 6.554%, 12/01/29	36,610
100,000	Chicago, IL Build America Bonds - Series B, 4.564%, 12/1/20 (a)	103,028
70,000	Gary, IN Community School Bldg., 7.50%, 02/01/29	75,298
99,000	Georgia Loc. Govt., 4.75%, 6/1/28	92,223
30,000	Illinois St., 5.877%, 3/1/19	32,201
55,000	Illinois St. Build America Bonds, 4.85%, 7/1/15	57,901
50,000	Kalamazoo, MI Bldg Auth, 5.40%, 10/1/25	51,078
25,000	Katy Texas Schools, 5.999%, 02/15/2030	27,804
100,000	Kern Cnty, CA Pension Oblg., 0.00%, 8/15/19	70,472
55,000	Moncks Corner, SC Regl Recreation Corp. Build America Bonds, 6.299%, 12/01/2030	55,668
50,000	Reeves Cnty, TX Cops, 5.00%, 12/1/16	51,686
60,000	Reeves Cnty, TX Cops, 6.375%, 12/1/21 (a)	57,455
40,000	Richland Bean Blossom, IN Sch. Bldg. Corp., 5.75%, 01/15/24	41,786
70,000	Saint Clair Cnty, IL School District., 4.00%, 1/1/21	64,173
25,000	Sangamon Cnty, IL School District, 4.00%, 02/01/15	26,105
25,000	Scago, SC Public Facs Corp. for Georgetown Cnty, 6.75%, 12/01/2029	27,307
25,000	Sedona, AZ Wastewater, 0.00%, 07/01/2021	18,019
192,000	Tobacco Settlement Auth Iowa, 6.50%, 6/1/23	178,118
60,000	University Enterprises Inc. CA, 5.25%, 10/1/20 (a)	57,541
TOTAL FOR MUNICIPAL BONDS (Cost \$1,320,183) - 7.74%		<u>1,268,340</u>
SENIOR NOTE - 0.30%		
Cellular Telecommunications - 0.30%		
2,000	US Cellular Corp., PFD 6.95%, 5/15/60	49,060
TOTAL FOR SENIOR NOTE (Cost \$49,920) - 0.30%		<u>49,060</u>
STRUCTURED NOTES - 3.34%		
93,000	Citigroup, Inc., 3.00%, 12/23/19 (a)	97,250
50,000	Morgan Stanley, 3.00%, 11/9/19 **	52,063
200,000	Suntrust Bank, Atlanta, GA, 0.00%, 9/22/14	254,971
100,000	Suntrust Bank, Atlanta, GA, 0.00%, 3/27/14	142,587
TOTAL FOR STRUCTURED NOTES (Cost \$451,181) - 3.34%		<u>546,871</u>
REAL ESTATE INVESTMENT TRUSTS - 3.12%		
10,000	Duke Realty Corp.	145,900
500	PS Business Parks Inc. Series T, PFD 6.00%	10,775
2,000	Public Storage	305,340
2,000	Public Storage Series P, PFD 6.50%	49,593
TOTAL FOR REAL ESTATE INVESTMENT TRUSTS (Cost \$521,265) - 3.12%		<u>511,608</u>

Archer Balanced Fund
Schedule of Investments
August 31, 2013

<u>Shares/Principal</u>	<u>Fair Value</u>
PREFERRED SECURITIES - 0.67%	
3,000 PNC Financial Services Group, Inc. Series Q, 5.375%, 12/31/49	65,520
2,000 Wells Fargo & Co. Series P, 5.25%, 12/31/49	44,160
TOTAL FOR PREFERRED SECURITIES (Cost \$124,310) - 0.67%	<u>109,680</u>
SHORT TERM INVESTMENTS - 1.62%	
266,127 Fidelity Institutional Money Market Portfolio 0.10% ** (Cost \$266,127)	<u>266,127</u>
TOTAL INVESTMENTS (Cost \$15,165,337) - 99.93%	<u>16,378,724</u>
OTHER ASSETS LESS LIABILITIES - 0.07%	<u>12,042</u>
NET ASSETS - 100.00%	<u><u>\$16,390,766</u></u>

(a) Categorized as Level 2 of the fair value hierarchy. Refer to Note 3 of the accompanying notes to the financial statements for additional information.

* Non-income producing

** Variable rate security; the coupon rate shown represents the yield at August 31, 2013.

ADR - American Depository Receipt

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

Archer Income Fund
Schedule of Investments
August 31, 2013

<u>Shares/Principal</u>	<u>Fair Value</u>
CLOSED-END FUND - DEBT - 0.53%	
2,000 Western Asset Emerging Market Debt Fund, Inc.	\$ 33,860
TOTAL FOR CLOSED-END FUND (Cost \$40,462) - 0.53%	<u>33,860</u>
CORPORATE BONDS - 37.72%	
Aerospace/Defense - Major Diversified - 1.17%	
75,000 Exelis, Inc. 5.55%, 10/01/21	<u>74,522</u>
Banks & Financial Institutions - 0.76%	
50,000 Societe Generale, 1.4162%, 4/22/20 (France) **	<u>48,340</u>
Beverages - Non-Alcoholic - 0.83%	
50,000 Cott Beverages, Inc., 8.375%, 11/15/17	<u>52,872</u>
Bituminous Coal & Lignite Surface Mining - 0.80%	
50,000 Peabody Energy Corp., 7.875%, 11/1/26	<u>50,750</u>
Brewery - 1.62%	
250,000 Ambev Intl. Finance Co., 9.50%, 7/24/17 (Cayman Islands) (a) **	<u>103,052</u>
Commercial Banks - Western US - 0.79%	
50,000 Zions Bancorp, 5.50%, 5/10/16	<u>50,125</u>
Commercial Service - Finance - 1.02%	
800,000 GE Capital Corp., 8.87%, 06/02/18	<u>64,576</u>
Computer & Office Equipment - 2.34%	
100,000 Hewlett-Packard, 4.375%, 09/15/21	97,643
50,000 Lexmark, Int'l, Inc., 5.125%, 03/15/20	<u>50,725</u>
	148,368
Consumer Products - 0.85%	
50,000 Avon Products, Inc., 5.75%, 03/01/18	<u>54,099</u>
Distribution/Wholesale - 2.38%	
100,000 Ingram Micro, Inc., 5.00%, 08/10/22	100,631
50,000 Tech Data Corp., 3.75%, 09/21/17	<u>50,792</u>
	151,423

