

# Active Passive<sup>®</sup> FUNDS

<b>Domestic Equity Funds</b>	ActivePassive Large Cap Growth Fund ActivePassive Large Cap Value Fund ActivePassive Small/Mid Cap Fund
<b>International Funds</b>	ActivePassive International Equity Fund ActivePassive Global Bond Fund
<b>Domestic Bond Funds</b>	ActivePassive Intermediate Taxable Bond Fund ActivePassive Intermediate Municipal Bond Fund

(each, a “Fund” together, the “Funds”)

Each a series of  
**Advisors Series Trust**

**Annual Report**  
October 31, 2011



## Message to Our Shareholders

Twelve month performance attribution ending October 31, 2011 for the ActivePassive Funds was as follows:

The **ActivePassive Large Cap Growth Fund** underperformed its Russell 1000 Growth Index by 1.91% for the 12-month period ending October 31, 2011, 8.01% versus 9.92%. Both the passive component (Vanguard Growth ETF) and the active component (managed by Transamerica Investment Management, LLC until April 1, 2011 and as of June 1, 2011 by TCW Investment Management Company) trailed the benchmark slightly. The managers underweight in the strong-performing Consumer Staples sector caused the underperformance of the active component.

The **ActivePassive Large Cap Value Fund** slightly underperformed its Russell 1000 Value Index by 0.52% for the 12-month period ending October 31, 2011, 5.64% versus 6.16%. While the passive component (Vanguard Value ETF) trailed the benchmark slightly, the active component (managed by C.S. McKee, L.P.) outperformed it slightly. The managers underweight in the worst-performing Financials sector caused the outperformance of the active component.

The **ActivePassive Small/Mid Fund** underperformed its Russell 2500 Index by 1.66% for the 12-month period ending October 31, 2011, 9.63% versus 7.97%. The passive components (iShares Small-Cap Growth ETF, iShares Small-Cap Value ETF, iShares Mid-Cap Growth ETF and iShares Mid-Cap Value ETF) trailed the benchmark while the active component (managed by Eagle Asset Management, Inc.) beat it by a wide margin. Strong performance of its Consumer Discretionary and Health Care holdings caused the significant outperformance of the active component.

The **ActivePassive International Equity Fund** slightly outperformed the MSCI EAFE Index by .41% for the 12-month period ending October 31, 2011, -3.67% versus -4.08%. The passive component trailed the benchmark while the active component (managed by Invesco Advisers, Inc.) beat it by a wide margin. Significant underweight in the struggling Financials sector caused the outperformance of the active component.

The **ActivePassive Taxable Bond Fund** underperformed the Barclay's Capital Aggregate Bond Index by 1.85% for the 12-month period ending October 31, 2011, 3.15% versus 5.00%. Both the passive component (Vanguard Total Bond Market ETF) and the active component (managed by Sage Advisory Services Ltd. Co.) trailed the benchmark. Little exposure to long-term bonds caused the underperformance of the active component.

The **ActivePassive Municipal Bond Fund** slightly underperformed its Barclay's Capital Municipal Bond Index by .69% for the 12-month period ending October 31, 2011, 3.09% versus 3.78%. The passive component (iShares S&P National Municipal Bond Fund ETF and SPDR Nuveen Barclays Capital Municipal Bond ETF) trailed the benchmark while the active component (managed by Gannett,

Welsh & Kotler, LLC) essentially matched the benchmark performance for the period.

The **ActivePassive Global Bond Fund** underperformed the BofA Merrill Lynch Global Broad Market Index by 2.34% for the 12-month period ending October 31, 2011, 1.78% versus 4.12%. Both the passive component (SPDR Barclays Capital International Treasury Bond ETF and Vanguard Total Bond Market ETF) and the active component (Loomis Sayles Global Bond Fund and Oppenheimer International Bond Fund) trailed the benchmark. Underweight in dollar denominated bonds caused the underperformance of the active component of the portfolio.

During 2011, our allocations to active and passive has shifted during the period. In general, we increased our allocation to passive in most funds due to the high correlation market environment. Active managers have shown a tendency to underperform in periods of high correlation. The exception to this strategy is within the Municipal Bond and Global Bond categories as based on current market inefficiencies.

In broad terms, global and domestic markets experienced massive volatility while still experiencing modest gains over the last 12 months. The period can most aptly be described as a broad “de-risking” by many market participants due to a number of issues. European sovereign debt concerns escalated throughout the quarter, expanding beyond the borders of Greece to include Italy and Spain. In the U.S., investors dealt with stalled debates over debt ceiling adjustments and the eventual downgrade of U.S. debt by Standard & Poor’s. Investors in both Europe and the U.S. grew increasingly concerned over the political stalemates impacting decision-making in both regions.

For the U.S. equity markets, the third quarter brought a sharp reversal in the upward trend felt through the first half of the year. Many investors became increasingly nervous about the impending debt ceiling deadline of August 2nd, and what it would mean to the global financial markets if the U.S. defaulted on its debt obligations. Despite an agreement reached by both political parties to raise the debt ceiling and reduce the budget deficit, ratings agency Standard & Poor’s downgraded U.S. debt from AAA to AA+, sending the equity markets into free-fall. U.S. equity markets were further pressured by growing concerns of a potential global financial crisis resulting from sovereign debt defaults within Europe. Not surprisingly, the more defensive sectors, such as consumer staples and utilities, tended to outperform the more economically-sensitive sectors. Similarly, large-cap stocks, in general, held up much better to the selling pressure compared to most small-cap names.

Broadly speaking, international equity markets continued to be plagued by sovereign debt woes. Similar to the U.S., investor concerns over political instability leading to defaults and a subsequent banking sector crisis led to recent downward pressure on most equities. The European Central Bank demonstrated its willingness to provide support where necessary by purchasing Italian and Spanish bonds in an effort to keep borrowing costs low for those two countries. Investor atten-

tion continues to center on Europe and whether the political leaders of the European Union will have the political ability to collectively provide enough capital to weather the current turmoil. Emerging market equities, in broad terms, likewise were impacted by the troubles within the developed markets, in addition to investor worries regarding global economic growth prospects.

In general, U.S. fixed income markets were beneficiaries of global “de-risking” as well as stimulus measures enacted by the U.S. Federal Reserve. Many global investors sought the relative safety of U.S. Treasuries amid increased market volatility and economic uncertainty, despite the recent debt downgrade and low interest rates offered by U.S. Treasuries. Long-duration Treasuries received further support in September after the Federal Reserve announced its plan to purchase long-dated Treasuries and mortgage-backed securities, in a move dubbed “Operation Twist”. The Fed’s goal through this latest round of bond buying is to decrease long-duration bond yields in an effort to increase lending and borrowing activity by businesses, banks and consumers.

The market outlook over the near-term appears to be a continuation of the broad themes that have characterized the year so far; headline risk, volatility, political instability and the risk trade. Questions surrounding the European sovereign debt crisis should continue to drive market sentiment as investors analyze the potential effectiveness of proposed remedies. Currently, many analysts foresee the need for the Eurozone members to provide massive funding to the European Financial Stability Fund in order to backstop the sovereign debt of its weaker members. However, many investors question whether Europe has the political will to fund such a move.

The troubles within Europe have many investors concerned about a potential repeat of the events following Lehman Brother’s bankruptcy, which has increased many investors’ focus on risk. In addition, concerns over the U.S. economy and the recent downgrade of its debt rating, as well as newly surfacing doubts over the growth potential for many emerging economies, also have spooked many investors and turned them away from risky assets. The markets have seen a prolonged period of “risk-on/risk-off” trades that have led to wide swings in prices across many asset classes. Many analysts claim that the market is currently ignoring attractively valued investments due to investors’ heightened risk aversion, while others believe that the upside potential is not commensurate with the downside risk. Whatever path the markets take going forward, it is likely to be a bumpy ride for investors.

As always, we appreciate your trust in us and remain committed to providing high quality investment strategies for the long term.

Sincerely,

Timothy J. Clift

Portfolio Manager, Active/Passive Funds

**Past performance is not a guarantee of future results.**

Fund holdings and sector allocations are subject to change and should not be considered a recommendation to buy or sell any security. For a complete list of fund holdings, please refer to the Schedule of Investments provided in this report. **Current and future portfolio holdings are subject to risk.**

*Must be preceded or accompanied by a prospectus.*

**Mutual fund investing involves risk. Principal loss is possible. The fund are non-diversified, meaning that they may concentrate their assets in fewer individual holdings than a diversified fund. Therefore the fund is more exposed to individual stock volatility than a diversified fund. Investments in smaller companies involve additional risks such as limited liquidity and greater volatility. Investments in foreign securities involve greater volatility and political, economic and currency risks and difference in accounting methods. These risks can be significantly greater for investments in emerging markets. Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities. Investments in lower-rated and non-rated securities present greater risk of loss to principal and interest than higher-rated securities. Income from tax exempt funds may be subject to state and local taxes and a portion of income may be subject to the federal alternative minimum tax for certain investors. Federal income tax rules will apply to any capital gains distributions. Investments in mortgage-backed securities may involve additional risks, such as credit risk, prepayment risk, possible illiquidity and default, and susceptibility to adverse economic developments. The funds will bear its share of the fees and expenses of the underlying funds. Shareholders will pay higher expenses than would be the case if making direct investments in the underlying ETFs. Because the funds invests in ETFs, they are subject to additional risks that do not apply to conventional mutual funds, including the risks that the market price of an ETF's shares may trade at a discount to its net asset value ("NAV"), an active secondary trading market may not develop or be maintained, or trading may be halted by the exchange in which they trade, which may impact a fund's ability to sell its shares. Investments in REIT securities involve risks such as declines in the value of real estate and increased susceptibility to adverse economic or regulatory developments.**

The S&P 500 Index is a broad based unmanaged index of 500 stocks, which is widely recognized as representative of the equity market in general. The Russell 1000 Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000 Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected growth values. The Russell 2500 Index measures the performance of the small to mid-cap segment of the U.S. equity universe.

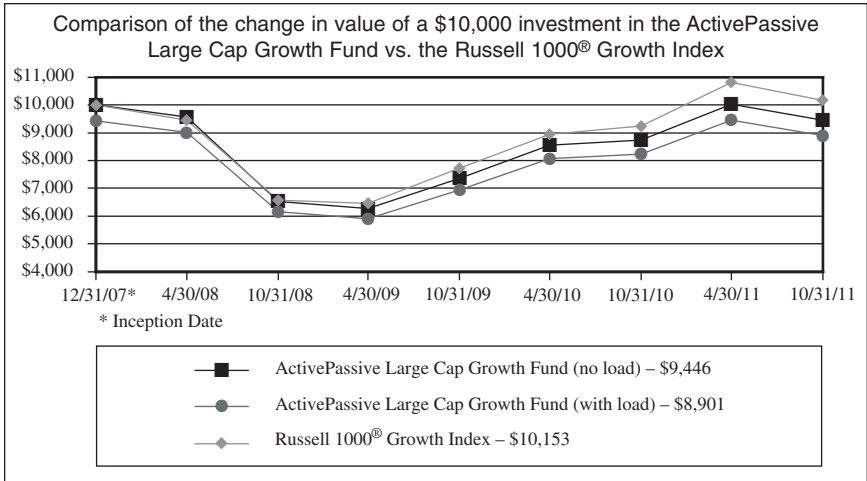
The MSCI EAFE Index is a free float adjusted market capitalization index that is designed to measure developed market equity performance of 21 developed markets outside North America. The Barclays Capital Aggregate Bond Index is a market-capitalization weighted index of investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities, with maturities of at least one year. The Barclays Capital Municipal Bond Index serves as a benchmark for long-term, investment-grade, tax-exempt municipal bond funds. The BofA Merrill Lynch Global Broad Market Index tracks the performance of investment grade debt publicly issued in the major domestic and Eurobond markets, including sovereign, quasi-government, corporate, securitized and collateralized securities. The BofA Merrill Lynch Broad Market Index tracks the performance of investment grade public debt issued in the major domestic and eurobonds market. One cannot invest directly in an index.

Correlation is a statistical measure of how two securities move in relation to each other. Duration is a commonly used measure of the potential volatility of the price of a debt security, or the aggregate market value of a portfolio of debt securities, prior to maturity. Securities with a longer duration generally have more volatile prices than securities of comparable quality with a shorter duration.

The ActivePassive Funds are distributed by Quasar Distributors, LLC.

# ActivePassive Large Cap Growth Fund

October 31, 2011



## Average Annual Total Return Periods ended October 31, 2011:

	One Year	Three Years	Since Inception (12/31/07)
ActivePassive Large Cap Growth Fund (no load)	8.01%	13.08%	-1.47%
ActivePassive Large Cap Growth Fund (with load)	1.80%	10.86%	-2.99%
Russell 1000® Growth Index	9.92%	15.62%	0.40%

Total Annual Fund Operating Expenses: 1.30%

*Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 1-877-273-8635.*

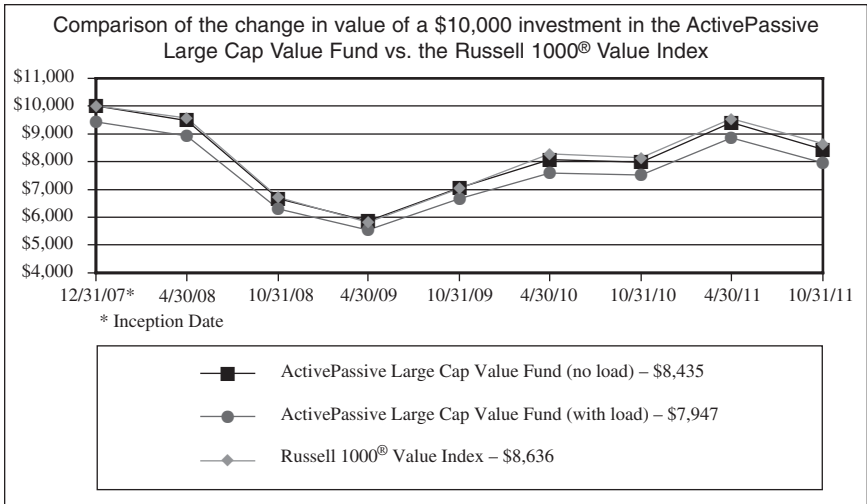
This chart illustrates the performance of a hypothetical \$10,000 investment made in the Fund on December 31, 2007, the Fund's inception date. Returns reflect the reinvestment of dividends and capital gain distributions. Fee waivers are in effect. In the absence of fee waivers, returns would be reduced. The performance data and graph do not reflect the deduction of taxes that a shareholder may pay on dividends, capital gain distributions, or redemption of Fund shares. This chart does not imply any future performance.

The Russell 1000® Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

Indices do not incur expenses and are not available for investment.

# ActivePassive Large Cap Value Fund

October 31, 2011



Average Annual Total Return Periods ended October 31, 2011:

	One Year	Three Years	Since Inception (12/31/07)
ActivePassive Large Cap Value Fund (no load)	5.64%	8.12%	-4.34%
ActivePassive Large Cap Value Fund (with load)	-0.40%	6.01%	-5.81%
Russell 1000® Value Index	6.16%	8.78%	-3.75%

Total Annual Fund Operating Expenses: 1.20%

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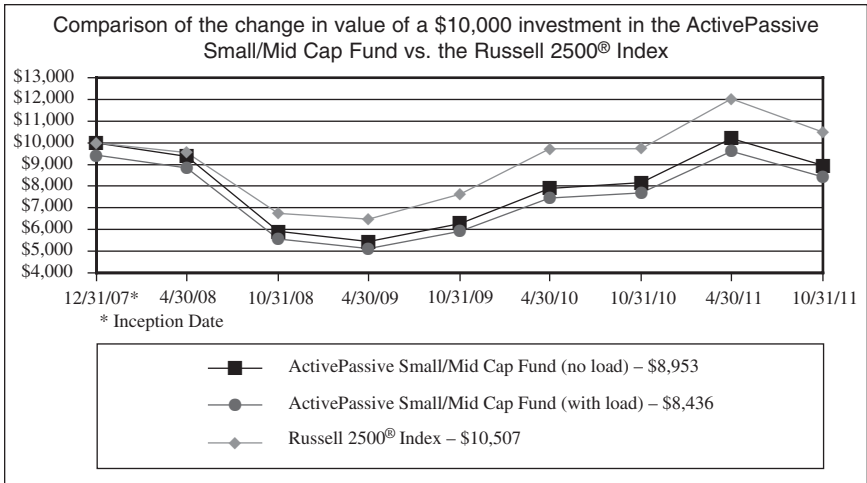
This chart illustrates the performance of a hypothetical \$10,000 investment made in the Fund on December 31, 2007, the Fund's inception date. Returns reflect the reinvestment of dividends and capital gain distributions. Fee waivers are in effect. In the absence of fee waivers, returns would be reduced. The performance data and graph do not reflect the deduction of taxes that a shareholder may pay on dividends, capital gain distributions, or redemption of Fund shares. This chart does not imply any future performance.

The Russell 1000® Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected growth values.

Indices do not incur expenses and are not available for investment.

# ActivePassive Small/Mid Cap Fund

October 31, 2011



Average Annual Total Return Periods ended October 31, 2011:

	One Year	Three Years	Since Inception (12/31/07)
ActivePassive Small/Mid Cap Fund (no load)	9.63%	14.92%	-2.84%
ActivePassive Small/Mid Cap Fund (with load)	3.31%	12.67%	-4.34%
Russell 2500® Index	7.97%	16.04%	1.30%

Total Annual Fund Operating Expenses: 1.50%

Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 1-877-273-8635.

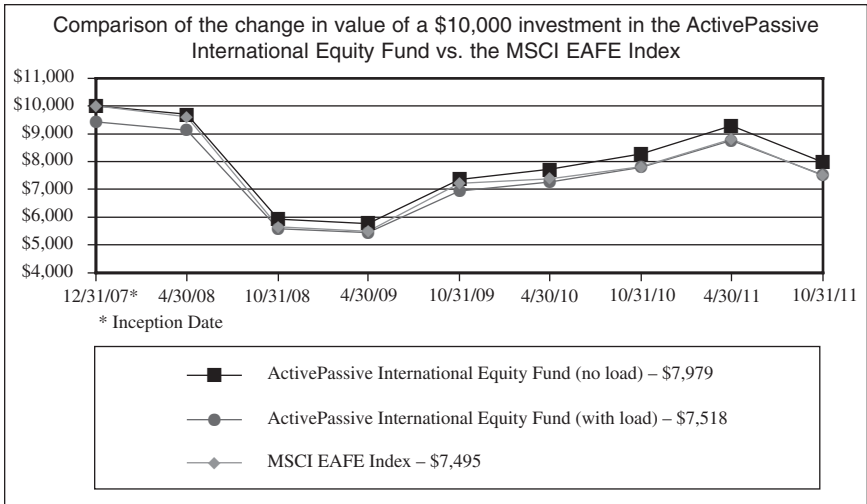
This chart illustrates the performance of a hypothetical \$10,000 investment made in the Fund on December 31, 2007, the Fund's inception date. Returns reflect the reinvestment of dividends and capital gain distributions. Fee waivers are in effect. In the absence of fee waivers, returns would be reduced. The performance data and graph do not reflect the deduction of taxes that a shareholder may pay on dividends, capital gain distributions, or redemption of Fund shares. This chart does not imply any future performance.

The Russell 2500® Index measures the performance of the small to mid-cap segment of the U.S. equity universe.

Indices do not incur expenses and are not available for investment.

# ActivePassive International Equity Fund

October 31, 2011



Average Annual Total Return Periods ended October 31, 2011:

	One Year	Three Years	Since Inception (12/31/07)
ActivePassive International Equity Fund (no load)	-3.67%	10.46%	-5.72%
ActivePassive International Equity Fund (with load)	-9.22%	8.31%	-7.17%
MSCI EAFE Index	-4.08%	9.90%	-7.24%

Total Annual Fund Operating Expenses: 1.30%

Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 1-877-273-8635.

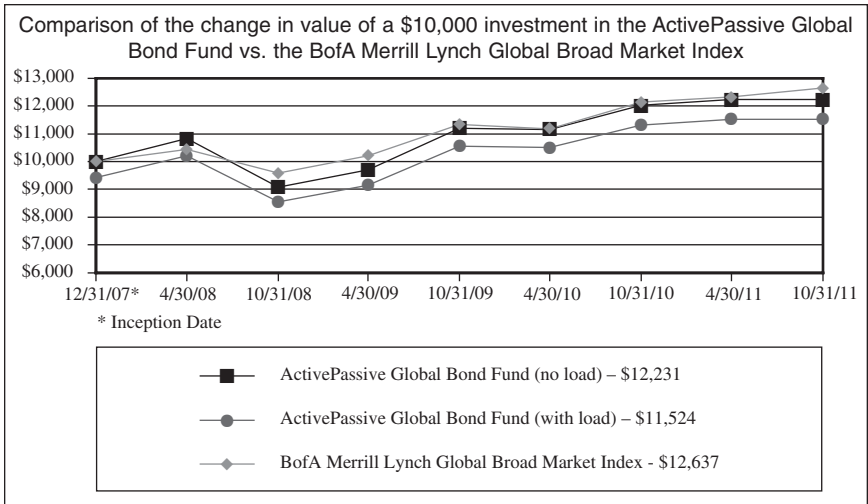
This chart illustrates the performance of a hypothetical \$10,000 investment made in the Fund on December 31, 2007, the Fund's inception date. Returns reflect the reinvestment of dividends and capital gain distributions. Fee waivers are in effect. In the absence of fee waivers, returns would be reduced. The performance data and graph do not reflect the deduction of taxes that a shareholder may pay on dividends, capital gain distributions, or redemption of Fund shares. This chart does not imply any future performance.

The MSCI EAFE Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding US & Canada.

Indices do not incur expenses and are not available for investment.

# ActivePassive Global Bond Fund

October 31, 2011



Average Annual Total Return Periods ended October 31, 2011:

	One Year	Three Years	Since Inception (12/31/07)
ActivePassive Global Bond Fund (no load)	1.78%	10.47%	5.39%
ActivePassive Global Bond Fund (with load)	-4.06%	8.32%	3.77%
BofA Merrill Lynch Global Broad Market Index	4.12%	9.63%	6.29%

Total Annual Fund Operating Expenses: 1.20%

*Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 1-877-273-8635.*

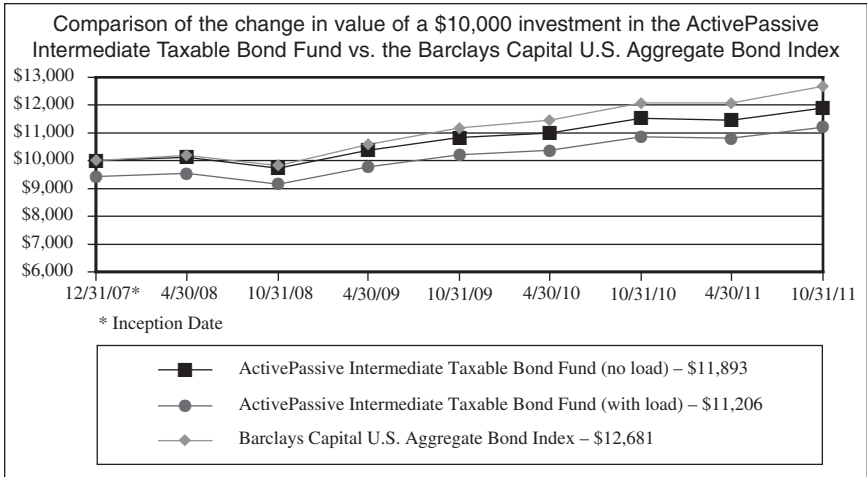
This chart illustrates the performance of a hypothetical \$10,000 investment made in the Fund on December 31, 2007, the Fund's inception date. Returns reflect the reinvestment of dividends and capital gain distributions. Fee waivers are in effect. In the absence of fee waivers, returns would be reduced. The performance data and graph do not reflect the deduction of taxes that a shareholder may pay on dividends, capital gain distributions, or redemption of Fund shares. This chart does not imply any future performance.

The BofA Merrill Lynch Global Broad Market Index tracks the performance of investment grade public debt issued in the major domestic and eurobonds market.

Indices do not incur expenses and are not available for investment.

## ActivePassive Intermediate Taxable Bond Fund

October 31, 2011



Average Annual Total Return Periods ended October 31, 2011:

	One Year	Three Years	Since Inception (12/31/07)
ActivePassive Intermediate Taxable Bond Fund (no load)	3.15%	6.95%	4.62%
ActivePassive Intermediate Taxable Bond Fund (with load)	-2.81%	4.86%	3.01%
Barclays Capital U.S. Aggregate Bond Index	5.00%	8.87%	6.39%

Total Annual Fund Operating Expenses: 1.00%

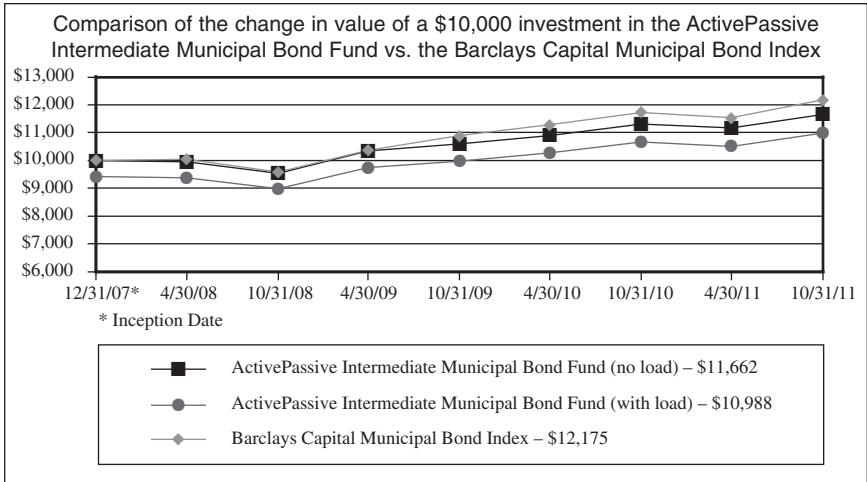
*Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 1-877-273-8635.*

This chart illustrates the performance of a hypothetical \$10,000 investment made in the Fund on December 31, 2007, the Fund's inception date. Returns reflect the reinvestment of dividends and capital gain distributions. Fee waivers are in effect. In the absence of fee waivers, returns would be reduced. The performance data and graph do not reflect the deduction of taxes that a shareholder may pay on dividends, capital gain distributions, or redemption of Fund shares. This chart does not imply any future performance.

The Barclays Capital U.S. Aggregate Bond Index (formerly Lehman Brothers) covers the USD-denominated, investment grade, fixed rate, taxable bond market of SEC-registered securities. The index includes bonds from Treasury, Government-Related, Corporate, MBS, ABS, and CMBS sectors. Indices do not incur expenses and are not available for investment.

# ActivePassive Intermediate Municipal Bond Fund

October 31, 2011



Average Annual Total Return Periods ended October 31, 2011:

	One Year	Three Years	Since Inception (12/31/07)
ActivePassive Intermediate Municipal Bond Fund (no load)	3.09%	6.90%	4.09%
ActivePassive Intermediate Municipal Bond Fund (with load)	-2.85%	4.81%	2.49%
Barclays Capital Municipal Bond Index	3.78%	8.31%	5.27%

Total Annual Fund Operating Expenses: 1.00%

Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 1-877-273-8635.

This chart illustrates the performance of a hypothetical \$10,000 investment made in the Fund on December 31, 2007, the Fund's inception date. Returns reflect the reinvestment of dividends and capital gain distributions. Fee waivers are in effect. In the absence of fee waivers, returns would be reduced. The performance data and graph do not reflect the deduction of taxes that a shareholder may pay on dividends, capital gain distributions, or redemption of Fund shares. This chart does not imply any future performance.

The Barclays Capital Municipal Bond Index (formerly known as Lehman Brothers) cover the USD-denominated long term tax exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds.

Indices do not incur expenses and are not available for investment.

**ActivePassive Funds**  
**EXPENSE EXAMPLE (Unaudited)**  
**October 31, 2011**

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs including exchange fees; and (2) ongoing costs, including management fees; distribution and/or service (12b-1); and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period indicated and held for the entire period from May 1, 2011 to October 31, 2011.

**Actual Expenses**

The information in the table under the heading “Actual” provides information about actual account values and actual expenses. You may use the information in these columns 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 row entitled “Expenses Paid During Period” to estimate the expenses you paid on your account during this period. There are some account fees that are charged to certain types of accounts, such as Individual Retirement Accounts (generally, a \$15 fee is charged to the account annually) that would increase the amount of expenses paid on your account. To the extent the Fund invests in shares of other investment companies as part of its investment strategy, you will indirectly bear your proportionate share of any fees and expenses charged by the underlying funds in which the fund invests in addition to the expenses of the fund. The example below does not include portfolio trading commissions and related expenses and other extraordinary expenses as determined under generally accepted accounting principles.

**Hypothetical Example for Comparison Purposes**

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

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transaction costs, such as sales charges (loads), redemption fees, or exchange fees. Therefore, the information under the

**Active/Passive Funds****EXPENSE EXAMPLE (Unaudited) (Continued)****October 31, 2011**

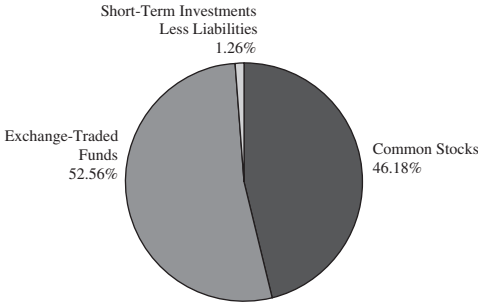
heading “Hypothetical (5% return before expenses)” is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	<u>Beginning Account Value 5/01/11</u>	<u>Ending Account Value 10/31/11</u>	<u>Expenses Paid During Period<sup>(1)</sup> 5/01/11 – 10/31/11</u>
<b>Actual – Class A<sup>(1)</sup></b>			
Large Cap Growth Fund	\$1,000.00	\$ 942.10	\$6.36
Large Cap Value Fund	\$1,000.00	\$ 896.70	\$5.74
Small/Mid Cap Fund	\$1,000.00	\$ 876.60	\$7.10
International Equity Fund	\$1,000.00	\$ 858.60	\$6.09
Global Bond Fund	\$1,000.00	\$ 999.90	\$6.05
Intermediate Taxable Bond Fund	\$1,000.00	\$1,037.70	\$5.14
Intermediate Municipal Bond Fund	\$1,000.00	\$1,045.00	\$5.15
<b>Hypothetical (5.0% return before expenses) – Class A</b>			
Large Cap Growth Fund	\$1,000.00	\$1,018.65	\$6.61
Large Cap Value Fund	\$1,000.00	\$1,019.16	\$6.11
Small/Mid Cap Fund	\$1,000.00	\$1,017.64	\$7.63
International Equity Fund	\$1,000.00	\$1,018.65	\$6.61
Global Bond Fund	\$1,000.00	\$1,019.16	\$6.11
Intermediate Taxable Bond Fund	\$1,000.00	\$1,020.16	\$5.09
Intermediate Municipal Bond Fund	\$1,000.00	\$1,020.16	\$5.09

(1) Expenses are equal to the Class A fund shares’ annualized expense ratios of 1.30% for Large Cap Growth Fund, 1.20% for Large Cap Value Fund, 1.50% for Small/Mid Cap Fund, 1.30% for International Equity Fund, 1.20% for Global Bond Fund, 1.00% for Intermediate Taxable Bond Fund, 1.00% for Intermediate Municipal Bond Fund multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period). The Funds’ ending account value is based on its actual total return of -5.79% for Large Cap Growth Fund, -10.33% for Large Cap Value Fund, -12.34% for Small/Mid Cap Fund, -14.14% for International Equity Fund, -0.01% for Global Bond Fund, 3.77% for Intermediate Taxable Bond Fund, 4.50% for Intermediate Municipal Bond Fund for the six month period of operations from May 1, 2011 to October 31, 2011.

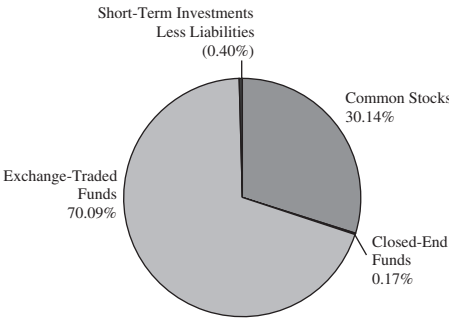
**ActivePassive Funds**  
**PORTFOLIO ALLOCATIONS**  
**October 31, 2011**

**ActivePassive Large Cap Growth Fund**



TOP TEN HOLDINGS	% net assets
Vanguard Growth ETF	52.56%
Apple Inc.	3.22%
QUALCOMM Inc.	2.47%
American Tower Corp.	2.19%
Google Inc.	2.16%
C.H. Robinson Worldwide, Inc.	2.03%
Cerner Corp.	1.90%
Occidental Petroleum Corp.	1.84%
Allergan, Inc.	1.66%
Schlumberger Limited	1.62%

**ActivePassive Large Cap Value Fund**

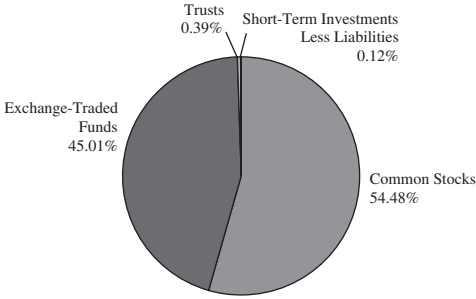


TOP TEN HOLDINGS	% net assets
Vanguard Value ETF	70.09%
Chevron Corp.	1.29%
General Electric Co.	1.23%
JP Morgan Chase & Co.	1.14%
Wells Fargo & Co.	1.12%
Apache Corp.	1.09%
AT&T, Inc.	1.06%
Freeport-McMoRan	
Copper & Gold, Inc.	1.03%
The Procter & Gamble Co.	0.98%
Intel Corp.	0.96%

The portfolio's holdings and allocations are subject to change. The percentages are of total net assets and as of October 31, 2011.

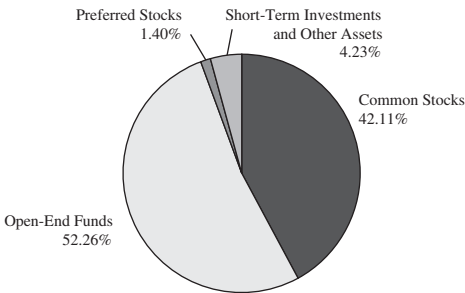
**ActivePassive Funds**  
**PORTFOLIO ALLOCATIONS (Continued)**  
**October 31, 2011**

**ActivePassive Small/Mid Cap Fund**



TOP TEN HOLDINGS	% net assets
iShares Russell 2000 Growth Index Fund	18.15%
iShares Russell 2000 Value Index Fund	15.32%
iShares Russell Midcap Growth Index Fund	7.04%
iShares Russell Midcap Value Index Fund	4.49%
Genesco Inc.	2.22%
Lufkin Industries, Inc.	1.49%
Cash America International, Inc.	1.24%
Vitamin Shoppe, Inc.	1.23%
BJ's Restaurants Inc.	1.18%
Triumph Group, Inc.	1.12%

**ActivePassive International Equity Fund**

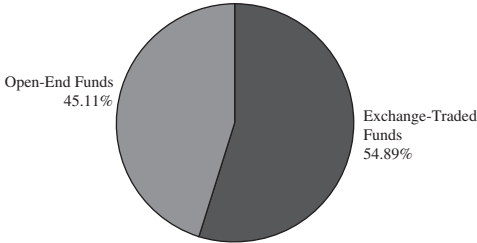


TOP TEN HOLDINGS	% net assets
Fidelity Spartan International Index Fund	52.26%
Compass Group PLC	1.01%
Imperial Tobacco Group PLC	0.94%
Banco Bradesco SA – ADR	0.87%
YAMADA DENKI Co., Ltd.	0.86%
CANON, Inc.	0.86%
Novartis AG	0.84%
Anheuser-Busch InBev NV	0.81%
Teva Pharmaceutical Industries Ltd. – ADR	0.81%
Suncor Energy, Inc.	0.77%

The portfolio's holdings and allocations are subject to change. The percentages are of total net assets and as of October 31, 2011.