Archer Income Fund
Schedule of Investments
August 31, 2013

<u>Shares/Principal</u>	<u>Fair Value</u>
Diversified Banking Institution - 2.45%	
66,000 Ally Financial, Inc., 6.70%, 6/15/18	66,726
100,000 Bank of America Corp., 6.75%, 9/9/13 (a)	89,050
	<u>155,776</u>
Diversified Financial Services - 1.42%	
100,000 GE Capital Australia, 6.75%, 2/18/14 (Australia) (a)	90,450
	<u>90,450</u>
Electric & Other Services Combined - 0.91%	
50,000 CMS Energy, Inc., 6.25%, 2/01/20	57,600
	<u>57,600</u>
Enterprise Software/Services - 1.53%	
100,000 BMC Software, Inc., 4.25%, 02/15/22	97,196
	<u>97,196</u>
Finance Services - 0.79%	
50,000 Morgan Stanley, 4.90%, 2/23/17	49,997
	<u>49,997</u>
Guided Missiles & Space Vehicles & Parts - 0.84%	
50,000 Alliant Techsystems, Inc., 6.875%, 9/15/20	53,375
	<u>53,375</u>
Medical - Generic Drugs - 1.38%	
75,000 Watson Pharmaceuticals, Inc. 6.125%, 8/15/19	87,697
	<u>87,697</u>
Metal Mining - 1.46%	
100,000 Cliffs Natural Resources, Inc., 4.875%, 4/01/21	92,794
	<u>92,794</u>
Miscellaneous Business Credit Institution - 1.59%	
50,000 Ford Credit Canada Ltd., 7.50%, 8/18/15 (Canada)	51,650
50,000 Ford Motor Credit Co. LLC., 1.5141%, 11/20/18 **	49,244
	<u>100,894</u>
Multimedia - 0.84%	
50,000 Time Warner Inc., 4.75%, 3/29/21	53,130
	<u>53,130</u>
Oil Company - Exploration & Production - 2.62%	
100,000 Southwestern Energy Co., 7.125%, 10/10/17	113,291
50,000 Whiting Petroleum Corp., 6.50%, 10/01/18	53,312
	<u>166,603</u>
Property & Casualty Insurance - 0.91%	
50,000 Berkshire Hathaway, Inc., 7.125%, 10/15/23	57,695
	<u>57,695</u>
Retail - Department Stores - 0.60%	
35,000 Dillards, Inc., 7.75%, 7/15/26	37,975
	<u>37,975</u>
Retail - Discretionary - 1.54%	
100,000 Staples, Inc., 4.375%, 1/12/23	97,700
	<u>97,700</u>

Archer Income Fund
Schedule of Investments
August 31, 2013

<u>Shares/Principal</u>	<u>Fair Value</u>
Security Broker Dealers - 0.79%	
50,000 Morgan Stanley & Co., 3.00%, 08/31/15 **	50,496
State Commercial Banks - 0.79%	
50,000 United Comm BK Blairsvll, GA, 6.00%, 8/13/18 (a)	<u>50,250</u>
Steel Works, Blast Furnaces, Rolling Mills (Coke Ovens) - 1.21%	
75,000 Arcelormittal, 3.75%, 3/1/16	<u>76,875</u>
Supranational Bank - 0.77%	
650,000 International Bank Recon & Dev., 6.50%, 9/11/13	<u>48,600</u>
Telephone Communications (No Radio Telephone) - 1.76%	
50,000 Indiana Bell Tel Co. Inc., 7.30%, 8/15/26	59,383
2,500 QWest Corp., 6.125%, 6/1/53	<u>52,675</u>
	<u>112,058</u>
Television Broadcasting Stations - 0.96%	
54,000 CBS Broadcasting, Inc. 7.125%, 11/01/23	<u>61,240</u>
TOTAL FOR CORPORATE BONDS (Cost \$2,472,175) - 37.72%	
	<u>2,396,528</u>
EXCHANGE TRADED FUNDS - 12.79%	
500 iShares Barclays 20+ Year Treas Bond	52,995
800 iShares Barclays Intermediate Credit Bond	85,760
500 iShares Barclays MBS Bond	52,125
2,000 iShares Floating Rate Bond	101,320
1,000 iShares iBoxx \$ Invest Grade Corp Bond	113,050
500 iShares JPMorgan USD Emerg Markets Bond	53,080
3,000 PowerShares Build America Bond	81,780
6,000 PowerShares Preferred	82,560
2,000 PowerShares Senior Loan Port	49,440
1,200 SPDR Barclays Capital Long Term Treasury	74,547
800 Vanguard Intermediate-Term Corp. Bond Idx ETF	<u>65,968</u>
TOTAL FOR EXCHANGE TRADED FUNDS (Cost \$818,092) - 12.79%	
	<u>812,625</u>

Archer Income Fund
Schedule of Investments
August 31, 2013

<u>Shares/Principal</u>	<u>Fair Value</u>
MUNICIPAL BONDS - 31.08%	
25,000 Brier Creek, IN School Bldg. Corp., 6.08%, 7/15/24	27,177
35,000 Caddo County OK Gov't Bldg., 5.858%, 9/01/25	35,308
50,000 Chicago, IL Build America Bonds - Series B, 4.564%, 12/1/20 (a)	51,514
60,000 City of Akron OH, 5.50%, 12/01/15	63,008
25,000 City of Auburndale FL, 4.30%, 12/01/26 (a)	24,700
30,000 Cleveland, OH Income Tax Revenue Build America Bonds, 6.06%, 10/1/26	32,483
50,000 Commonwealth of Puerto Rico, 5.50%, 7/01/14	51,091
50,000 County of Clark NV, 6.36%, 11/1/24	55,780
50,000 County of Reeves TX, 5.00%, 12/1/16	51,686
25,000 County of Reeves TX, 6.75%, 12/01/19	25,547
40,000 County of Reeves TX, 6.375%, 12/21/21 (a)	38,304
50,000 Dickinson County MI, 4.80%, 11/01/18	51,712
100,000 Erie County NY Tobacco Asset Corp, 6.00%, 6/1/28	91,226
35,000 Evansville, IN Redevelopment Authority, 6.15%, 2/01/24	36,500
40,000 Evansville, IN Redevelopment BAB, 6.86%, 2/01/29	42,834
25,000 Fresno County, CA Pension, Series A, 4.928%, 8/15/19	25,434
50,000 Georgia Local Government, 4.75%, 6/1/28	46,578
50,000 Hoboken NJ Services, 5.33%, 2/01/18	49,591
65,000 Hudson County, NJ 6.89%, 03/01/26	68,086
50,000 Illinois St. Build America Bonds, 4.85%, 7/1/15	52,638
88,000 Iowa Tobacco Settlement Authority, 6.50%, 6/1/23	81,638
50,000 Macomb, MI Interceptor Drain Dist Build America Bonds, Series A, 4.95%, 5/1/25	50,711
25,000 Missouri State Health & Educational Fac., 5.80%, 10/01/23	26,032
25,000 Mountain Iron-Buhl, MN Indep Sch Dist, Series A, 6.30%, 2/1/19	28,953
75,000 Nassau County, NY Series F, 6.80%, 10/01/27	81,854
20,000 North Vernon, IN 5.125%, 2/01/24	19,698
25,000 Oregon State Sch Brds Assn Pension, Series B, 5.45%, 6/30/24	26,857
75,000 Public Finance Authority, WI 5.75%, 6/1/23 (a)	74,281
30,000 Saint Clair County, IL School District No. 189 East St. Louis, 4.00%, 1/1/21	27,503
50,000 State of Illinois, 5.665%, 3/1/18	53,360
70,000 State of Illinois, 5.877%, 3/1/19	75,135
50,000 State of Illinois, 6.200%, 7/01/21	53,833
75,000 State of Illinois, 4.95%, 6/1/23	73,549
120,000 TSACS Inc., NY 4.75%, 6/1/22	110,363
100,000 University of Central Florida, 5.125, 10/01/20 (a)	96,350
35,000 Van Buren MI Public Schools Build America Bonds, 6.43%, 5/1/29	37,597
25,000 Village of Bridgeview IL, 4.76%, 12/01/13	25,260
75,000 Westfield County IN Option Income Tax Revenue 3.50%, 11/01/16	75,199
35,000 Worcester County, MD 2.50%, 12/01/18	35,603
TOTAL FOR MUNICIPAL BONDS (Cost \$2,038,006) - 31.08%	<u>1,974,973</u>

Archer Income Fund
Schedule of Investments
August 31, 2013

<u>Shares/Principal</u>	<u>Fair Value</u>
PREFERRED SECURITIES - 3.86%	
2,000 Citigroup, Inc., PFD 5.80%, 12/31/49 Series C	44,000
50,000 Edison International, PFD 6.25%, 8/01/49 Series E **	52,568
2,500 First Republic Bank, PFD 6.70%, 12/31/49	61,175
3,000 PNC Financial Services Group, Inc., 5.375%, 12/31/49	65,520
1,000 Wells Fargo & Co., PFD 5.25%, 12/31/49 Series P	22,080
TOTAL FOR PREFERRED SECURITIES (Cost \$258,660) - 3.86%	<u>245,343</u>
REAL ESTATE INVESTMENT TRUSTS - 4.64%	
REITS - Diversified - 4.64%	
2,500 Digital Realty Trust, PFD 6.625%, Series F	56,975
5,500 Duke Realty Corp., PFD 6.50%, Series K	129,748
3,000 Public Storage, PFD 5.20%, 12/31/49	61,410
2,000 Regency Centers Corp., PFD 6.625%, 12/03/49, Series 6	46,800
TOTAL FOR REAL ESTATE INVESTMENT TRUST (Cost \$320,790) - 4.64%	<u>294,933</u>
SENIOR NOTE - 1.54%	
Cellular Telecommunications - 1.54%	
4,000 US Cellular Corp., PFD 6.95%, 5/15/60	98,120
TOTAL FOR SENIOR NOTE (Cost \$99,840) - 1.54%	<u>98,120</u>
STRUCTURED NOTES - 3.57%	
Diversified Banking Institution - 3.57%	
75,000 Goldman Sachs Group, Inc., 10.00%, 9/5/28 **	73,500
100,000 Morgan Stanley, 3.00%, 8/30/15 **	101,120
50,000 Morgan Stanley & Co., 3.00%, 11/9/19 **	52,062
TOTAL FOR STRUCTURED NOTES (Cost \$225,770) - 3.57%	<u>226,682</u>
SHORT TERM INVESTMENTS - 4.37%	
277,722 Fidelity Institutional Money Market 0.10% ** (Cost \$277,722)	<u>277,722</u>
TOTAL INVESTMENTS (Cost \$6,551,517) - 100.10%	<u>6,360,786</u>
LIABILITIES IN EXCESS OF OTHER ASSETS - (0.10)%	<u>(6,400)</u>
NET ASSETS - 100.00%	<u><u>\$ 6,354,386</u></u>

(a) Categorized as Level 2 of the fair value hierarchy. Refer to Note 3 of the accompanying notes to the financial statements for additional information.

** Variable rate security; the coupon rate shown represents the yield at August 31, 2013.

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

Archer Stock Fund
Schedule of Investments
August 31, 2013

<u>Shares/Principal</u>	<u>Fair Value</u>
COMMON STOCK - 97.93%	
Accident & Health Insurance - 1.79%	
2,000 Reinsurance Group of America, Inc.	\$ 129,620
Agriculture Chemicals - 3.86%	
750 CF Industries Holdings	142,755
1,400 Monsanto Co.	137,046
	279,801
Air Courier Services - 1.90%	
13,000 Air T, Inc.	137,280
Asset Management - 3.82%	
2,000 Cognizant Technology Solutions Corp. *	146,600
500 Blackrock, Inc.	130,160
	276,760
Biological Products (No Diagnostic Substances) - 2.11%	
1,400 Amgen, Inc.	152,516
Business Services - 1.93%	
800 Visa, Inc. Class A	139,536
Commercial Banks, NEC - 1.99%	
25,000 Banco Santander (Brasil) S.A.	144,250
Communication Services, NEC - 1.85%	
2,300 DIRECTV, Inc. *	133,814
Computer Peripheral Equipment - 2.07%	
15,000 Xerox Corp	149,700
Computer Storage Devices - 2.10%	
5,900 EMC Corp.	152,102
Farm Products - 2.09%	
2,000 Bunge Ltd.	151,560
Industrial Trucks Tractors Trailers & Stackers - 1.96%	
4,900 Terex Corp.	142,100
Life Insurance - 1.91%	
3,000 MetLife, Inc.	138,570

Archer Stock Fund
Schedule of Investments
August 31, 2013

<u>Shares/Principal</u>	<u>Fair Value</u>
Measuring & Controlling Devices - 1.96%	
1,600 Thermo Fisher Scientific, Inc.	142,128
Mining Machinery & Equipment (No Oil & Gas Field) - 1.97%	
2,900 Joy Global, Inc.	142,448
Miscellaneous Manufacturing Industries - 2.06%	
7,900 International Game Technology	149,231
Motor Vehicle Parts & Accessories - 1.96%	
6,300 Gentex Corp.	141,939
Motor Vehicle & Passenger Car Bodies - 2.08%	
4,400 Navistar International Corp. *	150,788
National Commercial Banks - 1.74%	
2,500 JP Morgan Chase & Co.	126,325
Oil & Gas Equipment & Services - 1.99%	
3,000 Halliburton Co.	144,000
Oil & Gas Fielded Machinery & Equipment - 2.15%	
2,100 National Oilwell Varco, Inc.	156,030
Oil & Gas Field Services - 3.83%	
1,800 Oceaneering International, Inc.	139,644
1,700 Schlumberger Ltd. N.V.	137,598
	277,242
Orthopedic, Prosthetic & Surgical Appliances & Supplies - 1.35%	
5,120 Exactech, Inc. *	97,485
Personal Computers - 2.02%	
300 Apple, Inc.	146,165
Personal Credit Institutions - 1.63%	
2,500 Discover Financial Services	118,125
Petroleum Refining - 1.92%	
4,100 Suncor Energy, Inc.	138,867
Pharmaceutical Preparations - 3.97%	
2,200 Roche Holding, Ltd. ADR	136,972
900 Novo Nordisk ADR	150,246
	287,218