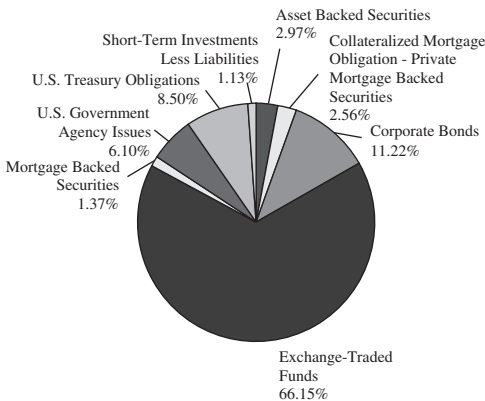
**ActivePassive Funds**  
**PORTFOLIO ALLOCATIONS (Continued)**  
**October 31, 2011**

**ActivePassive Global Bond Fund**



TOP HOLDINGS	% net assets
Loomis Sayles Global Bond Fund	33.86%
Vanguard Total Bond Market ETF	27.56%
SPDR Barclays Capital International Treasury Bond ETF	27.33%
Oppenheimer International Bond Fund	11.25%

**ActivePassive Intermediate Taxable Bond Fund**

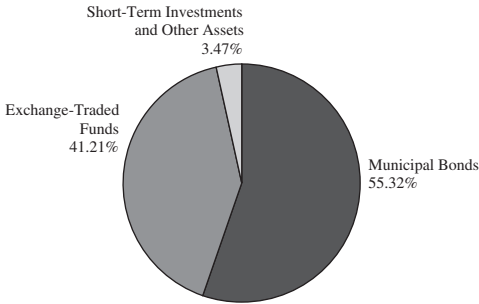


TOP TEN HOLDINGS	% net assets
Vanguard Total Bond Market ETF	66.15%
U.S. Treasury Note, 3.50%, 05/15/2020	3.29%
U.S. Treasury Note, 0.75%, 06/15/2014	2.64%
FNMA, 1.125%, 06/27/2014	2.57%
U.S. Treasury Note, 2.50%, 06/30/2017	1.90%
FHLMC, 2.50%, 05/27/2016	0.67%
FNMA, 3.50%, 11/15/2040	0.66%
FHLMC, 3.75%, 03/27/2019	0.65%
FHLMC, 1.00%, 08/27/2014	0.65%
FHLMC, 1.125%, 07/27/2012	0.65%

The portfolio's holdings and allocations are subject to change. The percentages are of total net assets and as of October 31, 2011.

**ActivePassive Funds**  
**PORTFOLIO ALLOCATIONS (Continued)**  
**October 31, 2011**

**ActivePassive Intermediate Municipal Bond Fund**



TOP TEN HOLDINGS	% net assets
iShares S&P National AMT-Free Bond Fund	20.62%
SPDR Nuveen Barclays Capital Municipal Bond ETF	20.59%
Massachusetts Bay Transportation Authority, 5.00%, 07/01/2024	2.91%
City of New York General Obligation, 5.00%, 08/01/2022	2.79%
State of Oregon Department of Administrative Services, 5.00%, 04/01/2019	2.54%
State of Ohio General Obligation, 5.00%, 08/01/2017	2.51%
New Jersey Environmental Infrastructure, 5.00%, 09/01/2023	2.49%
North Texas Tollway Authority, 5.00%, 09/01/2021	2.11%
New Hampshire Municipal Bond Bank, 5.00%, 08/15/2023	2.10%
State of Florida Board of Education, 5.00%, 06/01/2023	2.10%

The portfolio's holdings and allocations are subject to change. The percentages are of total net assets and as of October 31, 2011.

**ActivePassive Large Cap Growth Fund**  
**SCHEDULE OF INVESTMENTS**  
**October 31, 2011**

	<u>Shares</u>	<u>Fair Value</u>
<b>COMMON STOCKS – 46.18%</b>		
<b>Finance &amp; Insurance – 3.50%</b>		
ACE Ltd. (b)	6,510	\$ 469,697
The Charles Schwab Corp.	20,786	255,252
Visa Inc.	3,755	<u>350,191</u>
		<u>1,075,140</u>
<b>Information – 5.52%</b>		
American Tower Corp. (a)	12,220	673,322
Baidu, Inc. – ADR (a)(b)	2,570	360,263
Google Inc. (a)	1,121	<u>664,349</u>
		<u>1,697,934</u>
<b>Manufacturing – 18.81%</b>		
Allergan, Inc.	6,060	509,767
Apple Inc. (a)	2,445	989,687
ARM Holdings PLC – ADR (b)	11,600	325,844
FMC Technologies, Inc. (a)	8,760	392,623
Intuitive Surgical, Inc. (a)	783	339,712
Life Technologies Corp. (a)	9,470	385,145
Mead Johnson Nutrition Co.	6,150	441,878
Praxair, Inc.	4,650	472,766
Precision Castparts Corp.	2,795	456,004
QUALCOMM Inc.	14,722	759,655
Rockwell Automation, Inc.	4,390	296,983
Varian Medical Systems, Inc. (a)	7,120	<u>418,086</u>
		<u>5,788,150</u>
<b>Mining – 5.39%</b>		
Occidental Petroleum Corp.	6,090	566,005
Oceaneering International, Inc.	8,520	356,392
Schlumberger Limited (b)	6,780	498,127
Silver Wheaton Corp. (b)	6,850	<u>237,010</u>
		<u>1,657,534</u>
<b>Professional, Scientific &amp; Technical Services – 7.20%</b>		
Cerner Corp. (a)	9,220	584,825
Cognizant Technology Solutions Corp. (a)	6,320	459,780
priceline.com, Inc. (a)	835	423,946

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

**ActivePassive Large Cap Growth Fund**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**October 31, 2011**

	<u>Shares</u>	<u>Fair Value</u>
<b>COMMON STOCKS – 46.18% (Continued)</b>		
<b>Professional, Scientific &amp; Technical Services – 7.20% (Continued)</b>		
Salesforce.com, Inc. (a)	3,490	\$ 464,763
VMware, Inc. (a)	2,890	<u>282,497</u>
		2,215,811
<b>Retail Trade – 2.53%</b>		
Amazon.com, Inc. (a)	2,124	453,495
Costco Wholesale Corp.	3,910	<u>325,508</u>
		779,003
<b>Transportation &amp; Warehousing – 3.23%</b>		
C.H. Robinson Worldwide, Inc.	8,995	624,523
Expeditors International of Washington, Inc.	8,092	<u>368,995</u>
		993,518
TOTAL COMMON STOCKS (Cost \$12,814,234)		<u>14,207,090</u>
<b>EXCHANGE-TRADED FUNDS – 52.56%</b>		
Vanguard Growth ETF (d)	259,035	<u>16,171,555</u>
TOTAL EXCHANGE-TRADED FUNDS (Cost \$13,340,757)		<u>16,171,555</u>
<b>SHORT-TERM INVESTMENTS – 2.57%</b>		
<b>Investment Companies – 2.57%</b>		
Fidelity Institutional Money Market Portfolio – Institutional Class, 0.15% (c)	377,194	377,194
Fidelity Institutional Money Market Portfolio – Select Class, 0.10% (c)	412,719	<u>412,720</u>
TOTAL SHORT-TERM INVESTMENTS (Cost \$789,914)		<u>789,914</u>
<b>Total Investments (Cost \$26,944,905) – 101.31%</b>		31,168,559
<b>Liabilities in Excess of Other Assets – (1.31%)</b>		<u>(402,370)</u>
<b>TOTAL NET ASSETS – 100.00%</b>		<u>\$30,766,189</u>

**FOOTNOTES**

Percentages are stated as a percent of net assets.

ADR American Depository Receipt

(a) Non Income Producing

(b) Foreign Issued Security

(c) Rate shown is the 7-day yield as of October 31, 2011.

(d) See Note 10 for significant ownership concentration.

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

**ActivePassive Large Cap Value Fund**  
**SCHEDULE OF INVESTMENTS**  
**October 31, 2011**

	<u>Shares</u>	<u>Fair Value</u>
<b>COMMON STOCKS – 30.14%</b>		
<b>Finance &amp; Insurance – 4.76%</b>		
The Allstate Corp.	3,750	\$ 98,775
American Express Co.	3,559	180,157
Bank of New York Mellon Corp.	7,925	168,644
Humana Inc.	1,835	155,773
JPMorgan Chase & Co.	7,894	274,395
Wells Fargo & Co.	10,404	269,568
		<u>1,147,312</u>
<b>Health Care &amp; Social Assistance – 0.85%</b>		
Laboratory Corp. of America Holdings (a)	1,477	123,846
Quest Diagnostics, Inc.	1,461	81,524
		<u>205,370</u>
<b>Information – 3.04%</b>		
AT&T, Inc.	8,739	256,140
Microsoft Corp.	7,720	205,584
Oracle Corp.	4,538	148,710
Time Warner Cable, Inc.	1,913	121,839
		<u>732,273</u>
<b>Management of Companies &amp; Enterprised – 0.59%</b>		
The Goldman Sachs Group, Inc.	1,296	141,977
<b>Manufacturing – 11.05%</b>		
Baxter International, Inc.	3,776	207,604
Beam, Inc. (a)	2,155	106,522
Chevron Corp.	2,953	310,213
ConocoPhillips	2,889	201,219
Dover Corp.	3,559	197,631
EMC Corp. (a)	6,188	151,668
Emerson Electric Co.	2,920	140,510
General Electric Co.	17,725	296,185
Honeywell International, Inc.	2,964	155,314
Intel Corp.	9,431	231,437
Philip Morris International Inc.	1,797	125,556

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

**ActivePassive Large Cap Value Fund**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**October 31, 2011**

	<u>Shares</u>	<u>Fair Value</u>
<b>COMMON STOCKS – 30.14% (Continued)</b>		
<b>Manufacturing – 11.05% (Continued)</b>		
SanDisk Corp. (a)	3,018	\$ 152,922
United Technologies Corp.	2,283	178,028
Watson Pharmaceuticals, Inc. (a)	3,049	<u>204,771</u>
		<u>2,659,580</u>
<b>Mining – 3.61%</b>		
Apache Corp.	2,643	263,322
Freeport-McMoRan Copper & Gold, Inc.	6,141	247,237
Halliburton Co.	2,482	92,727
Hess Corp.	1,847	115,548
Transocean Ltd. (b)	2,637	<u>150,704</u>
		<u>869,538</u>
<b>Professional, Scientific, &amp; Technical Services – 0.38%</b>		
Covance, Inc. (a)	1,793	<u>90,959</u>
<b>Retail Trade – 2.54%</b>		
Best Buy Co., Inc.	4,842	127,006
eBay Inc. (a)	4,426	140,880
Kohl’s Corp.	2,325	123,248
Wal-Mart Stores, Inc.	3,898	<u>221,094</u>
		<u>612,228</u>
<b>Utilities – 1.42%</b>		
NextEra Energy, Inc.	2,865	161,586
Public Service Enterprise Group, Inc.	5,378	<u>181,239</u>
		<u>342,825</u>
<b>Wholesale Trade – 1.90%</b>		
AmerisourceBergen Corp.	5,462	222,850
The Procter & Gamble Co.	3,682	<u>235,611</u>
		<u>458,461</u>
<b>TOTAL COMMON STOCKS</b>		
(Cost \$6,133,634)		<u>7,260,523</u>

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

**ActivePassive Large Cap Value Fund**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**October 31, 2011**

	<u>Shares</u>	<u>Fair Value</u>
<b>CLOSED-END FUNDS – 0.17%</b>		
John Hancock Bank and Thrift Opportunity Fund	2,795	\$ 39,940
<b>TOTAL CLOSED-END FUNDS</b>		<u>39,940</u>
(Cost \$38,074)		
<b>EXCHANGE-TRADED FUNDS – 70.09%</b>		
Vanguard Value ETF (d)	325,416	<u>16,882,582</u>
<b>TOTAL EXCHANGE-TRADED FUNDS</b>		<u>16,882,582</u>
(Cost \$16,122,086)		
<b>SHORT-TERM INVESTMENTS – 1.44%</b>		
<b>Investment Companies – 1.44%</b>		
Fidelity Institutional Money Market Portfolio – Select Class, 0.10% (c)	348,032	<u>348,032</u>
<b>TOTAL SHORT-TERM INVESTMENTS</b>		<u>348,032</u>
(Cost \$348,032)		
<b>Total Investments (Cost \$22,641,826) – 101.84%</b>		24,531,077
<b>Liabilities in Excess of Other Assets – (1.84%)</b>		(444,204)
<b>TOTAL NET ASSETS – 100.00%</b>		<u><u>\$24,086,873</u></u>

FOOTNOTES

Percentages are stated as a percent of net assets.

(a) Non Income Producing

(b) Foreign Issued Security

(c) Rate shown is the 7-day yield as of October 31, 2011.

(d) See Note 10 for significant ownership concentration.

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

**ActivePassive Small/Mid Cap Fund**  
**SCHEDULE OF INVESTMENTS**  
**October 31, 2011**

	<u>Shares</u>	<u>Fair Value</u>
<b>COMMON STOCKS – 54.48%</b>		
<b>Accommodation &amp; Food Services – 1.56%</b>		
BJ's Restaurants Inc. (a)	5,152	\$ 272,695
Buffalo Wild Wings Inc. (a)	3	199
Orient-Express Hotels Ltd. (a)(b)	10,269	<u>87,595</u>
		<u>360,489</u>
<b>Administrative Support, Waste Management &amp; Remediation Services – 1.68%</b>		
The Geo Group Inc. (a)	9,484	172,893
Waste Connections, Inc.	6,335	<u>215,707</u>
		<u>388,600</u>
<b>Arts, Entertainment &amp; Recreation – 1.29%</b>		
Bally Technologies Inc. (a)	5,502	199,558
Pinnacle Entertainment, Inc. (a)	8,779	<u>99,378</u>
		<u>298,936</u>
<b>Finance &amp; Insurance – 4.71%</b>		
AMERIGROUP Corp. (a)	1,959	108,979
Cash America International, Inc.	5,267	288,368
Catalyst Health Solutions, Inc. (a)	3,266	179,532
Centene Corp. (a)	4,984	175,188
Duff & Phelps Corp.	5,442	69,059
EZCORP, Inc. (a)	2,840	78,895
KKR Financial Holdings LLC	6,495	54,233
UMB Financial Corp.	1,570	57,886
Validus Holdings, Ltd. (b)	2,891	<u>79,098</u>
		<u>1,091,238</u>
<b>Health Care &amp; Social Assistance – 0.44%</b>		
Air Methods Corp. (a)	1,250	<u>101,025</u>
<b>Information – 5.78%</b>		
ANSYS, Inc. (a)	3,021	164,222
Compuware Corp. (a)	19,125	161,606
Fortinet Inc. (a)	8,495	195,895
Informatica Corp. (a)	2,889	131,449
Medidata Solutions, Inc. (a)	2,568	46,173

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

**ActivePassive Small/Mid Cap Fund**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**October 31, 2011**

	<u>Shares</u>	<u>Fair Value</u>
<b>COMMON STOCKS – 54.48% (Continued)</b>		
<b>Information – 5.78% (Continued)</b>		
Progress Software Corp. (a)	4,798	\$ 101,046
QLIK Technologies Inc. (a)	5,152	147,193
Riverbed Technology, Inc. (a)	3,076	84,836
SuccessFactors, Inc. (a)	5,170	138,039
TIBCO Software Inc. (a)	5,835	168,573
		<u>1,339,032</u>
<b>Manufacturing – 24.15%</b>		
3D Systems Corp. (a)	3,495	56,864
ArthroCare Corp. (a)	5,933	178,880
BioMarin Pharmaceutical Inc. (a)	3,841	131,017
Bruker Corp. (a)	8,612	124,271
Cavium Inc. (a)	2,035	66,524
Cepheid, Inc. (a)	4,572	164,043
Coherent, Inc. (a)	3,752	191,239
The Cooper Companies, Inc.	1,285	89,050
Cymer, Inc. (a)	2,616	113,665
Delcath Systems Inc. (a)	5,016	18,158
DTS, Inc. (a)	5,395	151,546
EZchip Semiconductor Ltd. (a)(b)	1,780	64,845
GrafTech International Ltd. (a)	11,256	176,832
Hexcel Corp. (a)	3,958	97,802
Huntsman Corp.	14,104	165,581
Intrepid Potash, Inc. (a)	3,651	101,607
IPG Photonics Corp. (a)	1,781	94,144
Lufkin Industries, Inc.	5,855	345,972
Meritor, Inc. (a)	11,198	106,605
Northwest Pipe Co. (a)	4,464	119,055
OYO Geospace Corp. (a)	2,443	191,971
Quaker Chemical Corp.	2,752	95,742
Regal-Beloit Corp.	2,058	109,342
RTI International Metals, Inc. (a)	6,988	184,413
Salix Pharmaceuticals, Ltd. (a)	4,451	152,469
Seattle Genetics, Inc. (a)	8,055	177,210
Shuffle Master, Inc. (a)	22,475	238,460