Archer Stock Fund
Schedule of Investments
August 31, 2013

<u>Shares/Principal</u>	<u>Fair Value</u>
Public Building & Related Furniture - 2.35%	
2,500 BE Aerospace, Inc. *	170,475
Radio & TV Broadcasting & Communications - 3.90%	
2,300 Qualcomm, Inc.	152,444
7,500 Orbital Sciences Corp. *	130,200
	282,644
Railroad Equipment - 2.15%	
4,400 American Railcar Industries, Inc.	155,628
Railroads, Line-Haul Operating - 1.89%	
1,900 Norfolk Southern Corp.	137,104
Retail-Grocery Stores - 2.02%	
3,800 Natural Grocers by Vitamin Cottage, Inc. *	146,490
Retail - Miscellaneous Shopping Goods Store - 2.14%	
2,800 First Cash Financial Services, Inc. *	154,756
Retail - Variety Stores - 1.96%	
2,700 Dollar Tree, Inc. *	142,290
Services - Advertising - 1.99%	
6,800 ValueClick, Inc. *	143,888
Services - Auto Rental & Leasing (No Drivers) - 1.84%	
2,400 Ryder System, Inc.	133,464
Services - Business Services, NEC - 1.66%	
2,400 eBay, Inc. *	119,976
Services - Computer Programming - 3.68%	
3,600 Synaptics, Inc. *	139,176
150 Google, Inc. Class A *	127,035
	266,211
Services - Educational Services - 2.14%	
4,500 Grand Canyon Education, Inc. *	155,295
Services - Medical Laboratories - 2.20%	
5,500 Bio-Reference Laboratories Inc. *	159,115
Services - Prepackaged Software - 1.98%	
4,500 Oracle Corp.	143,370

Archer Stock Fund
Schedule of Investments
August 31, 2013

<u>Shares/Principal</u>	<u>Fair Value</u>
Textile - Apparel Clothing - 1.89%	
2,300 Hanes Brands, Inc.	136,804
Wholesale - Drugs Proprietaries & Druggist - 2.08%	
1,800 Nu Skin Enterprises, Inc., Class A	150,678
Wholesale - Electrical Apparatus & Equipment, Wiring Supplies - 2.05%	
2,900 Enersys, Inc.	148,712
TOTAL FOR COMMON STOCK (Cost \$6,278,793) - 97.93%	7,092,500
SHORT-TERM INVESTMENTS - 1.71%	
124,263 Fidelity Institutional Money Market Portfolio 0.10%** (Cost \$124,263)	124,263
TOTAL INVESTMENTS (Cost \$6,403,056) - 99.64%	7,216,763
OTHER ASSETS LESS LIABILITIES - 0.36%	26,010
NET ASSETS - 100.00%	\$ 7,242,773

* Non-income producing

** Variable rate security; the coupon rate shown represents the yield at August 31, 2013.

ADR - American Depository Receipt

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

The Archer Funds

Statement of Assets and Liabilities

August 31, 2013

Assets:	<u>Balanced Fund</u>	<u>Income Fund</u>	<u>Stock Fund</u>
Investments in Securities, at Value (Cost \$15,165,337, \$6,551,517, and \$6,403,056, respectively)	\$ 16,378,724	\$ 6,360,786	\$ 7,216,763
Cash	30,634	-	-
Receivables			
Subscriptions	3,200	2,500	2,500
Investments Sold	-	-	289,181
From Advisor	10,825	3,158	570
Interest	33,508	66,853	10
Dividend	32,423	2,567	8,925
Prepaid Expenses	16,339	6,040	6,169
Total Assets	<u>16,505,653</u>	<u>6,441,904</u>	<u>7,524,118</u>
Liabilities:			
Payables:			
Investments Purchased	85,409	73,875	266,877
Due to Administrator	7,029	2,525	3,102
Due to Trustees	1,141	588	503
Accrued Expenses	21,308	10,530	10,863
Total Liabilities	<u>114,887</u>	<u>87,518</u>	<u>281,345</u>
Net Assets	<u>\$ 16,390,766</u>	<u>\$ 6,354,386</u>	<u>\$ 7,242,773</u>
Net Assets Consist of:			
Paid In Capital	\$ 16,613,106	\$ 6,678,791	\$ 6,416,548
Accumulated Undistributed Net Investment Income (Loss)	129,881	31,471	-
Accumulated Net Realized Gain (Loss) on Investments	(1,565,608)	(165,145)	12,518
Net Unrealized Appreciation (Depreciation) in Value of Investments	1,213,387	(190,731)	813,707
Net Assets (unlimited shares authorized; 1,729,580, 328,598, and 210,613 shares outstanding, respectively)	<u>\$ 16,390,766</u>	<u>\$ 6,354,386</u>	<u>\$ 7,242,773</u>
Net Asset Value and Offering Price Per Share	<u>\$ 9.48</u>	<u>\$ 19.34</u>	<u>\$ 34.39</u>
Redemption Price Per Share (\$9.48 x 0.995), (\$19.34 x 0.99), & (\$34.39 x 0.99), respectively *	<u>\$ 9.43</u>	<u>\$ 19.15</u>	<u>\$ 34.05</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.

The Archer Funds
Statements of Operations
For the year ended August 31, 2013

	Balanced Fund	Income Fund	Stock Fund
Investment Income:			
Dividends (net of foreign withholding taxes of \$4,792, \$0, and \$418, respectively)	\$ 321,213	\$ 65,452	\$ 82,863
Interest	207,831	188,866	216
Total Investment Income	<u>529,044</u>	<u>254,318</u>	<u>83,079</u>
Expenses:			
Advisory Fees (a)	117,427	28,556	44,392
Transfer Agent	32,255	17,398	17,745
Administrative (a)	78,285	30,746	31,923
Registration	39,457	11,744	12,433
Legal	21,153	6,015	6,987
Audit	18,097	7,999	8,042
Custody	5,490	3,650	5,545
Trustee	2,340	1,000	1,000
Miscellaneous	3,043	2,323	1,507
Insurance	3,428	1,241	1,254
Printing and Mailing	2,512	1,082	977
Total Expenses	<u>323,487</u>	<u>111,754</u>	<u>131,805</u>
Fees Waived and Reimbursed by the Advisor (a)	<u>(135,604)</u>	<u>(43,219)</u>	<u>(45,980)</u>
Net Expenses	<u>187,883</u>	<u>68,535</u>	<u>85,825</u>
Net Investment Income (Loss)	<u>341,161</u>	<u>185,783</u>	<u>(2,746)</u>
Realized and Unrealized Gain (Loss) on Investments:			
Net Realized Gain (Loss) on Investments	120,210	(56,125)	323,220
Capital Gain Distributions from Portfolio Company	6,145	707	-
Net Change in Unrealized Appreciation (Depreciation) on Investments	677,245	(354,874)	568,608
Net Realized and Unrealized Gain (Loss) on Investments	<u>803,600</u>	<u>(410,292)</u>	<u>891,828</u>
Net Increase (Decrease) in Net Assets Resulting from Operations	<u>\$ 1,144,761</u>	<u>\$ (224,509)</u>	<u>\$ 889,082</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

	Years Ended	
	8/31/2013	8/31/2012
Increase in Net Assets From Operations:		
Net Investment Income	\$ 341,161	\$ 404,779
Net Realized Gain on Investments and Call Options Written	120,210	33,518
Capital Gain Distributions from Portfolio Company	6,145	1,040
Net Change in Unrealized Appreciation on Investments	677,245	535,775
Net Increase in Net Assets Resulting from Operations	1,144,761	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	2,499,709	3,220,546
Shares Issued on Reinvestment of Dividends	411,019	345,950
Early Redemption Fees *	-	-
Cost of Shares Redeemed	(2,681,269)	(2,708,542)
Net Increase from Capital Share Transactions	229,459	857,954
Net Assets:		
Net Increase in Net Assets	957,985	1,483,972
Beginning of Year	15,432,781	13,948,809
End of Year (Including Accumulated Undistributed Net Investment Income of \$129,881 and \$204,955, respectively)	\$ 16,390,766	\$ 15,432,781
Share Transactions:		
Shares Sold	268,513	368,469
Shares Issued on Reinvestment of Dividends	46,920	40,700
Shares Redeemed	(292,832)	(309,141)
Net Increase in Shares	22,601	100,028
Outstanding at Beginning of Year	1,706,979	1,606,951
Outstanding at End of Year	1,729,580	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

Statement of Changes in Net Assets

	Years Ended	
	8/31/2013	8/31/2012
Increase (Decrease) in Net Assets From Operations:		
Net Investment Income	\$ 185,783	\$ 186,018
Net Realized Loss on Investments	(56,125)	(105,117)
Capital Gain Distributions from Portfolio Company	707	1,157
Net Change in Unrealized Appreciation (Depreciation) on Investments	(354,874)	151,382
Net Increase (Decrease) in Net Assets Resulting from Operations	(224,509)	233,440
Distributions to Shareholders:		
Net Investment Income	(169,842)	(235,954)
Realized Gains	-	(4,922)
Total Distributions	(169,842)	(240,876)
Capital Share Transactions:		
Proceeds from Sale of Shares	2,427,956	2,505,483
Shares Issued on Reinvestment of Dividends	164,062	228,132
Early Redemption Fees *	-	-
Cost of Shares Redeemed	(624,329)	(564,488)
Net Increase from Capital Share Transactions	1,967,689	2,169,127
Net Assets:		
Net Increase in Net Assets	1,573,338	2,161,691
Beginning of Year	4,781,048	2,619,357
End of Year (Including Accumulated Undistributed Net Investment Income of \$31,471 and \$15,530, respectively)	\$ 6,354,386	\$ 4,781,048
Share Transactions:		
Shares Sold	118,739	122,186
Shares Issued on Reinvestment of Dividends	8,102	11,431
Shares Redeemed	(30,506)	(27,452)
Net Increase in Shares	96,335	106,165
Outstanding at Beginning of Year	232,263	126,098
Outstanding at End of Year	328,598	232,263

* 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

Statement of Changes in Net Assets

	Years Ended	
	8/31/2013	8/31/2012
Increase (Decrease) in Net Assets From Operations:		
Net Investment Loss	\$ (2,746)	\$ (10,545)
Net Realized Gain (Loss) on Investments	323,220	(177,239)
Net Change in Unrealized Appreciation on Investments	568,608	472,388
Net Increase in Net Assets Resulting from Operations	889,082	284,604
Distributions to Shareholders:		
Net Investment Income	-	-
Total Distributions	-	-
Capital Share Transactions:		
Proceeds from Sale of Shares	1,835,805	2,000,078
Shares Issued on Reinvestment of Dividends	-	-
Early Redemption Fees *	-	-
Cost of Shares Redeemed	(399,836)	(267,557)
Net Increase from Capital Share Transactions	1,435,969	1,732,521
Net Assets:		
Net Increase in Net Assets	2,325,051	2,017,125
Beginning of Year	4,917,722	2,900,597
End of Year (Including Accumulated Undistributed Net Investment Income of \$0 and \$0, respectively)	\$ 7,242,773	\$ 4,917,722
Share Transactions:		
Shares Sold	56,677	71,061
Shares Issued on Reinvestment of Dividends	-	-
Shares Redeemed	(12,918)	(9,406)
Net Increase in Shares	43,759	61,655
Outstanding at Beginning of Year	166,854	105,199
Outstanding at End of Year	210,613	166,854

* 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.

	For the Years Ended				
	8/31/2013	8/31/2012	8/31/2011	8/31/2010	8/31/2009
Net Asset Value, at Beginning of Period	\$ 9.04	\$ 8.68	\$ 8.24	\$ 8.09	\$ 9.68
Income (Loss) From Investment Operations:					
Net Investment Income *	0.20	0.24	0.19	0.16	0.17
Net Gain (Loss) on Securities (Realized and Unrealized)	0.49	0.33	0.43	0.19	(1.48)
Total from Investment Operations	0.69	0.57	0.62	0.35	(1.31)
Distributions:					
Net Investment Income	(0.25)	(0.21)	(0.18)	(0.20)	(0.28)
Realized Gains	0.00	0.00	0.00	0.00	0.00
Total from Distributions	(0.25)	(0.21)	(0.18)	(0.20)	(0.28)
Proceeds from Redemption Fees **	-	-	-	-	-
Net Asset Value, at End of Period	\$ 9.48	\$ 9.04	\$ 8.68	\$ 8.24	\$ 8.09
Total Return ***	7.85%	6.76%	7.54%	4.23%	(13.28)%
Ratios/Supplemental Data:					
Net Assets at End of Period (Thousands)	\$ 16,391	\$ 15,433	\$ 13,949	\$ 14,021	\$ 10,490
Before Waivers and Reimbursements					
Ratio of Expenses to Average Net Assets	2.07%	2.16%	2.00%	2.01%	2.93%
Ratio of Net Investment Income to Average Net Assets	1.31%	1.83%	1.30%	1.06%	0.57%
After Waivers and Reimbursements					
Ratio of Expenses to Average Net Assets	1.20%	1.20%	1.20%	1.20%	1.20%
Ratio of Net Investment Income to Average Net Assets	2.18%	2.79%	2.10%	1.87%	2.29%
Portfolio Turnover	77.01%	76.14%	69.95%	77.73%	79.42%

* 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.

	Years Ended		Period Ended (b)
	8/31/2013	8/31/2012	8/31/2011
Net Asset Value, at Beginning of Period	\$ 20.58	\$ 20.77	\$ 20.00
Income (Loss) From Investment Operations:			
Net Investment Income *	0.66	1.03	0.73
Net Gain on Securities (Realized and Unrealized)	(1.29)	0.20	0.04
Total from Investment Operations	(0.63)	1.23	0.77
Distributions:			
Net Investment Income	(0.61)	(1.39)	-
Realized Gains	-	(0.03)	-
Total from Distributions	(0.61)	(1.42)	-
Proceeds from Redemption Fees **	-	-	-
Net Asset Value, at End of Period	\$ 19.34	\$ 20.58	\$ 20.77
Total Return ***	(3.15)%	6.26%	3.85% (a)
Ratios/Supplemental Data:			
Net Assets at End of Period (Thousands)	\$ 6,354	\$ 4,781	\$ 2,619
Before Waivers and Reimbursements			
Ratio of Expenses to Average Net Assets	1.96%	2.57%	4.21% †
Ratio of Net Investment Income to Average Net Assets	2.49%	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	3.25%	5.04%	7.44% †
Portfolio Turnover	18.32%	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.