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

**ActivePassive Small/Mid Cap Fund**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**October 31, 2011**

	<u>Shares</u>	<u>Fair Value</u>
<b>COMMON STOCKS – 54.48% (Continued)</b>		
<b>Manufacturing – 24.15% (Continued)</b>		
Sirona Dental Systems, Inc. (a)	3,735	\$ 178,906
Steven Madden, Ltd. (a)	4,371	161,290
Teradyne, Inc. (a)	11,534	165,167
Texas Industries, Inc.	4,964	148,920
Thoratec Corp. (a)	4,889	178,497
Titanium Metals Corp.	10,018	167,801
Triumph Group, Inc.	4,454	258,777
United Therapeutics Corp. (a)	1,335	58,380
Universal Display Corp. (a)	2,313	108,318
Universal Electronics Inc. (a)	6,464	120,166
Veeco Instruments Inc. (a)	3,292	87,863
WABCO Holdings Inc. (a)	5,055	<u>253,812</u>
		<u>5,595,204</u>
<b>Mining – 1.62%</b>		
Cloud Peak Energy, Inc. (a)	3,368	77,296
Gulfport Energy Corp. (a)	2,140	66,640
Oasis Petroleum Inc. (a)	7,859	<u>230,583</u>
		<u>374,519</u>
<b>Professional, Scientific &amp; Technical Services – 4.53%</b>		
Allscripts Healthcare Solutions, Inc. (a)	6,370	121,985
ICON PLC – ADR (a)(b)	3,306	55,541
MedAssets, Inc. (a)	6,190	65,985
Monster Worldwide, Inc. (a)	9,716	89,679
NICE Systems Ltd. – ADR (a)(b)	4,968	177,656
PAREXEL International Corp. (a)	4,594	101,206
Quality Systems, Inc.	5,978	232,604
Sapient Corp. (a)	16,692	<u>206,313</u>
		<u>1,050,969</u>
<b>Real Estate, Rental &amp; Leasing – 0.67%</b>		
Acacia Research (a)	3,922	<u>156,252</u>

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

**ActivePassive Small/Mid Cap Fund**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**October 31, 2011**

	<u>Shares</u>	<u>Fair Value</u>
<b>COMMON STOCKS – 54.48% (Continued)</b>		
<b>Retail Trade – 5.91%</b>		
Chico’s FAS, Inc.	5,488	\$ 67,832
The Fresh Market, Inc. (a)	4,106	164,240
Genesco Inc. (a)	8,728	514,428
GNC Acquisition Holdings Inc. (a)	6,249	154,663
Sally Beauty Holdings, Inc. (a)	3,248	62,329
Sotheby’s	3,391	119,431
Vitamin Shoppe, Inc. (a)	7,585	286,030
		<u>1,368,953</u>
<b>Transportation &amp; Warehousing – 1.51%</b>		
Atlas Air Worldwide Holdings, Inc. (a)	2,944	113,403
JetBlue Airways Corp. (a)	23,292	104,348
Landstar System, Inc.	2,979	132,953
		<u>350,704</u>
<b>Wholesale Trade – 0.63%</b>		
Herbalife Ltd. (b)	2,356	146,920
<b>TOTAL COMMON STOCKS</b>		
(Cost \$10,586,115)		<u>12,622,841</u>
<b>EXCHANGE-TRADED FUNDS – 45.01%</b>		
iShares Russell 2000 Growth Index Fund	49,480	4,206,295
iShares Russell 2000 Value Index Fund	54,380	3,549,926
iShares Russell Midcap Growth Index Fund	28,926	1,630,848
iShares Russell Midcap Value Index Fund	23,982	1,041,299
<b>TOTAL EXCHANGE-TRADED FUNDS</b>		
(Cost \$7,656,590)		<u>10,428,368</u>
<b>TRUSTS – 0.39%</b>		
Redwood Trust, Inc.	7,883	91,600
<b>TOTAL TRUSTS</b>		
(Cost \$106,310)		<u>91,600</u>

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

**ActivePassive Small/Mid Cap Fund**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**October 31, 2011**

	<u>Shares</u>	<u>Fair Value</u>
<b>SHORT-TERM INVESTMENTS – 0.21 %</b>		
<b>Investment Companies – 0.21 %</b>		
Fidelity Institutional Money Market Portfolio – Select Class, 0.10% (c)	48,661	\$ 48,661
<b>TOTAL SHORT-TERM INVESTMENTS</b> (Cost \$48,661)		<u>48,661</u>
<b>Total Investments (Cost \$18,397,676) – 100.09%</b>		23,191,470
<b>Liabilities in Excess of Other Assets – (0.09%)</b>		<u>(21,815)</u>
<b>TOTAL NET ASSETS – 100.00%</b>		<u><u>\$23,169,655</u></u>

FOOTNOTES

Percentages are stated as a percent of net assets.

ADR American Depository Receipt

(a) Non Income Producing

(b) Foreign Issued Security

(c) Rate shown is the 7-day yield as of October 31, 2011.

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

**ActivePassive International Equity Fund**  
**SCHEDULE OF INVESTMENTS**  
**October 31, 2011**

	<u>Shares</u>	<u>Fair Value</u>
<b>COMMON STOCKS – 42.11%</b>		
<b>Australia – 2.73%</b>		
BHP Billiton Ltd. (b)	4,025	\$ 160,345
Brambles Ltd. (b)	16,190	112,954
CSL Ltd. (b)	2,561	77,894
QBE Insurance Group Ltd. (b)	5,842	90,814
WorleyParsons Ltd. (b)	5,474	<u>160,725</u>
		<u>602,732</u>
<b>Belgium – 0.81%</b>		
Anheuser-Busch InBev NV (b)	3,227	<u>179,568</u>
<b>Bermuda – 0.17%</b>		
VimpelCom Ltd. – ADR (b)	3,379	<u>37,101</u>
<b>Brazil – 0.37%</b>		
Petroleo Brasileiro SA – ADR (b)	3,249	<u>82,167</u>
<b>Canada – 2.87%</b>		
Agrium Inc. (b)	1,180	97,289
Canadian National Railway Co. (b)	1,163	91,103
Canadian Natural Resources Ltd. (b)	2,298	81,061
Cenovus Energy Inc. (b)	2,901	99,363
Fairfax Financial Holding Ltd. (b)	229	95,729
Suncor Energy, Inc. (b)	5,307	<u>169,047</u>
		<u>633,592</u>
<b>China – 0.59%</b>		
Industrial & Commercial Bank of China Ltd. (b)	205,000	<u>130,355</u>
<b>Denmark – 0.64%</b>		
Novo Nordisk A/S (b)	1,331	<u>142,317</u>
<b>France – 2.96%</b>		
Cap Gemini (b)	2,860	109,699
Cie Generale des Etablissements Michelin (b)	928	67,678
Danone SA (b)	2,017	140,383
Eutelsat Communications (b)	1,782	73,603
L’Oreal SA (b)	626	69,131
Publicis Groupe (b)	1,157	56,089

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

**ActivePassive International Equity Fund**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**October 31, 2011**

	<u>Shares</u>	<u>Fair Value</u>
<b>COMMON STOCKS – 42.11% (Continued)</b>		
<b>France – 2.96% (Continued)</b>		
Schneider Electric SA (b)	1,130	\$ 66,687
Total SA (b)	1,345	<u>70,377</u>
		<u>653,647</u>
<b>Germany – 2.64%</b>		
Adidas AG (b)	2,235	158,216
Bayer AG (b)	817	52,336
Bayerische Motoren Werke AG (b)	1,149	93,898
Fresenius Medical Care AG & Co. (b)	1,647	120,260
SAP AG (b)	2,638	<u>159,240</u>
		<u>583,950</u>
<b>Hong Kong – 0.98%</b>		
China Mobile Ltd. (b)	10,000	96,089
Hutchison Whampoa Ltd. (b)	13,000	<u>120,900</u>
		216,989
<b>India – 0.46%</b>		
Infosys Technologies Ltd. – ADR (b)	1,717	<u>100,599</u>
<b>Israel – 0.81%</b>		
Teva Pharmaceutical Industries Ltd. – ADR (b)	4,362	<u>178,188</u>
<b>Japan – 4.64%</b>		
CANON, Inc. (b)	4,100	188,795
DENSO Corp. (b)	4,100	129,115
FANUC Ltd. (b)	600	99,233
Keyence Corp. (b)	430	110,993
Komatsu Ltd. (b)	2,600	65,715
NIDEC Corp. (b)	1,300	108,084
Toyota Motor Corp. (b)	3,900	131,896
YAMADA DENKI Co., Ltd. (b)	2,610	<u>189,624</u>
		<u>1,023,455</u>
<b>Jersey – 1.24%</b>		
Informa PLC (b)	15,005	87,434
Shire PLC (b)	3,196	100,259
WPP PLC (b)	8,263	<u>85,828</u>
		<u>273,521</u>

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

**ActivePassive International Equity Fund**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**October 31, 2011**

	<u>Shares</u>	<u>Fair Value</u>
<b>COMMON STOCKS – 42.11% (Continued)</b>		
<b>Mexico – 1.58%</b>		
America Movil SAB de C.V. – ADR (b)	5,592	\$ 142,149
Fomento Economico Mexicano, S.A.B. de C.V. – ADR (b)	1,718	115,192
Grupo Televisa SA – ADR (b)	4,250	<u>90,652</u>
		<u>347,993</u>
<b>Netherlands – 1.20%</b>		
Koninklijke Ahold NV (b)	8,139	104,342
Koninklijke KPN NV (b)	1,544	20,288
Unilever NV (b)	4,040	<u>139,586</u>
		<u>264,216</u>
<b>Russia – 0.49%</b>		
Gazprom – ADR (a)(b)	9,178	106,557
Gazprom – (a)(b)	72	<u>840</u>
		<u>107,397</u>
<b>Singapore – 1.20%</b>		
Keppel Corp., Ltd. (b)	18,700	141,427
United Overseas Bank Ltd. (b)	9,000	<u>123,008</u>
		<u>264,435</u>
<b>South Korea – 1.25%</b>		
Hyundai Mobis (b)	441	128,535
NHN Corp. (a)(b)	706	<u>148,437</u>
		<u>276,972</u>
<b>Sweden – 1.58%</b>		
Kinnevik Investment AB (b)	2,588	54,361
Swedbank AB (b)	6,912	97,410
Telefonaktiebolaget LM Ericsson (b)	11,415	119,274
Volvo AB (b)	6,273	<u>78,588</u>
		<u>349,633</u>
<b>Switzerland – 3.58%</b>		
ABB Ltd. (b)	4,972	94,705
Julius Baer Group Ltd. (b)	2,756	104,677
Nestle SA (b)	2,830	164,100

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

**ActivePassive International Equity Fund**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**October 31, 2011**

	<u>Shares</u>	<u>Fair Value</u>
<b>COMMON STOCKS – 42.11% (Continued)</b>		
<b>Switzerland – 3.58% (Continued)</b>		
Novartis AG (b)	3,270	\$ 184,808
Roche Holding AG (b)	743	122,479
Syngenta AG (b)	389	<u>118,987</u>
		<u>789,756</u>
<b>Taiwan – 0.64%</b>		
Taiwan Semiconductor Manufacturing Co., Ltd. – ADR (b)	11,176	<u>141,041</u>
<b>Turkey – 0.33%</b>		
Akbank TAS (b)	20,217	<u>73,853</u>
<b>United Kingdom – 8.35%</b>		
BG Group PLC (b)	7,289	158,981
British American Tobacco PLC (b)	3,577	164,750
Centrica PLC (b)	20,539	97,984
Compass Group PLC (b)	24,427	222,303
GlaxoSmithKline PLC (b)	1,438	32,070
Imperial Tobacco Group PLC (b)	5,704	208,559
International Power PLC (b)	13,828	75,195
Kingfisher PLC (b)	24,858	103,480
Next PLC (b)	3,129	128,595
Reed Elsevier PLC (b)	18,197	156,389
Royal Dutch Shell PLC (b)	4,098	147,301
Smith & Nephew PLC (b)	9,784	89,749
Tesco PLC (b)	22,138	143,005
Vodafone Group PLC (b)	41,426	<u>115,133</u>
		<u>1,843,494</u>
<b>TOTAL COMMON STOCKS</b>		
(Cost \$7,955,272)		<u>9,296,971</u>

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

**ActivePassive International Equity Fund**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**October 31, 2011**

	<u>Shares</u>	<u>Fair Value</u>
<b>PREFERRED STOCKS – 1.40%</b>		
<b>Brazil – 0.87%</b>		
Banco Bradesco SA – ADR (b)	10,525	\$ 191,555
<b>Germany – 0.53%</b>		
Volkswagen AG (b)	672	117,905
<b>TOTAL PREFERRED STOCKS</b>		<u>309,460</u>
(Cost \$295,076)		
<b>OPEN-END FUNDS – 52.26%</b>		
Fidelity Spartan International Index Fund (d)	356,209	11,537,607
<b>TOTAL OPEN-END FUNDS</b>		<u>11,537,607</u>
(Cost \$9,608,506)		
<b>SHORT-TERM INVESTMENTS – 3.96%</b>		
<b>Investment Companies – 3.96%</b>		
Fidelity Institutional Money Market Portfolio – Select Class, 0.10% (c)	873,106	873,106
<b>TOTAL SHORT-TERM INVESTMENTS</b>		<u>873,106</u>
(Cost \$873,106)		
<b>Total Investments (Cost \$18,731,960) – 99.73%</b>		22,017,144
<b>Other Assets in Excess of Liabilities – 0.27%</b>		59,630
<b>TOTAL NET ASSETS – 100.00%</b>		<u><u>\$22,076,774</u></u>

FOOTNOTES

Percentages are stated as a percent of net assets.

ADR American Depository Receipt

(a) Non Income Producing

(b) Foreign Issued Security

(c) Rate shown is the 7-day yield as of October 31, 2011.

(d) See Note 10 for significant ownership concentration.

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

**ActivePassive International Equity Fund**  
**PORTFOLIO DIVERSIFICATION**  
**October 31, 2011**

	<u>Fair Value</u>	<u>Percentage</u>
<b>Common Stocks</b>		
Consumer Discretionary	\$ 1,903,335	8.62%
Consumer Staples	1,428,617	6.47%
Energy	1,076,419	4.88%
Financials	770,206	3.49%
Health Care	1,048,025	4.75%
Industrials	979,396	4.44%
Information Technology	1,078,077	4.88%
Materials	428,956	1.94%
Telecommunication Services	410,760	1.86%
Utilities	173,180	0.78%
<b>Total Common Stocks</b>	9,296,971	42.11%
<b>Total Open-End Funds</b>	11,537,607	52.26%
<b>Total Preferred Stocks</b>	309,460	1.40%
<b>Total Short-Term Investments</b>	873,106	3.96%
<b>Total Investments</b>	22,017,144	99.73%
<b>Liabilities in Excess of Other Assets</b>	59,630	0.27%
<b>Total Net Assets</b>	<u>\$22,076,774</u>	<u>100.00%</u>

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

**ActivePassive Global Bond Fund**  
**SCHEDULE OF INVESTMENTS**  
**October 31, 2011**

	<u>Shares</u>	<u>Fair Value</u>
<b>EXCHANGE-TRADED FUNDS – 54.89%</b>		
SPDR Barclays Capital International Treasury Bond ETF (b)	72,193	\$ 4,411,714
Vanguard Total Bond Market ETF (b)	53,197	<u>4,448,333</u>
<b>TOTAL EXCHANGE-TRADED FUNDS</b> (Cost \$8,381,738)		<u>8,860,047</u>
<b>OPEN-END FUNDS – 45.11 %</b>		
Loomis Sayles Global Bond Fund (b)	320,558	5,465,508
Oppenheimer International Bond Fund	281,506	<u>1,815,714</u>
<b>TOTAL OPEN-END FUNDS</b> (Cost \$6,843,139)		<u>7,281,222</u>
<b>SHORT-TERM INVESTMENTS – 1.03%</b>		
<b>Investment Companies – 1.03%</b>		
Fidelity Institutional Money Market Portfolio – Select Class, 0.10% (a)	166,926	<u>166,926</u>
<b>TOTAL SHORT-TERM INVESTMENTS</b> (Cost \$166,926)		<u>166,926</u>
<b>Total Investments (Cost \$15,391,803) – 101.03%</b>		<u>16,308,195</u>
<b>Liabilities in Excess of Other Assets – (1.03%)</b>		<u>(165,744)</u>
<b>TOTAL NET ASSETS – 100.00%</b>		<u><u>\$16,142,451</u></u>

FOOTNOTES

Percentages are stated as a percent of net assets.

(a) Rate shown is the 7-day yield as of October 31, 2011.

(b) See Note 10 for significant ownership concentration.

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

**ActivePassive Intermediate Taxable Bond Fund**  
**SCHEDULE OF INVESTMENTS**  
**October 31, 2011**

	<u>Principal Amount</u>	<u>Fair Value</u>
<b>ASSET BACKED SECURITIES – 2.97%</b>		
Bank of America Credit Card Trust, 0.309%, 04/15/2016 (b)	\$100,000	\$ 99,812
Capital Auto Receivables Asset Trust., 4.68%, 10/15/2012	2,941	2,946
Capital One Multi-Asset Execution Trust, 0.453%, 12/15/2016 (b)	105,000	104,885
Chrysler Financial Auto Securitization, 0.91%, 08/08/2013	90,000	90,157
2.82%, 01/15/2016	50,719	51,154
Honda Auto Receivables Owners Trust, 0.65%, 06/15/2013	75,000	75,047
0.94%, 03/18/2015	60,000	60,264
0.94%, 12/21/2016	70,000	70,240
Hyundai Auto Receivables Trust, 2.03%, 08/15/2013	20,904	21,016
Mercedes-Benz Auto Receivables Trust, 0.85%, 03/16/2015	55,000	55,143
Nissan Auto Receivables Owner Trust, 0.87%, 07/15/2014 (b)	65,000	65,120
Toyota Auto Receivables Owners Trust, 0.53%, 04/15/2014	85,000	84,959
0.98%, 10/15/2014	50,000	50,231
USAA Auto Owner Trust, 1.54%, 02/18/2014 (b)	26,207	26,302
World Omni Auto Receivables Trust, 2.21%, 05/15/2015	60,000	<u>61,095</u>
<b>TOTAL ASSET BACKED SECURITIES</b> (Cost \$915,527)		<u>918,371</u>
<b>COLLATERALIZED MORTGAGE OBLIGATION – PRIVATE MORTGAGE BACKED SECURITIES – 2.56%</b>		
Bear Stearns Commercial Mortgage Securities, 4.95%, 02/11/2041	59,710	59,865
5.537%, 10/12/2041	50,000	55,825
Citigroup Commercial Mortgage Trust, 5.462%, 10/15/2049	35,000	34,091

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

**ActivePassive Intermediate Taxable Bond Fund**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**October 31, 2011**

	<u>Principal Amount</u>	<u>Fair Value</u>
<b>COLLATERALIZED MORTGAGE OBLIGATION – PRIVATE MORTGAGE BACKED SECURITIES – 2.56% (Continued)</b>		
CS First Boston Mortgage Securities Co., 3.936%, 05/15/2038	\$ 40,000	\$ 41,328
GMAC Commercial Mortgage Securities Inc., 5.238%, 11/10/2045 (b)	75,000	81,689
GS Mortgage Securities Corp., 5.56%, 11/14/2039	70,000	75,974
JP Morgan Chase Commercial Mortgage, 5.42%, 01/15/2049	45,000	48,007
5.429%, 12/12/2043	60,000	65,071
LB-UBS Commercial Mortgage Trust, 4.794%, 07/15/2040	50,000	50,711
5.347%, 11/15/2038	45,000	48,691
Morgan Stanley Capital, 5.359%, 02/12/2044	52,701	52,889
5.546%, 06/15/2038 (b)	40,000	43,326
5.92%, 08/12/2041 (b)	36,331	36,873
5.514%, 11/12/2049 (b)	45,000	49,524
Wachovia Bank Commercial Mortgage Trust, 5.308%, 11/15/2048	45,000	<u>48,998</u>
<b>TOTAL COLLATERALIZED MORTGAGE OBLIGATION – PRIVATE MORTGAGE BACKED SECURITIES</b> (Cost \$789,963)		<u>792,862</u>
<b>CORPORATE BONDS – 11.22%</b>		
<b>Accommodation &amp; Food Services – 0.16%</b>		
Starbucks Corp., 6.25%, 08/15/2017	40,000	<u>48,064</u>
<b>Finance &amp; Insurance – 5.18%</b>		
AMB Property LP, 6.625%, 12/01/2019	10,000	10,895
7.50%, 06/30/2018	35,000	39,405
American International Group, Inc., 5.85%, 01/16/2018	20,000	20,179

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

**ActivePassive Intermediate Taxable Bond Fund**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**October 31, 2011**

	<u>Principal Amount</u>	<u>Fair Value</u>
<b>CORPORATE BONDS – 11.22% (Continued)</b>		
<b>Finance &amp; Insurance – 5.18% (Continued)</b>		
Bank of America Corp., 5.75%, 08/15/2016	\$ 30,000	\$ 29,403
7.375%, 05/15/2014	55,000	58,824
7.625%, 06/01/2019	70,000	76,174
BB&T Corp., 3.95%, 04/29/2016	70,000	74,576
Bear Stearns Cos. LLC, 6.40%, 10/02/2017	85,000	98,234
Bunge Limited Finance Corp., 4.10%, 03/15/2016	50,000	51,541
Caterpillar Financial Services Corp., 1.375%, 05/20/2014	50,000	50,455
First Horizon National, 5.375%, 12/15/2015	45,000	45,112
General Electric Capital Corp., 4.375%, 09/16/2020	85,000	86,656
5.40%, 02/15/2017	50,000	55,730
5.625%, 09/15/2017	15,000	16,714
Goldman Sachs Group, Inc., 5.375%, 03/15/2020	70,000	71,103
5.75%, 10/01/2016	45,000	48,281
HCP, Inc. 5.375%, 02/01/2021	50,000	51,445
HSBC Finance Corp., 5.00%, 06/30/2015	70,000	72,950
Jefferies Group Inc., 5.125%, 04/13/2018	50,000	45,201
John Deere Capital Corp, 1.875%, 06/17/2013	50,000	51,210
MetLife, Inc., 6.817%, 08/15/2018	40,000	47,734
7.717%, 02/15/2019	25,000	31,395
National Rural Utilities Cooperative Finance Corp., 7.25%, 03/01/2012	13,000	13,285
PNC Financial Services Group, Inc., 6.00%, 12/07/2017	35,000	39,406
Prudential Financial Inc., 5.15%, 01/15/2013	55,000	57,455
The Charles Schwab Corp., 4.95%, 06/01/2014	55,000	60,497
UnitedHealth Group, Inc., 4.70%, 02/15/2021	50,000	56,023
4.875%, 04/01/2013	45,000	47,254
Vornado Realty LP, 4.25%, 04/01/2015	45,000	46,053

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

**ActivePassive Intermediate Taxable Bond Fund**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**October 31, 2011**

	<u>Principal Amount</u>	<u>Fair Value</u>
<b>CORPORATE BONDS – 11.22% (Continued)</b>		
<b>Finance &amp; Insurance – 5.18% (Continued)</b>		
Wachovia Corp., 5.75%, 06/15/2017	\$ 45,000	\$ 51,967
Wells Fargo & Co., 5.625%, 12/11/2017	85,000	<u>98,001</u>
		<u>1,603,158</u>
<b>Information – 1.04%</b>		
AT&T, Inc., 5.50%, 02/01/2018	65,000	75,594
Directv Holdings, 5.00%, 03/01/2021	85,000	93,224
Verizon Communications, Inc., 5.50%, 02/15/2018	85,000	98,773
Vodafone Group Plc, 5.00%, 12/16/2013 (a)	50,000	<u>54,143</u>
		<u>321,734</u>
<b>Manufacturing – 1.96%</b>		
Alcoa Inc., 5.40%, 04/15/2021	50,000	49,634
ArcelorMittal, 9.00%, 02/15/2015 (a)	35,000	40,996
9.85%, 06/01/2019 (a)	40,000	47,519
Boeing Co., 3.50%, 02/15/2015	50,000	53,800
Coca Cola Enterprises, Inc., 5.00%, 08/15/2013	25,000	26,781
7.375%, 03/03/2014	25,000	28,428
Conagra Foods, Inc., 5.875%, 04/15/2014	40,000	43,999
ConocoPhillips, 5.625%, 10/15/2016 (a)	70,000	81,596
The Dow Chemical Co., 4.25%, 11/15/2020	50,000	51,610
7.60%, 05/15/2014	40,000	45,419
H.J. Heinz Co., 5.35%, 07/15/2013	45,000	48,301
Valero Energy Corp., 9.375%, 03/15/2019	35,000	45,800
Wyeth, 5.50%, 02/01/2014	40,000	<u>44,133</u>
		<u>608,016</u>
<b>Mining – 0.63%</b>		
Barrick Gold Finance Co., 4.88%, 11/15/2014 (a)	30,000	32,672
6.13%, 09/15/2013 (a)	15,000	16,407
Enterprise Products Operations LLC, 6.50%, 01/31/2019	40,000	47,502

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

**ActivePassive Intermediate Taxable Bond Fund**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**October 31, 2011**

	<u>Principal Amount</u>	<u>Fair Value</u>
<b>CORPORATE BONDS – 11.22% (Continued)</b>		
<b>Mining – 0.63% (Continued)</b>		
Shell International, 4.00%, 03/21/2014 (a)	\$ 50,000	\$ 54,076
WMC Finance USA, 5.125%, 05/15/2013 (a)	40,000	<u>42,658</u>
		<u>193,315</u>
<b>Professional, Scientific &amp; Technical Services – 0.19%</b>		
Electronic Data Systems Corp., 6.00%, 08/01/2013	55,000	<u>59,356</u>
<b>Retail Trade – 0.95%</b>		
CVS Caremark Corp., 4.125%, 05/15/2021	80,000	85,563
Kroger Co., 7.50%, 01/15/2014	45,000	50,797
Nordstrom Inc., 4.75%, 05/01/2020	45,000	48,896
Safeway, Inc., 6.35%, 08/15/2017	50,000	58,296
Target Corp., 1.125%, 07/18/2014	50,000	<u>50,418</u>
		<u>293,970</u>
<b>Transportation &amp; Warehousing – 0.33%</b>		
Boardwalk Pipelines LLC, 5.50%, 02/01/2017	50,000	54,165
Vale Overseas Ltd, 5.625%, 09/15/2019 (a)	45,000	<u>49,002</u>
		<u>103,167</u>
<b>Utilities – 0.78%</b>		
Alabama Power Co., 4.85%, 12/15/2012	40,000	41,757
Columbus Southern Power Co., 5.50%, 03/01/2013	50,000	52,627
Dominion Resources Inc., 5.00%, 03/15/2013	45,000	47,382
Peco Energy Co., 4.75%, 10/01/2012	45,000	46,721
Sempra Energy, 6.50%, 06/01/2016	45,000	<u>52,665</u>
		<u>241,152</u>
<b>TOTAL CORPORATE BONDS</b>		
(Cost \$3,353,502)		<u>3,471,932</u>
<b>MORTGAGE BACKED SECURITIES – 1.37%</b>		
FHLMC, Pool 1G0731, 2.618%, 02/01/2036 (b)	122,254	129,434
FNMA, Pool 888763, 5.136%, 10/01/2037 (b)	86,973	92,941
FNMA, Pool 913253, 5.106%, 03/01/2037 (b)	50,441	53,487
FNMA, Pool 256638, 6.00%, 03/01/2037 (b)	57,311	62,962

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

**ActivePassive Intermediate Taxable Bond Fund**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**October 31, 2011**

	<u>Principal Amount</u>	<u>Fair Value</u>
<b>MORTGAGE BACKED SECURITIES – 1.37% (Continued)</b>		
FNMA, Pool 256749, 6.00%, 06/01/2037	\$ 33,243	\$ 36,520
FNMA, Pool 899717, 6.00%, 09/01/2037	44,224	<u>48,584</u>
<b>TOTAL MORTGAGE BACKED SECURITIES</b> (Cost \$410,232)		<u>423,928</u>
<b>U.S. GOVERNMENT AGENCY ISSUES – 6.10%</b>		
FAMCA, 6.71%, 07/28/2014	20,000	23,168
FHLMC, 1.00%, 08/27/2014	200,000	201,736
FHLMC, 1.125%, 07/27/2012	200,000	201,256
FHLMC, 2.50%, 05/27/2016	195,000	206,708
FHLMC, 3.75%, 03/27/2019	180,000	202,619
FNMA, 1.125%, 06/27/2014	785,000	795,583
FNMA, 3.50%, 11/15/2040	200,000	203,313
FNMA, 5.00%, 11/15/2040	35,000	37,652
GNMA, Pool 781468, 6.50%, 07/15/2032	5,902	6,761
GNMA, Pool 781159, 7.50%, 04/15/2030	4,474	5,247
GNMA, Pool 543435, 7.50%, 11/15/2030	390	402
GNMA, Pool 781187, 8.00%, 06/15/2030	1,443	<u>1,712</u>
<b>TOTAL U.S. GOVERNMENT AGENCY ISSUES</b> (Cost \$1,864,899)		<u>1,886,157</u>
<b>U.S. TREASURY OBLIGATIONS – 8.50%</b>		
U.S. Treasury Note, 0.38%, 06/30/2013	100,000	100,273
0.75%, 06/15/2014	810,000	818,290
2.25%, 03/31/2016	95,000	100,923
2.50%, 06/30/2017	550,000	588,586
3.50%, 05/15/2020	905,000	<u>1,019,397</u>
<b>TOTAL U.S. TREASURY OBLIGATIONS</b> (Cost \$2,498,703)		<u>2,627,469</u>

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

**ActivePassive Intermediate Taxable Bond Fund**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**October 31, 2011**

	<u>Shares</u>	<u>Fair Value</u>
<b>EXCHANGE-TRADED FUNDS – 66.15%</b>		
Vanguard Total Bond Market ETF (d)	244,756	<u>\$20,466,497</u>
<b>TOTAL EXCHANGE-TRADED FUNDS</b> (Cost \$19,459,080)		<u>20,466,497</u>
<b>SHORT-TERM INVESTMENTS – 2.72%</b>		
Investment Companies		
Fidelity Institutional Money Market Portfolio – Select Class, 0.10% (c)	840,988	<u>840,988</u>
<b>TOTAL SHORT-TERM INVESTMENTS</b> (Cost \$840,988)		<u>840,988</u>
<b>Total Investments (Cost \$30,132,894) – 101.59%</b>		31,428,204
<b>Liabilities in Excess of Other Assets – (1.59%)</b>		<u>(490,411)</u>
<b>TOTAL NET ASSETS – 100.00%</b>		<u><u>\$30,937,793</u></u>

FOOTNOTES

Percentages are stated as a percent of net assets.

FAMCA Federal Agricultural Mortgage Corp.

FHLMC Federal Home Loan Mortgage Corp.

FNMA Federal National Mortgage Assoc.

GNMA Government National Mortgage Assoc.

(a) Foreign Issued Security

(b) Variable rate securities, the coupon rate shown is the effective interest rate as of October 31, 2011.

(c) Rate shown is the 7-day yield as of October 31, 2011.

(d) See Note 10 for significant ownership concentration.

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

**ActivePassive Intermediate Municipal Bond Fund**  
**SCHEDULE OF INVESTMENTS**  
**October 31, 2011**

	<u>Principal Amount</u>	<u>Fair Value</u>
<b>MUNICIPAL BONDS – 55.32%</b>		
<b>Arizona – 1.00%</b>		
City of Phoenix Civic Improvement Corporation, 5.50%, 07/01/2018	\$135,000	\$ <u>163,482</u>
<b>California – 9.40%</b>		
California Health Facilities Financing Authority, 5.50%, 07/01/2025	200,000	211,388
The Regents of the University of California Limited Project, 5.00%, 05/15/2021	150,000	166,225
San Francisco Bay Area Toll Authority, 5.00%, 04/01/2021	250,000	274,958
State of California Department of Water Resources, 5.00%, 05/01/2018	100,000	116,596
5.00%, 05/01/2021	150,000	174,671
State of California Economic Recovery, 5.00%, 07/01/2020	150,000	169,953
State of California Various Purpose, 5.00%, 03/01/2026	300,000	313,983
5.25%, 04/01/2022	100,000	<u>111,749</u>
		<u>1,539,523</u>
<b>Colorado – 0.66%</b>		
Colorado Regional Transportation District, 5.00%, 12/01/2021	100,000	<u>108,197</u>
<b>Florida – 5.70%</b>		
Florida State Turnpike Authority, 5.00%, 07/01/2020	150,000	158,637
Orlando Utilities Commission, 5.00%, 10/01/2019	250,000	292,647
State of Florida Board of Education, 5.00%, 06/01/2022	125,000	138,773
5.00%, 06/01/2023	300,000	<u>344,547</u>
		<u>934,604</u>
<b>Georgia – 0.89%</b>		
Metropolitan Atlanta Rapid Transit Authority, 5.00%, 07/01/2017	125,000	<u>146,507</u>

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

**ActivePassive Intermediate Municipal Bond Fund**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**October 31, 2011**

	<u>Principal Amount</u>	<u>Fair Value</u>
<b>MUNICIPAL BONDS – 55.32%</b>		
<b>Illinois – 2.23%</b>		
State of Illinois, Build Illinois, 5.00%, 06/15/2022	\$200,000	\$ 219,478
University of Illinois, 5.50%, 04/01/2019	125,000	<u>145,084</u>
		<u>364,562</u>
<b>Massachusetts – 3.75%</b>		
Massachusetts Bay Transportation Authority, 5.00%, 07/01/2024	400,000	477,216
Massachusetts Water Pollution Abatement Trust, 5.00%, 08/01/2018	125,000	<u>136,654</u>
		<u>613,870</u>
<b>Michigan – 3.75%</b>		
Michigan State Hospital Finance Authority, 5.00%, 11/15/2021	200,000	224,720
Michigan State Trunk Line Fund, 5.00%, 11/01/2018	200,000	224,438
5.00%, 09/01/2019	150,000	<u>164,754</u>
		<u>613,912</u>
<b>New Hampshire – 2.10%</b>		
New Hampshire Municipal Bond Bank, 5.00%, 08/15/2023,	300,000	<u>344,766</u>
<b>New Jersey – 3.52%</b>		
New Jersey Economic Development Authority, 5.00%, 03/01/2017	150,000	168,831
New Jersey Environmental Infrastructure, 5.00%, 09/01/2023	350,000	<u>407,250</u>
		<u>576,081</u>
<b>New York – 5.36%</b>		
City of New York General Obligation, 5.00%, 08/01/2022	400,000	456,980
New York City Transitional Finance Authority, 5.00%, 08/01/2020	125,000	140,743

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

**ActivePassive Intermediate Municipal Bond Fund**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**October 31, 2011**