	Years Ended		Period Ended (b)
	8/31/2013	8/31/2012	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) *	(0.01)	(0.07)	(0.03)
Net Gain (Loss) on Securities (Realized and Unrealized)	4.93	1.97	(2.40)
Total from Investment Operations	4.92	1.90	(2.43)
Distributions:			
Net Investment Income	-	-	-
Realized Gains	-	-	-
Total from Distributions	-	-	-
Proceeds from Redemption Fees **	-	-	-
Net Asset Value, at End of Period	\$ 34.39	\$ 29.47	\$ 27.57
Total Return ***	16.69%	6.89%	(8.10)% (a)
Ratios/Supplemental Data:			
Net Assets at End of Period (Thousands)	\$ 7,243	\$ 4,918	\$ 2,901
Before Waivers and Reimbursements			
Ratio of Expenses to Average Net Assets	2.22%	2.78%	3.99% †
Ratio of Net Investment Loss to Average Net Assets	(0.82)%	(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	(0.05)%	(0.26)%	(0.24)% †
Portfolio Turnover	195.28%	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.

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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 2010-2012 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 year ended August 31, 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.

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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 year ended August 31, 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 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 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

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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 (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.

Each investment asset or liability of the Funds is assigned a level at measurement date based on the significance and source of the inputs to its valuation. 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.

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The following is a summary of inputs used as of August 31, 2013 in valuing the Balanced Fund's investments carried at value:

BALANCED FUND

Investments in Securities	Level 1	Level 2	Level 3	Total
Common Stocks	\$ 11,325,397	\$ -	\$ -	\$ 11,325,397
Closed-End Funds	84,650	-	-	84,650
Corporate Bonds	1,412,773	-	-	1,412,773
Exchange Traded Funds	804,218	-	-	804,218
Senior Note	49,060	-	-	49,060
Structured Notes	449,621	97,250	-	546,871
Real Estate Investment Trusts	511,608	-	-	511,608
Preferred Securities	109,680	-	-	109,680
Municipal Bonds	1,050,316	218,024	-	1,268,340
Short-Term Investments:				
Fidelity Institutional Money Market	266,127	-	-	266,127
	<u>\$ 16,063,450</u>	<u>\$ 315,274</u>	<u>\$ -</u>	<u>\$ 16,378,724</u>

The following table sets forth a summary of the changes in the fair value of the Balanced Fund's level 3 investments for the year ended August 31, 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 August 31, 2013	<u>\$ -</u>

The following table sets forth a summary of the changes in the fair value of the Balanced Fund's level 2 investments for the year ended August 31, 2013:

	Investments
Balance Beginning at August 31, 2012	\$ -
Accrued Accretion/(Amortization)	-
Change in Unrealized Appreciation/(Depreciation)	-
Realized Gain/(Loss)	-
Purchases/Sales	-
Transfers In/(Out) of Level 2	315,274
Balance End at August 31, 2013	<u>\$ 315,274</u>

The following is a summary of inputs used as of August 31, 2013 in valuing the Income Fund's investments carried at value:

INCOME FUND

Investments in Securities	Level 1	Level 2	Level 3	Total
Closed-End Fund - Debt	\$ 33,860	\$ -	\$ -	\$ 33,860
Corporate Bonds	2,063,726	332,802	-	2,396,528
Exchange Traded Funds	812,625	-	-	812,625
Municipal Bonds	1,689,824	285,149	-	1,974,973
Preferred Securities	245,343	-	-	245,343
Real Estate Investment Trusts	294,933	-	-	294,933
Senior Note	98,120	-	-	98,120

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Structured Note	226,682	-	-	226,682
Short-Term Investments:				
Fidelity Institutional Money Market	277,722	-	-	277,722
	<u>\$ 5,742,835</u>	<u>\$ 617,951</u>	<u>\$ -</u>	<u>\$ 6,360,786</u>

The Income Fund did not hold any derivative instruments at any time during the period ended August 31, 2013.

The following table sets forth a summary of the changes in the fair value of the Income Fund's level 2 investments for the year ended August 31, 2013:

	Investments
Balance Beginning at August 31, 2012	\$ -
Accrued Accretion/(Amortization)	-
Change in Unrealized Appreciation/(Depreciation)	-
Realized Gain/(Loss)	-
Purchases/Sales	-
Transfers In/(Out) of Level 2	<u>617,951</u>
Balance End at August 31, 2013	<u>\$ 617,951</u>

The following is a summary of inputs used as of August 31, 2013 in valuing the Stock Fund's investments carried at value:

STOCK FUND

Investments in Securities	Level 1	Level 2	Level 3	Total
Common Stocks	\$ 7,092,500	\$ -	\$ -	\$ 7,092,500
Short-Term Investments:				
Fidelity Institutional Money Market	124,263	-	-	124,263
	<u>\$ 7,216,763</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,216,763</u>

There were no significant transfers into or out of Level 1, Level 2, or Level 3 during the period. It is the Stock Fund's policy to recognize transfers into and out of Level 1, Level 2, and Level 3 at the end of the reporting period. The Stock Fund did not hold any derivative instruments at any time during the period ended August 31, 2013.

NOTE 4. DERIVATIVE TRANSACTIONS

As of August 31, 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 year ended August 31, 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:

	<u>Asset Derivatives</u>
Investment in Securities, at Value	
Schedule of Investments - Structured Notes	
Balanced Fund	\$ 546,871
Income Fund	\$ 226,682

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 year ended August 31, 2013, the Advisor earned fees of \$117,427 for the Balanced Fund, \$28,556 for the Income Fund, and \$44,392 for the Stock Fund, before the waivers and reimbursements described below.

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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 year ended August 31, 2013, the Advisor earned administrative fees of \$78,285 for the Balanced Fund, \$30,746 for the Income Fund, and \$31,923 for the Stock Fund.

Archer Balanced Fund

The Advisor has contractually agreed to waive its management fee and/or reimburse expenses through December 31, 2016 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 year ended August 31, 2013, the Advisor waived fees and/or reimbursed expenses of \$135,604. 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, 2016 totaled \$395,170.

The amounts subject to repayment by the Balanced Fund, pursuant to the aforementioned conditions, at August 31, 2013 were as follows:

<u>Amount</u>	<u>Subject to Repayment by August 31,</u>
\$120,162	2014
\$139,404	2015
\$135,604	2016

The Advisor owed the Balanced Fund \$10,825 at August 31, 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, 2016 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 year ended August 31, 2013, the Advisor waived fees and/or reimbursed expenses of \$43,219. 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, 2016 totaled \$120,427.