	<u>Principal Amount</u>	<u>Fair Value</u>
<b>MUNICIPAL BONDS – 55.32% (Continued)</b>		
<b>New York – 5.36% (Continued)</b>		
New York State Thruway Authority, 5.00%, 04/01/2017	\$100,000	\$ 113,368
5.00%, 03/15/2021	150,000	<u>166,269</u>
		<u>877,360</u>
<b>North Carolina – 1.23%</b>		
North Carolina Eastern Municipal Power Agency, 5.25%, 01/01/2020	50,000	56,164
State of North Carolina Capital Improvement, 5.00%, 05/01/2021	125,000	<u>145,586</u>
		<u>201,750</u>
<b>Ohio – 2.51%</b>		
State of Ohio General Obligation, 5.00%, 08/01/2017	350,000	<u>411,691</u>
<b>Oklahoma – 1.42%</b>		
Oklahoma Water Resources Board, 5.00%, 04/01/2022	200,000	<u>232,748</u>
<b>Oregon – 2.54%</b>		
State of Oregon Department of Administrative Services, 5.00%, 04/01/2019	350,000	<u>415,884</u>
<b>Texas – 7.64%</b>		
City of Houston Public Improvement, 5.00%, 03/01/2018	200,000	236,272
City of San Antonio Electric & Gas, 5.00%, 02/01/2021	150,000	168,084
North Texas Tollway Authority, 5.00%, 09/01/2021	300,000	345,762
Texas Public Finance Authority, 5.00%, 07/01/2019	200,000	219,512
Texas Transportation Commission State Highway, 5.00%, 04/01/2018	100,000	115,069
University of Texas System Board of Regents 5.00%, 08/15/2022	150,000	<u>167,658</u>
		<u>1,252,357</u>

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

**ActivePassive Intermediate Municipal Bond Fund**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**October 31, 2011**

	<u>Principal Amount</u>	<u>Fair Value</u>
<b>MUNICIPAL BONDS – 55.32% (Continued)</b>		
<b>Utah – 0.97%</b>		
Intermountain Power Agency of Utah, 5.25%, 07/01/2020	\$150,000	\$ <u>158,809</u>
<b>Washington – 0.65%</b>		
Energy Northwest, 5.50%, 07/01/2017	100,000	<u>107,170</u>
<b>TOTAL MUNICIPAL BONDS</b> (Cost \$8,580,954)		<u>9,063,273</u>
	<u>Shares</u>	
<b>EXCHANGE-TRADED FUNDS – 41.21%</b>		
iShares S&P National AMT-Free Bond Fund	31,927	3,377,557
SPDR Nuveen Barclays Capital Municipal Bond ETF	145,495	<u>3,372,574</u>
<b>TOTAL EXCHANGE-TRADED FUNDS</b> (Cost \$6,427,368)		<u>6,750,131</u>
<b>SHORT-TERM INVESTMENTS – 3.06%</b>		
Fidelity Institutional Tax-Exempt Portfolio – Institutional Class, 0.15% (a)	501,494	<u>501,494</u>
<b>TOTAL SHORT-TERM INVESTMENTS</b> (Cost \$501,494)		<u>501,494</u>
<b>Total Investments (Cost \$15,509,816) – 99.59%</b>		16,314,898
<b>Other Assets in Excess of Liabilities – 0.41%</b>		<u>67,664</u>
<b>TOTAL NET ASSETS – 100.00%</b>		<u><u>\$16,382,562</u></u>

**FOOTNOTES**

Percentages are stated as a percent of net assets.

(a) Rate shown is the 7-day yield as of October 31, 2011.

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

**Active/Passive Funds**  
**STATEMENTS OF ASSETS AND LIABILITIES**  
**October 31, 2011**

	<u>Large Cap Growth Fund</u>	<u>Large Cap Value Fund</u>	<u>Small/Mid Cap Fund</u>
ASSETS:			
Investments, at value (cost \$26,944,905, \$22,641,826, \$18,397,676, \$18,731,960, \$15,391,803, \$30,132,894 and \$15,509,816, respectively)	\$31,168,559	\$24,531,077	\$23,191,470
Foreign currencies, at value (cost \$0, \$0, \$0, \$37,686, \$0, \$0 and \$0, respectively)	—	—	—
Dividends and interest receivable	64	11,165	776
Receivable for fund shares sold	44,806	29,786	42,173
Receivable for securities sold	—	—	22,249
Receivable from Advisor	—	142	—
Prepaid expenses and other assets	3,824	3,233	3,799
Total Assets	<u>31,217,253</u>	<u>24,575,403</u>	<u>23,260,467</u>
LIABILITIES:			
Payable for securities purchased	364,218	331,502	—
Payable for fund shares redeemed	39,459	114,698	43,392
Payable to Advisor	2,507	—	4,171
Distribution fees payable	6,456	5,035	4,749
Accrued administration expense	3,448	3,448	3,424
Accrued custody expense	1,084	592	1,206
Accrued compliance fees	1,433	1,429	1,433
Payable to trustees	—	131	191
Accrued fund accounting expense	3,917	3,577	3,994
Accrued interest payable	—	—	—
Accrued service fees	2,509	1,960	1,837
Accrued transfer agent expense	5,947	5,941	5,709
Other accrued expenses and other liabilities	20,086	20,217	20,706
Total Liabilities	<u>451,064</u>	<u>488,530</u>	<u>90,812</u>
NET ASSETS	<u><u>\$30,766,189</u></u>	<u><u>\$24,086,873</u></u>	<u><u>\$23,169,655</u></u>

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

**Active/Passive Funds**  
**STATEMENTS OF ASSETS AND LIABILITIES (Continued)**  
**October 31, 2011**

<u>International Equity Fund</u>	<u>Global Bond Fund</u>	<u>Intermediate Taxable Bond Fund</u>	<u>Intermediate Municipal Bond Fund</u>
\$22,017,144	\$16,308,195	\$31,428,204	\$16,314,898
38,998	—	—	—
22,824	5,689	77,977	101,763
36,340	9,555	31,130	—
79,171	—	102,116	—
1,252	845	988	1,493
3,714	2,998	4,810	3,653
<u>22,199,443</u>	<u>16,327,282</u>	<u>31,645,225</u>	<u>16,421,807</u>
42,423	129,227	615,100	—
26,102	19,410	46,622	2,668
—	—	—	—
4,640	3,440	6,691	3,456
3,443	3,446	3,444	3,442
11,076	855	1,069	617
1,435	928	1,431	1,462
112	103	235	97
5,459	3,491	5,961	4,820
—	63	17	56
1,796	1,352	2,611	1,393
5,427	4,170	4,666	1,887
20,756	18,346	19,585	19,347
<u>122,669</u>	<u>184,831</u>	<u>707,432</u>	<u>39,245</u>
<u>\$22,076,774</u>	<u>16,142,451</u>	<u>\$30,937,793</u>	<u>\$16,382,562</u>

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

**ActivePassive Funds****STATEMENTS OF ASSETS AND LIABILITIES (Continued)****October 31, 2011**

	<u>Large Cap Growth Fund</u>	<u>Large Cap Value Fund</u>	<u>Small/Mid Cap Fund</u>
NET ASSETS CONSIST OF:			
Capital stock	\$25,314,794	\$21,644,963	\$18,155,609
Accumulated net investment income (loss)	—	212,508	—
Accumulated net realized gain (loss) on investments	1,227,741	340,151	220,252
Unrealized net appreciation (depreciation) on:			
Investments	4,223,654	1,889,251	4,793,794
Foreign currency related transactions	—	—	—
Total Net Assets	<u>\$30,766,189</u>	<u>\$24,086,873</u>	<u>\$23,169,655</u>
NET ASSETS			
Shares issued and outstanding			
(Unlimited number of beneficial interest authorized, \$0.01 par value)	2,172,935	1,967,937	1,725,536
Net asset value, redemption price per share	<u>\$ 14.16</u>	<u>\$ 12.24</u>	<u>\$ 13.43</u>
Maximum offering price per share			
(net asset value divided by 94.25%)	<u>\$ 15.02</u>	<u>\$ 12.99</u>	<u>\$ 14.25</u>

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

**Active/Passive Funds**

**STATEMENTS OF ASSETS AND LIABILITIES (Continued)**

**October 31, 2011**

<u>International Equity Fund</u>	<u>Global Bond Fund</u>	<u>Intermediate Taxable Bond Fund</u>	<u>Intermediate Municipal Bond Fund</u>
\$22,372,902	\$15,283,389	\$29,461,552	\$15,518,829
83,310	3,526	21,722	7,216
(3,666,987)	(60,856)	159,209	51,435
3,285,184	916,392	1,295,310	805,082
2,365	—	—	—
<u>\$22,076,774</u>	<u>\$16,142,451</u>	<u>\$30,937,793</u>	<u>\$16,382,562</u>
1,912,811	968,164	1,903,703	1,035,979
<u>\$ 11.54</u>	<u>\$ 16.67</u>	<u>\$ 16.25</u>	<u>\$ 15.81</u>
<u>\$ 12.24</u>	<u>\$ 17.69</u>	<u>\$ 17.24</u>	<u>\$16.77</u>

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

**ActivePassive Funds**  
**STATEMENTS OF OPERATIONS**  
**For the Year Ended October 31, 2011**

	<b>Large Cap Growth Fund</b>	<b>Large Cap Value Fund</b>	<b>Small/Mid Cap Fund</b>
<b>INVESTMENT INCOME:</b>			
Dividend income <sup>(1)</sup>	\$ 292,401	\$ 579,815	\$ 203,490
Interest income	954	249	247
Total investment income	<u>293,355</u>	<u>580,064</u>	<u>203,737</u>
<b>EXPENSES:</b>			
Investment advisory fees (Note 4)	221,691	178,895	191,184
Administration fees (Note 4)	20,218	20,223	20,198
Distribution fees (Note 5)	73,897	59,632	59,745
Service fees (Note 6)	29,559	23,853	23,898
Fund accounting fees (Note 4)	21,379	21,649	23,252
Audit fees	15,803	15,803	15,803
Federal and state registration fees	20,311	18,652	19,417
Transfer agent fees and expenses (Note 4)	33,282	33,181	32,375
Chief Compliance Officer fees and expenses (Note 4)	8,570	8,570	8,570
Legal fees	10,625	7,626	7,873
Reports to shareholders	8,392	5,303	5,132
Trustees' fees and expenses	6,515	6,666	6,701
Custody fees (Note 4)	6,185	4,196	9,958
Interest expense (Note 8)	45	6	6
Other	11,395	9,611	9,254
Total expenses before reimbursement from advisor	487,867	413,866	433,366
Expense reimbursement from advisor (Note 4)	<u>(103,543)</u>	<u>(127,628)</u>	<u>(74,884)</u>
Net expenses	<u>384,324</u>	<u>286,238</u>	<u>358,482</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u>(90,969)</u>	<u>293,826</u>	<u>(154,745)</u>
<b>REALIZED AND UNREALIZED GAIN (LOSS):</b>			
Net realized gain (loss) on:			
Investments	\$1,870,967	\$707,416	\$1,772,929
Foreign currency related transactions	—	—	—
Long-term capital gain distributions from regulated investment companies	—	—	—
Change in unrealized appreciation (depreciation) on:			
Investments	344,309	237,134	831,694
Foreign currency related transactions	—	—	—
Net realized and unrealized gain (loss)	<u>2,215,276</u>	<u>944,550</u>	<u>2,604,623</u>
<b>NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS</b>	<u>\$2,124,307</u>	<u>\$1,238,376</u>	<u>\$2,449,878</u>

(1) Net of foreign taxes withheld of \$2,397, \$0, \$0, \$34,348, \$0, \$0 and \$0, respectively.

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

**Active/Passive Funds**  
**STATEMENTS OF OPERATIONS (Continued)**  
**For the Year Ended October 31, 2011**

<u>International Equity Fund</u>	<u>Global Bond Fund</u>	<u>Intermediate Taxable Bond Fund</u>	<u>Intermediate Municipal Bond Fund</u>
\$ 615,463	\$ 510,865	\$ 569,023	\$ 211,995
991	164	251,638	305,761
<u>616,454</u>	<u>511,029</u>	<u>820,661</u>	<u>517,756</u>
185,674	108,701	165,387	90,088
20,218	20,223	20,218	20,163
58,023	36,234	68,911	37,536
23,209	14,493	27,565	15,014
31,178	20,239	34,447	28,379
15,803	15,803	15,803	15,803
18,734	17,686	20,160	16,613
32,695	25,511	26,054	9,548
8,570	5,570	8,570	8,570
7,438	5,500	7,127	5,746
6,484	3,276	4,812	2,045
6,839	6,089	7,138	6,438
69,951	4,219	6,281	4,376
16	87	91	58
<u>10,284</u>	<u>7,454</u>	<u>9,813</u>	<u>7,126</u>
495,116	291,085	422,377	267,503
<u>(193,380)</u>	<u>(117,089)</u>	<u>(146,597)</u>	<u>(117,301)</u>
<u>301,736</u>	<u>173,996</u>	<u>275,780</u>	<u>150,202</u>
<u>314,718</u>	<u>337,033</u>	<u>544,881</u>	<u>367,554</u>
\$ 323,228	\$ (5,131)	\$ 130,932	\$ 38,322
(124)	—	—	—
6,628	25,411	43,222	17,271
(1,303,358)	(60,138)	259,292	95,010
335	—	—	—
<u>(973,291)</u>	<u>(39,858)</u>	<u>433,446</u>	<u>150,603</u>
<u>\$ (658,573)</u>	<u>\$ 297,175</u>	<u>\$ 978,327</u>	<u>\$ 518,157</u>

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

## ActivePassive Funds

### STATEMENTS OF CHANGES IN NET ASSETS

	Large Cap Growth Fund		Large Cap Value Fund	
	Year Ended October 31, 2011	Year Ended October 31, 2010	Year Ended October 31, 2011	Year Ended October 31, 2010
<b>OPERATIONS:</b>				
Net investment income (loss)	\$ (90,969)	\$ (31,839)	\$ 293,826	\$ 190,886
Net realized gain (loss) on investments and foreign currency related transactions	1,870,967	(281,252)	707,416	(37,754)
Change in unrealized appreciation (depreciation) on securities	344,309	3,226,080	237,134	1,407,905
Net increase (decrease) in net assets resulting from operations	<u>2,124,307</u>	<u>2,912,989</u>	<u>1,238,376</u>	<u>1,561,037</u>
<b>DISTRIBUTIONS TO SHAREHOLDERS FROM:</b>				
Net investment income	<u>—</u>	<u>(9,462)</u>	<u>(224,536)</u>	<u>(104,542)</u>
Total distributions	<u>—</u>	<u>(9,462)</u>	<u>(224,536)</u>	<u>(104,542)</u>
<b>CAPITAL SHARE TRANSACTIONS:</b>				
Proceeds from shares subscribed	11,048,863	18,365,495	8,626,454	15,302,199
Dividends reinvested	—	9,210	211,711	101,555
Cost of shares redeemed	<u>(8,321,990)</u>	<u>(4,088,271)</u>	<u>(6,747,909)</u>	<u>(3,875,937)</u>
Net increase in net assets derived from capital share transactions	<u>2,726,873</u>	<u>14,286,434</u>	<u>2,090,256</u>	<u>11,527,817</u>
<b>TOTAL INCREASE IN NET ASSETS</b>	<b>4,851,180</b>	<b>17,189,961</b>	<b>3,104,096</b>	<b>12,984,312</b>
<b>NET ASSETS:</b>				
Beginning of period	<u>25,915,009</u>	<u>8,725,048</u>	<u>20,982,777</u>	<u>7,998,465</u>
End of period	<u>\$30,766,189</u>	<u>\$25,915,009</u>	<u>\$24,086,873</u>	<u>\$20,982,777</u>
Accumulated net investment income (loss), end of period	\$ <u>—</u>	\$ <u>—</u>	\$ <u>212,508</u>	\$ <u>143,218</u>
<b>CHANGES IN SHARES OUTSTANDING:</b>				
Shares sold	782,462	1,526,277	691,548	1,367,584
Shares issued to holders as reinvestment of dividends	—	763	17,032	9,140
Shares redeemed	<u>(586,177)</u>	<u>(340,944)</u>	<u>(533,296)</u>	<u>(349,407)</u>
Net increase in shares outstanding	<u>196,285</u>	<u>1,186,096</u>	<u>175,284</u>	<u>1,027,317</u>

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

**ActivePassive Funds****STATEMENTS OF CHANGES IN NET ASSETS (Continued)**

	<u>Small/Mid Cap Fund</u>	
	<u>Year</u> <u>Ended</u> <u>October 31,</u> <u>2011</u>	<u>Year</u> <u>Ended</u> <u>October 31,</u> <u>2010</u>
OPERATIONS:		
Net investment income (loss)	\$ (154,745)	\$ (91,014)
Net realized gain (loss) on investments and foreign currency related transactions	1,772,929	821,727
Change in unrealized appreciation (depreciation) on securities	<u>831,694</u>	<u>3,043,484</u>
Net increase (decrease) in net assets resulting from operations	<u>2,449,878</u>	<u>3,774,197</u>
CAPITAL SHARE TRANSACTIONS:		
Proceeds from shares subscribed	8,316,211	17,373,254
Cost of shares redeemed	<u>(9,026,936)</u>	<u>(7,160,487)</u>
Net increase (decrease) in net assets derived from capital share transactions	<u>(710,725)</u>	<u>10,212,767</u>
TOTAL INCREASE IN NET ASSETS	1,739,153	13,986,964
NET ASSETS:		
Beginning of period	<u>21,430,502</u>	<u>7,443,538</u>
End of period	<u>\$23,169,655</u>	<u>\$21,430,502</u>
Accumulated net investment income (loss), end of period	<u>\$ —</u>	<u>\$ —</u>
CHANGES IN SHARES OUTSTANDING:		
Shares sold	610,915	1,612,879
Shares redeemed	<u>(634,951)</u>	<u>(653,762)</u>
Net increase (decrease) in shares outstanding	<u>(24,036)</u>	<u>959,117</u>

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

## ActivePassive Funds

### STATEMENTS OF CHANGES IN NET ASSETS (Continued)

	International Equity Fund		Global Bond Fund	
	Year Ended	Year Ended	Year Ended	Year Ended
	October 31, 2011	October 31, 2010	October 31, 2011	October 31, 2010
OPERATIONS:				
Net investment income (loss)	\$ 314,718	\$ 120,449	\$ 337,033	\$ 151,764
Net realized gain (loss) on investments and foreign currency related transactions	323,104	(156,286)	(5,131)	(9,649)
Long-term capital gain distributions from regulated investment companies	6,628	23,364	25,411	6,994
Change in unrealized appreciation (depreciation) on securities	(1,303,023)	2,423,943	(60,138)	712,493
Net increase (decrease) in net assets resulting from operations	<u>(658,573)</u>	<u>2,411,470</u>	<u>297,175</u>	<u>861,602</u>
DISTRIBUTIONS TO SHAREHOLDERS FROM:				
Net investment income	<u>(231,284)</u>	<u>(164,062)</u>	<u>(334,209)</u>	<u>(152,983)</u>
Total distributions	<u>(231,284)</u>	<u>(164,062)</u>	<u>(334,209)</u>	<u>(152,983)</u>
CAPITAL SHARE TRANSACTIONS:				
Proceeds from shares subscribed	8,329,824	16,464,331	7,643,005	9,956,796
Dividends reinvested	219,828	145,354	321,611	145,986
Cost of shares redeemed	(7,796,576)	(10,187,261)	(4,287,013)	(4,112,279)
Redemption fee	<u>183</u>	<u>93</u>	<u>97</u>	<u>313</u>
Net increase in net assets derived from capital share transactions	<u>753,259</u>	<u>6,422,517</u>	<u>3,677,700</u>	<u>5,990,816</u>
TOTAL INCREASE IN NET ASSETS	(136,598)	8,669,925	3,640,666	6,699,435
NET ASSETS:				
Beginning of period	<u>22,213,372</u>	<u>13,543,447</u>	<u>12,501,785</u>	<u>5,802,350</u>
End of period	<u>\$22,076,774</u>	<u>\$22,213,372</u>	<u>\$16,142,451</u>	<u>\$12,501,785</u>
Accumulated net investment income (loss), end of period	\$ 83,310	\$ —	\$ 3,526	\$ —
CHANGES IN SHARES OUTSTANDING:				
Shares sold	682,253	1,487,629	462,402	631,757
Shares issued to holders as reinvestment of dividends	17,887	12,829	19,507	9,228
Shares redeemed	<u>(622,907)</u>	<u>(911,476)</u>	<u>(259,868)</u>	<u>(260,031)</u>
Net increase in shares outstanding	<u>77,233</u>	<u>588,982</u>	<u>222,041</u>	<u>380,954</u>

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

**Active/Passive Funds**

**STATEMENTS OF CHANGES IN NET ASSETS (Continued)**

	Intermediate Taxable Bond Fund		Intermediate Municipal Bond Fund	
	Year Ended October 31, 2011	Year Ended October 31, 2010	Year Ended October 31, 2011	Year Ended October 31, 2010
<b>OPERATIONS:</b>				
Net investment income (loss)	\$ 544,881	\$ 359,004	\$ 367,554	\$ 378,106
Net realized gain (loss) on investments and foreign currency related transactions	130,932	161,247	38,322	139,837
Long-term capital gain distributions from regulated investment companies	43,222	—	17,271	8
Change in unrealized appreciation (depreciation) on securities	259,292	724,490	95,010	443,553
Net increase (decrease) in net assets resulting from operations	978,327	1,244,741	518,157	961,504
<b>DISTRIBUTIONS TO SHAREHOLDERS FROM:</b>				
Net investment income	(529,894)	(366,484)	(360,338)	(380,858)
Net realized gains	(155,326)	—	(128,539)	(3,490)
Total distributions	(685,220)	(366,484)	(488,877)	(384,348)
<b>CAPITAL SHARE TRANSACTIONS:</b>				
Proceeds from shares subscribed	14,605,324	19,501,939	6,730,502	8,807,943
Dividends reinvested	659,768	350,467	425,924	336,103
Cost of shares redeemed	(8,210,984)	(8,525,726)	(4,401,932)	(9,185,948)
Net increase (decrease) in net assets derived from capital share transactions	7,054,108	11,326,680	2,754,494	(41,902)
<b>TOTAL INCREASE IN NET ASSETS</b>	<b>7,347,215</b>	<b>12,204,937</b>	<b>2,783,774</b>	<b>535,254</b>
<b>NET ASSETS:</b>				
Beginning of period	23,590,578	11,385,641	13,598,788	13,063,534
End of period	\$30,937,793	\$23,590,578	\$16,382,562	\$13,598,788
Accumulated net investment income (loss), end of period	\$ 21,722	\$ 553	\$ 7,216	\$ —
<b>CHANGES IN SHARES OUTSTANDING:</b>				
Shares sold	917,932	1,247,579	436,085	569,449
Shares issued to holders as reinvestment of dividends	41,653	22,235	27,836	21,578
Shares redeemed	(515,716)	(545,290)	(286,081)	(590,271)
Net increase in shares outstanding	443,869	724,524	177,840	756

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

**ActivePassive Large Cap Growth Fund**  
**FINANCIAL HIGHLIGHTS**  
**For a share outstanding throughout each period**

	Year Ended October 31, 2011	Year Ended October 31, 2010	Year Ended October 31, 2009	December 31, 2007* through October 31, 2008
PER SHARE DATA:				
Net asset value, beginning of period	<u>\$13.11</u>	<u>\$11.04</u>	<u>\$ 9.80</u>	<u>\$15.00</u>
Income from investment operations:				
Net investment income (loss) <sup>(1)</sup>	(0.04)	(0.01)	—	(0.02)
Net realized and unrealized gains (losses) on securities	<u>1.09</u>	<u>2.09</u>	<u>1.24</u>	<u>(5.18)</u>
Total from investment operations	<u>1.05</u>	<u>2.08</u>	<u>1.24</u>	<u>(5.20)</u>
Less Distributions:				
Dividends from net investment income	<u>—</u>	<u>(0.01)</u>	<u>—</u>	<u>—</u>
Total distributions	<u>—</u>	<u>(0.01)</u>	<u>—</u>	<u>—</u>
Net asset value, end of period	<u>\$14.16</u>	<u>\$13.11</u>	<u>\$11.04</u>	<u>\$ 9.80</u>
TOTAL RETURN	8.01%	18.83%	12.65%	-34.67% <sup>+</sup>
SUPPLEMENTAL DATA AND RATIOS:				
Net assets, end of period (millions)	\$30.8	\$25.9	\$8.7	\$2.3
Ratio of expenses to average net assets:				
Before advisory fee waiver <sup>(2)</sup>	1.65%	1.86%	4.12%	9.39% <sup>^</sup>
After advisory fee waiver <sup>(2)</sup>	1.30%	1.30%	1.30%	1.47% <sup>^</sup>
Ratio of net investment income to average net assets:				
Before advisory fee waiver	-0.66%	-0.73%	-2.78%	-8.26% <sup>^</sup>
After advisory fee waiver	-0.31%	-0.17%	0.04%	-0.34% <sup>^</sup>
Portfolio turnover rate	54%	20%	19%	10% <sup>+</sup>

\* Commencement of operations for shares was December 31, 2007.

<sup>+</sup> Not Annualized.

<sup>^</sup> Annualized.

(1) Recognition of net investment income by the Fund is affected by the timing of the declaration of dividends by the underlying investment companies in which the Fund invests.

(2) Does not include expenses of the investment companies in which the Funds invest.

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

**ActivePassive Large Cap Value Fund**  
**FINANCIAL HIGHLIGHTS (Continued)**  
**For a share outstanding throughout each period**

	Year Ended October 31, 2011	Year Ended October 31, 2010	Year Ended October 31, 2009	December 31, 2007* through October 31, 2008
PER SHARE DATA:				
Net asset value, beginning of period	<u>\$11.70</u>	<u>\$10.45</u>	<u>\$10.01</u>	<u>\$15.00</u>
Income from investment operations:				
Net investment income (loss) <sup>(1)</sup>	0.15	0.11	0.12	0.09
Net realized and unrealized gains (losses) on securities	<u>0.51</u>	<u>1.24</u>	<u>0.45</u>	<u>(5.08)</u>
Total from investment operations	<u>0.66</u>	<u>1.35</u>	<u>0.57</u>	<u>(4.99)</u>
Less Distributions:				
Dividends from net investment income	<u>(0.12)</u>	<u>(0.10)</u>	<u>(0.13)</u>	<u>—</u>
Total distributions	<u>(0.12)</u>	<u>(0.10)</u>	<u>(0.13)</u>	<u>—</u>
Net asset value, end of period	<u>\$12.24</u>	<u>\$11.70</u>	<u>\$10.45</u>	<u>\$10.01</u>
TOTAL RETURN	5.64%	12.97%	5.91%	-33.27% <sup>+</sup>
SUPPLEMENTAL DATA AND RATIOS:				
Net assets, end of period (millions)	\$24.1	\$21.0	\$8.0	\$2.4
Ratio of expenses to average net assets:				
Before advisory fee waiver <sup>(2)</sup>	1.74%	1.95%	4.07%	8.24% <sup>^</sup>
After advisory fee waiver <sup>(2)</sup>	1.20%	1.20%	1.20%	1.46% <sup>^</sup>
Ratio of net investment income to average net assets:				
Before advisory fee waiver	0.69%	0.43%	-1.25%	-5.39% <sup>^</sup>
After advisory fee waiver	1.23%	1.18%	1.62%	1.39% <sup>^</sup>
Portfolio turnover rate	23%	9%	15%	23% <sup>+</sup>

\* Commencement of operations for shares was December 31, 2007.

<sup>+</sup> Not Annualized.

<sup>^</sup> Annualized.

(1) Recognition of net investment income by the Fund is affected by the timing of the declaration of dividends by the underlying investment companies in which the Fund invests.

(2) Does not include expenses of the investment companies in which the Funds invest.

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

**ActivePassive Small/Mid Cap Fund**  
**FINANCIAL HIGHLIGHTS (Continued)**  
**For a share outstanding throughout each period**

	Year Ended October 31, 2011	Year Ended October 31, 2010	Year Ended October 31, 2009	December 31, 2007* through October 31, 2008
PER SHARE DATA:				
Net asset value, beginning of period	<u>\$12.25</u>	<u>\$ 9.42</u>	<u>\$ 8.85</u>	<u>\$15.00</u>
Income from investment operations:				
Net investment income (loss) <sup>(1)</sup>	(0.09)	(0.05)	(0.05)	(0.08)
Net realized and unrealized gains (losses) on securities	<u>1.27</u>	<u>2.88</u>	<u>0.62</u>	<u>(6.07)</u>
Total from investment operations	<u>1.18</u>	<u>2.83</u>	<u>0.57</u>	<u>(6.15)</u>
Net asset value, end of period	<u>\$13.43</u>	<u>\$12.25</u>	<u>\$ 9.42</u>	<u>\$ 8.85</u>
TOTAL RETURN	9.63%	30.04%	6.44%	-41.00% <sup>+</sup>
SUPPLEMENTAL DATA AND RATIOS:				
Net assets, end of period (millions)	\$23.2	\$21.4	\$7.4	\$4.0
Ratio of expenses to average net assets:				
Before advisory fee waiver <sup>(2)</sup>	1.81%	2.31%	3.98%	4.88% <sup>^</sup>
After advisory fee waiver <sup>(2)</sup>	1.50%	1.50%	1.50%	1.59% <sup>^</sup>
Ratio of net investment income to average net assets:				
Before advisory fee waiver	-0.96%	-1.52%	-3.21%	-4.51% <sup>^</sup>
After advisory fee waiver	-0.65%	-0.71%	-0.73%	-1.22% <sup>^</sup>
Portfolio turnover rate	34%	71%	88%	24% <sup>+</sup>

\* Commencement of operations for shares was December 31, 2007.

<sup>+</sup> Not Annualized.

<sup>^</sup> Annualized.

(1) Recognition of net investment income by the Fund is affected by the timing of the declaration of dividends by the underlying investment companies in which the Fund invests.

(2) Does not include expenses of the investment companies in which the Funds invest.

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

**ActivePassive International Equity Fund**  
**FINANCIAL HIGHLIGHTS (Continued)**  
**For a share outstanding throughout each period**

	Year Ended October 31, 2011	Year Ended October 31, 2010	Year Ended October 31, 2009	December 31, 2007* through October 31, 2008
PER SHARE DATA:				
Net asset value, beginning of period	<u>\$12.10</u>	<u>\$10.86</u>	<u>\$ 8.90</u>	<u>\$15.00</u>
Income from investment operations:				
Net investment income (loss) <sup>(1)</sup>	0.17	0.09	0.06	0.13
Net realized and unrealized gains (losses) on securities	<u>(0.61)</u>	<u>1.27</u>	<u>2.04</u>	<u>(6.23)</u>
Total from investment operations	<u>(0.44)</u>	<u>1.36</u>	<u>2.10</u>	<u>(6.10)</u>
Less Distributions:				
Dividends from net investment income	<u>(0.12)</u>	<u>(0.12)</u>	<u>(0.14)</u>	<u>—</u>
Total distributions	<u>(0.12)</u>	<u>(0.12)</u>	<u>(0.14)</u>	<u>—</u>
Net asset value, end of period	<u>\$11.54</u>	<u>\$12.10</u>	<u>\$10.86</u>	<u>\$ 8.90</u>
TOTAL RETURN	-3.67%	12.56%	24.01%	-40.67% <sup>+</sup>
SUPPLEMENTAL DATA AND RATIOS:				
Net assets, end of period (millions)	\$22.1	\$22.2	\$13.5	\$6.9
Ratio of expenses to average net assets:				
Before advisory fee waiver <sup>(2)</sup>	2.13%	2.47%	3.62%	3.92% <sup>^</sup>
After advisory fee waiver <sup>(2)</sup>	1.30%	1.30%	1.30%	1.57% <sup>^</sup>
Ratio of net investment income to average net assets:				
Before advisory fee waiver	0.52%	-0.47%	-1.60%	-0.42% <sup>^</sup>
After advisory fee waiver	1.35%	0.70%	0.72%	1.93% <sup>^</sup>
Portfolio turnover rate	24%	16%	54%	19% <sup>+</sup>

\* Commencement of operations for shares was December 31, 2007.

<sup>+</sup> Not Annualized.

<sup>^</sup> Annualized.

(1) Recognition of net investment income by the Fund is affected by the timing of the declaration of dividends by the underlying investment companies in which the Fund invests.

(2) Does not include expenses of the investment companies in which the Funds invest.

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

**ActivePassive Global Bond Fund**  
**FINANCIAL HIGHLIGHTS (Continued)**  
**For a share outstanding throughout each period**

	Year Ended October 31, 2011	Year Ended October 31, 2010	Year Ended October 31, 2009	December 31, 2007* through October 31, 2008
PER SHARE DATA:				
Net asset value, beginning of period	<u>\$16.76</u>	<u>\$15.89</u>	<u>\$13.35</u>	<u>\$15.00</u>
Income from investment operations:				
Net investment income (loss) <sup>(1)</sup>	0.38	0.27	0.50	0.31
Net realized and unrealized gains (losses) on securities	<u>(0.09)</u>	<u>0.87</u>	<u>2.56</u>	<u>(1.66)</u>
Total from investment operations	<u>0.29</u>	<u>1.14</u>	<u>3.06</u>	<u>(1.35)</u>
Less Distributions:				
Dividends from net investment income	<u>(0.38)</u>	<u>(0.27)</u>	<u>(0.51)</u>	<u>(0.30)</u>
Return of capital	<u>—</u>	<u>—</u>	<u>(0.01)</u>	<u>—</u>
Total distributions	<u>(0.38)</u>	<u>(0.27)</u>	<u>(0.52)</u>	<u>(0.30)</u>
Net asset value, end of period	<u>\$16.67</u>	<u>\$16.76</u>	<u>\$15.89</u>	<u>\$13.35</u>
TOTAL RETURN	1.78%	7.32%	23.42%	-9.27% <sup>+</sup>
SUPPLEMENTAL DATA AND RATIOS:				
Net assets, end of period (millions)	\$16.1	\$12.5	\$5.8	\$2.6
Ratio of expenses to average net assets:				
Before advisory fee waiver <sup>(2)</sup>	2.01%	2.53%	4.72%	8.68% <sup>^</sup>
After advisory fee waiver <sup>(2)</sup>	1.20%	1.20%	1.20%	1.20% <sup>^</sup>
Ratio of net investment income to average net assets:				
Before advisory fee waiver	1.52%	0.31%	-0.39%	-4.25% <sup>^</sup>
After advisory fee waiver	2.33%	1.64%	3.13%	3.23% <sup>^</sup>
Portfolio turnover rate	6%	2%	15%	0% <sup>+</sup>

\* Commencement of operations for shares was December 31, 2007.

<sup>+</sup> Not Annualized.

<sup>^</sup> Annualized.

(1) Recognition of net investment income by the Fund is affected by the timing of the declaration of dividends by the underlying investment companies in which the Fund invests.

(2) Does not include expenses of the investment companies in which the Funds invest.