The amounts subject to repayment by the Income Fund, pursuant to the aforementioned conditions, at August 31, 2013 were as follows:

<u>Amount</u>	<u>Subject to Repayment by August 31,</u>
\$ 26,451	2014
\$ 50,757	2015
\$ 43,219	2016

The Advisor owed the Income Fund \$3,158 at August 31, 2013 for reimbursement of expenses.

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Archer Stock Fund

The Advisor has contractually agreed to waive its management fee and/or reimburse expenses through December 31, 2016 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 year ended August 31, 2013, the Advisor waived fees and/or reimbursed expenses of \$45,980. 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, 2016 totaled \$129,948.

The amounts subject to repayment by the Stock Fund, pursuant to the aforementioned conditions, at August 31, 2013 were as follows:

<u>Amount</u>	<u>Subject to Repayment by August 31,</u>
\$ 29,562	2014
\$ 54,406	2015
\$ 45,980	2016

The Advisor owed the Stock Fund \$570 at August 31, 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 year ended August 31, 2013, purchases and sales of investment securities, other than short-term investments and short-term U.S. government obligations were \$12,369,571 and \$11,774,236, respectively.

Archer Income Fund

For the year ended August 31, 2013, purchases and sales of investment securities, other than short-term investments and short-term U.S. government obligations were \$2,960,900 and \$996,495, respectively.

Archer Stock Fund

For the year ended August 31, 2013, purchases and sales of investment securities, other than short-term investments and short-term U.S. government obligations were \$12,689,592 and \$11,270,715, respectively.

THE ARCHER FUNDS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2013

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 August 31, 2013, First Clearing, LLC., for the benefit of its customers owned, in aggregate, approximately 63.70% of the voting securities of the Balanced Fund, approximately 80.00% of the voting securities of the Income Fund, and approximately 82.34% 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, 2013, 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	\$ 129,881	\$ 31,481	\$ 38,982
Post-October capital loss deferrals			
Realized between 11/1/2012 and 8/31/2013*	\$ -0-	\$ 75,783	\$ 12,780
Capital Loss Carryforwards (a)			
Expiring 08/30/2017	\$ (516,669)	\$ -0-	\$ -0-
08/30/2018	\$ (1,046,650)	\$ -0-	\$ -0-
No Expiration – Short-Term	\$ -0-	\$ 88,886	\$ -0-
	<u>\$ (1,563,319)</u>	<u>\$ 88,886</u>	<u>\$ -0-</u>

As of August 31, 2013, 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	\$ 1,713,822	\$ 47,891	\$ 962,773
Gross unrealized depreciation on investment securities	\$ (502,725)	\$ (238,622)	\$ (162,749)
Net unrealized appreciation on investment securities	<u>\$ 1,211,097</u>	<u>\$ (190,731)</u>	<u>\$ 800,024</u>
Cost of investment securities (including short-term Investments)**	<u>\$ 15,167,627</u>	<u>\$ 6,551,517</u>	<u>\$ 6,416,739</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 ARCHER FUNDS

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2013

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 years ended August 31, 2013 and 2012.

The Balanced and Income Funds paid the following distributions for the years ended August 31, 2013 and 2012:

Balanced Fund		
<u>Years Ended</u>	<u>\$ Amount</u>	<u>Tax Character</u>
8/31/2013	\$ 416,235	Ordinary Income
8/31/2012	\$ 349,094	Ordinary Income

Income Fund		
<u>Years Ended</u>	<u>\$ Amount</u>	<u>Tax Character</u>
8/31/2013	\$ 169,842	Ordinary Income
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.

In January 2013, the FASB issued ASU 2013-01, *Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities*, which replaced ASU 2011-11. ASU 2011 was intended to enhance disclosure requirements on the offsetting of financial assets and liabilities. ASU 2013-01 limits the scope of the new statement of assets and liabilities offsetting disclosures to derivatives, repurchase agreements and securities lending transactions to the extent that they are (1) offset in the financial statements or (2) subject to an enforceable master netting arrangement or similar agreement. Both ASU 2011-11 and ASU 2013-01 are effective for interim or annual periods beginning on or after January 1, 2013. Management is currently evaluating the impact that these pronouncements may have on the Fund’s financial statements.

In June 2013, the FASB issued ASU 2013-08, *Financial Services Investment Companies*, which updates the scope, measurement, and disclosure requirements for U.S. GAAP including identifying characteristics of an investment company, measurement of ownership in other investment companies and requires additional disclosures regarding investment company status and following guidance in Topic 946 of the FASB Accounting Standards Codification (FASC). The ASU is effective for interim and annual reporting periods that begin after December 15, 2013. Management is currently evaluating the impact that these pronouncements may have on the Fund’s financial statements.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Trustees
of the Archer Balanced Fund, Archer Income Fund
and Archer Stock Fund, each a Series of the Archer
Investment Series Trust

We have audited the accompanying statements of assets and liabilities of the Archer Balanced Fund, the Archer Income Fund and the Archer Stock Fund, (the "Funds"), each a series of the Archer Investment Series Trust (the "Trust"), including the schedules of investments, as of August 31, 2013 and the related statements of operations for the year then ended, changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the three years in the period then ended for the Archer Balanced Fund, and for each of the two years in the period then ended and the period March 11, 2011 (commencement of investment operations) through August 31, 2011 for the Archer Income Fund and the Archer Stock Fund. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits. For the Archer Balanced Fund, the financial highlights for the two year period ended August 31, 2010 were audited by other auditors whose reports dated October 29, 2010 and October 30, 2009 expressed an unqualified opinion on those statements.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Funds are not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of August 31, 2013, by correspondence with the custodian and brokers. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial positions of the Archer Balanced Fund, the Archer Income Fund and the Archer Stock Fund, each a series the Archer Investment Series Trust, as of August 31, 2013, the results of their operations for the year then ended, changes in their net assets for each of the two years in the period then ended, and the financial highlights for each of the three years in the period then ended for the Archer Balanced Fund, and for each of the two years in the period then ended and the period March 11, 2011 (commencement of investment operations) through August 31, 2011 for the Archer Income Fund and the Archer Stock Fund in conformity with accounting principles generally accepted in the United States of America.

Samville + Company

Abington, Pennsylvania
October 22, 2013

The Archer Funds

Expense Illustrations

August 31, 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 (March 1, 2013 through August 31, 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.

Balanced Fund

	Beginning Account Value	Ending Account Value	Expenses Paid During the Period*
	<u>March 1, 2013</u>	<u>August 31, 2013</u>	<u>March 1, 2013 to August 31, 2013</u>
Actual	\$1,000.00	\$1,031.56	\$6.14
Hypothetical (5% Annual Return before expenses)	\$1,000.00	\$1,019.16	\$6.11

* 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 184/365 (to reflect the one-half year period).

Income Fund

	Beginning Account Value	Ending Account Value	Expenses Paid During the Period*
	<u>March 1, 2013</u>	<u>August 31, 2013</u>	<u>March 1, 2013 to August 31, 2013</u>
Actual	\$1,000.00	\$955.92	\$5.92
Hypothetical (5% Annual Return before expenses)	\$1,000.00	\$1,019.16	\$6.11

* 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 184/365 (to reflect the one-half year period).

Stock Fund

	Beginning Account Value	Ending Account Value	Expenses Paid During the Period*
	<u>March 1, 2013</u>	<u>August 31, 2013</u>	<u>March 1, 2013 to August 31, 2013</u>
Actual	\$1,000.00	\$1,091.75	\$7.64
Hypothetical (5% Annual Return before expenses)	\$1,000.00	\$1,017.90	\$7.38

* 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 184/365 (to reflect the one-half year period).

THE ARCHER FUNDS
ADDITIONAL INFORMATION
AUGUST 31, 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.

Management Agreement Renewal

In connection with an in-person Board meeting held on June 25, 2013 (the "Meeting"), the Board, including a majority of the Trustees who are not interested persons of the Trust nor parties to the investment advisory agreement nor interested persons of any party to the investment advisory agreement (the "Independent Trustees"), discussed the renewal of the investment advisory management agreement (the "Management Services Agreement") between the Trust and the Adviser, on behalf of the Archer Investment Series Trust and its separate series, the Archer Balanced Fund, the Archer Stock Fund and the Archer Income Fund. In considering the renewal of the Management Services Agreement, the Board interviewed the Adviser and received materials specifically relating to the Management Services Agreement. These materials included: (a) performance and expense data for a peer group of funds and appropriate indices with respect to the Fund; (b) arrangements with respect to the distribution of the Fund's shares; and (c) the resources available with respect to compliance with the Fund's investment policies and restrictions and with policies on personal securities transactions. Additional information was furnished by the Adviser including (a) the Adviser's ADV; (b) information on the overall organization of the Adviser; (c) investment management staffing; (d) the Adviser's marketing effects toward the Funds' growth and (d) the overall financial condition of the Adviser and, in particular, the Adviser's financial condition as it relates to the Management of the Fund.

In their consideration of renewing the Management Services Agreement, the Board, including the Independent Trustees, did not identify any single factor as controlling. Matters considered by the Board, including the Independent Trustees, in connection with its renewal of the Management Services Agreement include the following:

THE ARCHER FUNDS
ADDITIONAL INFORMATION
AUGUST 31, 2013 (UNAUDITED)

Nature, Extent and Quality of Services. As to the nature, extent, and quality of the services provided by the Adviser, the Board considered the Adviser's investment philosophy and strategy. In addition, the Trustees reviewed the Adviser's Form ADV which described the operations and policies of the Adviser. The Trustees also reviewed a description of the organizational structure of the Adviser, noting that while the Adviser is owned 100% by Troy C. Patton, the Adviser has two (2) additional portfolio managers and thirty-two (32) investment advisor representatives with a goal of adding an additional eighteen (18) by calendar year end. The Trustees concluded that the Adviser is adequately staffed relative to its responsibilities and obligations to the Funds. They also observed that the Adviser's operational and compliance processes are well designed and give the Trustees confidence that the Funds will be managed in conformity with their investment objective and restrictions. The Trustees also considered the administrative services that the Adviser and its employees have provided and would continue to provide to the Funds. The Trustees also evaluated the investment management experience of the Adviser and the fact that the Adviser is also Advisor of the Archer Balanced Fund, the Archer Stock Fund and the Archer Income Fund. In particular, the Adviser described to the Trustees its experience actively managing separate accounts for over eight (8) years. The Trustees concluded that the Adviser continues to provide high quality advisory services to the Funds, and that the nature and extent of the services provided by the Adviser were reasonable and consistent with the Board's expectations and those set forth in the current and proposed Management Services Agreement.

Performance. As to the Funds' performance, the Trustees reviewed performance information relative to each the Archer Fund's benchmark, and its peer group within its Morningstar category and their comparative index. The returns of the Archer Balance Fund compared to its Morningstar category, slightly out-performed its peers during the first half of 2013. Further, the Archer Balanced Fund continues to have a 1-Star rating with Morningstar and a 3-Star rating by Standard & Poors. The Advisor also noted that the Archer Balance Fund under-performed the Dow Jones U.S. Moderate Relative Risk Index. Further, the Archer Balanced Fund was in the 50% in its Morningstar category during the half of 2013.

In evaluating the performances of the Archer Income Fund and the Archer Stock Fund, the Trustees noted that these Funds have only been in existence since March 2011 and are not yet rated by Morningstar. With respect to the Archer Income Fund the Advisor noted that the Fund under-performed its comparative Morningstar category performance figures, yet out-performed its comparative indexes the Barclay's Capital US Aggregate Bod Index and the Barclay's Intermediate Credit Index. Further, the Archer Income Fund was in the 55% in its Morningstar category during the half of 2013.

With respect to the Archer Stock Fund the Advisor noted that the Fund under-performed its comparative Morningstar category performance figures and its comparative index the S&P 500 Index. Further, the Archer Stock Fund was in the 75% in its category during the half of 2013.

While the Trustees noted concerns over each of the Archer Funds in their respective category performances, they recognized that some portion of any Funds' category performance could be attributed to the fees and expenses paid by a Fund when compared to the Index. Overall, the Trustees concluded that performance was acceptable, although the Trustees will continue to monitor each Fund's performance against its benchmark and peer group.

Economies of Scale. The Board, including the Independent Trustees, also considered whether there have been any economies of scale with respect of the management of the Archer Funds and whether there is potential for realization of any further economies of scale having multiple funds for which the Adviser manages. In doing so, the Board considered the potential benefits for the Adviser in managing multiple series under the Archer Investment Series Trust, including promotion of the Adviser's name, the ability for the Adviser to place small accounts into one of the Archer Funds,. After comparing the fees under the Management Services Agreement with those paid by comparable funds and considering all of the foregoing, the Board concluded that the management fees to be paid to the Adviser by each Fund were fair and reasonable.

THE ARCHER FUNDS
ADDITIONAL INFORMATION
AUGUST 31, 2013 (UNAUDITED)

Profitability. As to costs incurred by and profits realized by the Adviser, the Board reviewed information regarding the Adviser's management fee income for the period ended December 31, 2012, as noted by the Adviser. The Trustees noted that the Adviser managing all three (3) of the Archer Funds, is currently earning a modest monthly fee for its provision of management services, administrator services and compliance services notwithstanding the Adviser's expense limitation and reimbursement obligation.

Conclusion. Having requested and received such information from the Adviser as the Board believed to be reasonably necessary to evaluate renewing the Management Services Agreement, and as assisted by the advice of independent legal counsel, the Board, including the Independent Trustees, concluded that the overall arrangement provided under the terms of the Management Services Agreement was a reasonable business arrangement and that renewal of the Management Services Agreement was in the best interests of the Trust and each Fund's shareholders.

THE ARCHER FUNDS
TRUSTEES AND OFFICERS
AUGUST 31, 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 (46) 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.

INVESTMENT ADVISOR

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

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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1514 Old York Road
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.