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

**ActivePassive Intermediate Taxable Bond Fund**  
**FINANCIAL HIGHLIGHTS (Continued)**  
**For a share outstanding throughout each period**

	Year Ended October 31, 2011	Year Ended October 31, 2010	Year Ended October 31, 2009	December 31, 2007* through October 31, 2008
PER SHARE DATA:				
Net asset value, beginning of period	<u>\$16.16</u>	<u>\$15.48</u>	<u>\$14.29</u>	<u>\$15.00</u>
Income from investment operations:				
Net investment income (loss) <sup>(1)</sup>	0.31	0.31	0.42	0.30
Net realized and unrealized gains (losses) on securities	<u>0.18</u>	<u>0.68</u>	<u>1.19</u>	<u>(0.71)</u>
Total from investment operations	<u>0.49</u>	<u>0.99</u>	<u>1.61</u>	<u>(0.41)</u>
Less Distributions:				
Dividends from net investment income	(0.30)	(0.31)	(0.42)	(0.30)
Dividends from net realized gains	<u>(0.10)</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total distributions	<u>(0.40)</u>	<u>(0.31)</u>	<u>(0.42)</u>	<u>(0.30)</u>
Net asset value, end of period	<u>\$16.25</u>	<u>\$16.16</u>	<u>\$15.48</u>	<u>\$14.29</u>
TOTAL RETURN	3.15%	6.50%	11.35%	-2.77% <sup>+</sup>
SUPPLEMENTAL DATA AND RATIOS:				
Net assets, end of period (millions)	\$30.9	\$23.6	\$11.4	\$5.9
Ratio of expenses to average net assets:				
Before advisory fee waiver <sup>(2)</sup>	1.53%	1.77%	2.69%	4.42% <sup>^</sup>
After advisory fee waiver <sup>(2)</sup>	1.00%	1.00%	1.00%	1.34% <sup>^</sup>
Ratio of net investment income to average net assets:				
Before advisory fee waiver	1.45%	1.22%	1.03%	-0.19% <sup>^</sup>
After advisory fee waiver	1.98%	1.99%	2.72%	2.89% <sup>^</sup>
Portfolio turnover rate	44%	49%	40%	50% <sup>+</sup>

\* Commencement of operations for shares was December 31, 2007.

<sup>+</sup> Not Annualized.

<sup>^</sup> Annualized.

<sup>(1)</sup> Recognition of net investment income by the Fund is affected by the timing of the declaration of dividends by the underlying investment companies in which the Fund invests.

<sup>(2)</sup> Does not include expenses of the investment companies in which the Funds invest.

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

**ActivePassive Intermediate Municipal Bond Fund**  
**FINANCIAL HIGHLIGHTS (Continued)**  
**For a share outstanding throughout each period**

	<u>Year Ended October 31, 2011</u>	<u>Year Ended October 31, 2010</u>	<u>Year Ended October 31, 2009</u>	<u>December 31, 2007* through October 31, 2008</u>
PER SHARE DATA:				
Net asset value, beginning of period	<u>\$15.85</u>	<u>\$15.24</u>	<u>\$14.13</u>	<u>\$15.00</u>
Income from investment operations:				
Net investment income (loss) <sup>(1)</sup>	0.38	0.41	0.41	0.21
Net realized and unrealized gains (losses) on securities	<u>0.09</u>	<u>0.61</u>	<u>1.12</u>	<u>(0.87)</u>
Total from investment operations	<u>0.47</u>	<u>1.02</u>	<u>1.53</u>	<u>(0.66)</u>
Less Distributions:				
Dividends from net investment income	(0.37)	(0.41)	(0.41)	(0.21)
Dividends from net realized gains	<u>(0.14)</u>	<u>—#</u>	<u>(0.01)</u>	<u>—</u>
Total distributions	<u>(0.51)</u>	<u>(0.41)</u>	<u>(0.42)</u>	<u>(0.21)</u>
Net asset value, end of period	<u>\$15.81</u>	<u>\$15.85</u>	<u>\$15.24</u>	<u>\$14.13</u>
TOTAL RETURN	3.09%	6.76%	10.91%	-4.47% <sup>+</sup>
SUPPLEMENTAL DATA AND RATIOS:				
Net assets, end of period (millions)	\$16.4	\$13.6	\$13.1	\$7.3
Ratio of expenses to average net assets:				
Before advisory fee waiver <sup>(2)</sup>	1.78%	1.84%	2.30%	3.67%^
After advisory fee waiver <sup>(2)</sup>	1.00%	1.00%	1.00%	1.34%^
Ratio of net investment income to average net assets:				
Before advisory fee waiver	1.67%	1.74%	1.43%	-0.30%^
After advisory fee waiver	2.45%	2.58%	2.73%	2.03%^
Portfolio turnover rate	13%	41%	28%	2% <sup>+</sup>

\* Commencement of operations for shares was December 31, 2007.

# Amount is less than (\$0.01) per share.

+ Not Annualized.

^ Annualized.

(1) Recognition of net investment income by the Fund is affected by the timing of the declaration of dividends by the underlying investment companies in which the Fund invests.

(2) Does not include expenses of the investment companies in which the Funds invest.

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

**ActivePassive Funds**  
**NOTES TO FINANCIAL STATEMENTS**  
**October 31, 2011**

**NOTE 1 – ORGANIZATION**

The ActivePassive Large Cap Growth Fund, ActivePassive Large Cap Value Fund, ActivePassive Small/Mid Cap Fund, ActivePassive International Equity Fund, ActivePassive Global Bond Fund, ActivePassive Intermediate Taxable Bond Fund and ActivePassive Intermediate Municipal Bond Fund (each a “Fund” and collectively the “Funds”) are each non-diversified series of Advisors Series Trust (the “Trust”), which is registered under the Investment Company Act of 1940 as an open-end management investment company. The investment objective of the Funds, except for the ActivePassive Intermediate Taxable Bond Fund, ActivePassive Intermediate Municipal Bond Fund and ActivePassive Global Bond Fund, is long term capital appreciation. The investment objective of the ActivePassive Intermediate Taxable Bond Fund, ActivePassive Intermediate Municipal Bond Fund and ActivePassive Global Bond Fund is income and capital appreciation. The Funds are advised by FundQuest Incorporated. The ActivePassive Large Cap Growth Fund was sub-advised by Transamerica Investment, LLC with their agreement ending March 31, 2011. Effective June 1, 2011, the ActivePassive Large Cap Growth Fund is sub-advised by TCW Investment Management Company. The ActivePassive Large Cap Value Fund is sub-advised by C.S. McKee. The ActivePassive Small/Mid Cap Fund is sub-advised by Eagle Asset Management, Inc. The ActivePassive International Equity Fund is sub-advised by Invesco AIM Advisors, Inc. The ActivePassive Intermediate Taxable Bond Fund is sub-advised by Sage Advisory Services Ltd. The ActivePassive Intermediate Municipal Bond Fund is sub-advised by Gannett, Welsh & Kotler, LLC. The Funds are subject to a maximum sales load of 5.75%, which decreases depending on the amount invested. The Funds began operations on December 31, 2007.

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of significant accounting policies consistently followed by the Funds. These policies are in conformity with accounting principles generally accepted in the United States of America.

- A. *Security Valuation:* All investments in securities are recorded at their estimated fair value, as described in note 3.
- B. *Federal Income Taxes:* It is the Funds’ policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its taxable income to its shareholders. Therefore, no federal income tax provision is required.

## ActivePassive Funds

### NOTES TO FINANCIAL STATEMENTS (Continued)

October 31, 2011

The Funds recognize the tax benefits of uncertain tax positions only where the position is “more likely than not” to be sustained assuming examination by tax authorities. Management has analyzed the Funds’ tax positions, and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on returns filed for open tax years 2008 – 2010, or expected to be taken in the Funds’ 2011 tax returns. The Funds identify their major tax jurisdictions as U.S. Federal and the state of Delaware.

- C. *Security Transactions, Income and Distributions:* Security transactions are accounted for on the trade date. Realized gains and losses on securities sold are determined on the basis of identified cost. Interest income is recorded on an accrual basis. Dividend income and distributions to shareholders are recorded on the ex-dividend date. Withholding taxes on foreign dividends have been provided for in accordance with the Funds’ understanding of the applicable country’s tax rules and rates. Discounts and premiums on securities purchased are amortized over the life of the respective security. The ActivePassive Large Cap Growth Fund, ActivePassive Large Cap Value Fund, ActivePassive Small/Mid Cap Fund and ActivePassive International Equity Fund will make distributions of dividends and capital gains, if any, at least annually, typically in December. The Funds may make any additional payment of dividends or distributions if they deem it desirable at any other time during the year. The ActivePassive Global Bond Fund, the ActivePassive Intermediate Taxable Bond Fund and the ActivePassive Intermediate Municipal Bond Fund distribute substantially all of their net investment income monthly and substantially all of their capital gains annually. The amount of dividends and distributions to shareholders from net investment income and net realized capital gains is determined in accordance with Federal income tax regulations which differ from accounting principles generally accepted in the United States of America. To extent these book/tax differences are permanent, such amounts are reclassified within the capital accounts based on their Federal tax treatment.
- D. *Reclassification of Capital Accounts:* Accounting principles generally accepted in the United States of America require that certain components of net assets relating to permanent differences be reclassified between financial and tax reporting. These reclassifications have no effect on net assets or net asset value per share. For the year ended October 31, 2011, the following table shows the reclassifications made:

**Active/Passive Funds****NOTES TO FINANCIAL STATEMENTS (Continued)****October 31, 2011**

	<u>Undistributed Net Investment Income/(Loss)</u>	<u>Accumulated Net Realized Gain/(Loss)</u>	<u>Paid In Capital</u>
Large Cap Growth Fund	\$ 90,969	\$(45,668)	\$ (45,301)
Large Cap Value Fund	—	—	—
Small/Mid Cap Fund	154,745	—	(154,745)
International Equity Fund	(124)	124	—
Global Bond Fund	702	—	(702)
Intermediate Taxable Bond Fund	6,182	(6,182)	—
Intermediate Municipal Bond Fund	—	—	—

The permanent differences primarily relate to net operating losses and pay-down adjustments with differing book and tax methods for accounting.

- E. *Use of Estimates:* The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets during the reporting period. Actual results could differ from those estimates.
- F. *Redemption Fees:* The International Equity Fund and the Global Bond Fund each charge a 1% redemption fee to shareholders who redeem shares held for 5 days or less. Such fees are retained by the Fund and accounted for as an addition to paid-in capital.
- G. *REITs:* The Funds can make certain investments in real estate investment trusts (“REITs”) which pay dividends to their shareholders based upon funds available from operations. It is quite common for these dividends to exceed the REITs’ taxable earnings and profits resulting in the excess portion of such dividends being designated as a return of capital. Each Fund intends to include the gross dividends from such REITs in its annual distributions to its shareholders and, accordingly, a portion of the Fund’s distributions may also be designated as a return of capital.
- H. *Foreign Risk:* Investments in foreign securities entail certain risks. There may be a possibility of nationalization or expropriation of assets, confiscatory taxation, political or financial instability, and diplomatic developments that could affect the value of the Funds’ investments in certain foreign countries. Since foreign securities normally are denominated and traded in foreign currencies, the value of the Funds’ assets may be affected favorably or unfavorably by currency exchange rates, currency

## Active/Passive Funds

### NOTES TO FINANCIAL STATEMENTS (Continued)

October 31, 2011

exchange control regulations, foreign withholding taxes, and restrictions or prohibitions on the repatriation of foreign currencies. There may be less information publicly available about a foreign issuer than about a U.S. issuer, and foreign issuers are not generally subject to accounting, auditing, and financial reporting standards and practices comparable to those in the United States. The securities of some foreign issuers are less liquid and at times more volatile than securities of comparable U.S. issuers.

In addition to securities traded principally in securities markets outside the United States and securities denominated in foreign currencies, the Fund may invest in American Depository Receipts (ADRs). ADRs generally are U.S. dollar-denominated receipts issued by domestic banks representing the deposit with the bank of securities of a foreign issuer, and are traded on exchanges or over-the-counter in the United States. Because an ADR represents an indirect investment in securities of a foreign issuer, investments in ADRs are subject to the risks associated with foreign securities generally, as described above.

- I. *Mutual Fund and ETF Trading Risk:* The Funds may invest in other mutual funds that are either open-end or closed-end investment companies as well as ETFs. ETFs are investment companies that are bought and sold on a national securities exchange. Unlike mutual funds, ETFs do not necessarily trade at the net asset values of their underlying securities, which means an ETF could potentially trade above or below the value of the underlying portfolios. Additionally, because ETFs trade like stocks on exchanges, they are subject to trading and commission costs unlike mutual funds. Also, both mutual funds and ETFs have management fees that are part of their costs, and the Funds will indirectly bear its proportionate share of these costs.
- J. *Derivatives:* The Funds have adopted the financial accounting reporting rules as required by the Derivatives and Hedging Topic of the FASB Accounting Standards Codification (“FASB ASC”). The Funds are required to include enhanced disclosure that enables investors to understand how and why an entity uses derivatives, how derivatives are accounted for, and how derivatives instruments affect an entity’s results of operations and financial position. During the year ended October 31, 2011, the Funds did not hold any derivative instruments.
- K. *New Accounting Pronouncement:* In May 2011, the Financial Accounting Standards Board (“FASB”) issued ASU No. 2011-04 “Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements”

## ActivePassive Funds

### NOTES TO FINANCIAL STATEMENTS (Continued)

October 31, 2011

in GAAP and the International Financial Reporting Standards (“IFRSs”). ASU No. 2011-04 amends FASB ASC Topic 820, Fair Value Measurements and Disclosures, to establish common requirements for measuring fair value and for disclosing information about fair value measurements in accordance with GAAP and IFRSs. ASU No. 2011-04 is effective for fiscal years beginning after December 15, 2011 and for interim periods within those fiscal years. Management is currently evaluating the impact of these amendments and does not believe they will have a material impact on the Fund’s financial statements.

#### NOTE 3 – SECURITIES VALUATION

The Funds have adopted authoritative fair value accounting standards which establish an authoritative definition of fair value and set out a hierarchy for measuring fair value. These standards require additional disclosures about the various inputs and valuation techniques used to develop the measurements of fair value, a discussion in changes in valuation techniques and related inputs during the period and expanded disclosure of valuation levels for major security types. 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 inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, 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 Funds’ 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.

Following is a description of the valuation techniques applied to the Funds’ major categories of assets and liabilities measured at fair value on a recurring basis.

*Equity Securities* – Equity securities, including common stocks, preferred stocks, foreign issued common stocks, exchange-traded funds, closed end mutual funds and real estate investment trusts or “REITs”, which are primarily traded on a national securities exchange shall be valued at the last sale price on the

## ActivePassive Funds

### NOTES TO FINANCIAL STATEMENTS (Continued)

October 31, 2011

exchange on which they are primarily traded on the day of valuation or, if there has been no sale on such day, at the mean between the bid and asked prices. Securities primarily traded in the NASDAQ Global Market System for which market quotations are readily available shall be valued using the NASDAQ Official Closing Price (“NOCP”). If the NOCP is not available, such securities shall be valued at the last sale price on the day of valuation, or if there has been no sale on such day, at the mean between the bid and asked prices. Over-the-counter securities which are not traded in the NASDAQ Global Market System shall be valued at the most recent sales price. Investments in open-end mutual funds are valued at their net asset value per share. To the extent, these securities are actively traded and valuation adjustments are not applied, they are categorized in level 1 of the fair value hierarchy.

*Debt Securities* – Debt securities, such as corporate bonds, asset backed securities, mortgage backed securities, municipal bonds, U.S. Treasuries and U.S. government agency issues are valued at market on the basis of valuations furnished by an independent pricing service which utilizes both dealer-supplied valuations and formula-based techniques. The pricing service may consider recently executed transactions in securities of the issuer or comparable issuers, market price quotations (where observable), bond spreads, and fundamental data relating to the issuer. In addition, the model may incorporate market observable data such as reported sales of similar securities, broker quotes, yields, bids, offers, and reference data. Certain securities are valued principally using dealer quotations. These securities will generally be classified in level 2 of the fair value hierarchy.

*Open-End Mutual Funds* – Investments in open-end mutual funds are generally priced at the ending net asset value (NAV) provided by the service agent of the Funds and will be classified as level 1 securities.

*Short-Term Securities* – Short-term securities having a maturity of less than 60 days are valued at amortized cost, which approximates market value. To the extent the inputs are observable and timely, these securities would be classified in level 2 of the fair value hierarchy.

Securities for which market quotations are not readily available or if the closing price does not represent fair value, are valued following procedures approved by the Board of Trustees. These procedures consider many factors, including the type of security, size of holding, trading volume and news events. Depending on the relative significance of the valuation inputs, these securities may be classified in either level 2 or level 3 of the fair value hierarchy.

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

**ActivePassive Funds****NOTES TO FINANCIAL STATEMENTS (Continued)****October 31, 2011**

The following is a summary of the inputs used to value the ActivePassive Large Cap Growth Fund's net assets as of October 31, 2011:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Common Stocks</b>				
Finance & Insurance	\$ 1,075,140	\$ —	\$ —	\$ 1,075,140
Information	1,697,934	—	—	1,697,934
Manufacturing	5,788,150	—	—	5,788,150
Mining	1,657,534	—	—	1,657,534
Professional, Scientific & Technical Services	2,215,811	—	—	2,215,811
Retail Trade	779,003	—	—	779,003
Transportation & Warehousing	993,518	—	—	993,518
<b>Total Common Stocks</b>	<u>14,207,090</u>	<u>—</u>	<u>—</u>	<u>14,207,090</u>
<b>Exchange-Traded Funds</b>	16,171,555	—	—	16,171,555
<b>Short-Term Investments</b>	789,914	—	—	789,914
<b>Total Investments</b>	<u>\$31,168,559</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$31,168,559</u>

The following is a summary of the inputs used to value the ActivePassive Large Cap Value Fund's net assets as of October 31, 2011:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Common Stocks</b>				
Finance & Insurance	\$ 1,147,312	\$ —	\$ —	\$ 1,147,312
Health Care & Social Assistance	205,370	—	—	205,370
Information	732,273	—	—	732,273
Management of Companies & Enterprised	141,977	—	—	141,977
Manufacturing	2,659,580	—	—	2,659,580
Mining	869,538	—	—	869,538
Professional, Scientific & Technical Services	90,959	—	—	90,959
Retail Trade	612,228	—	—	612,228
Utilities	342,825	—	—	342,825
Wholesale Trade	458,461	—	—	458,461
<b>Total Common Stocks</b>	<u>7,260,523</u>	<u>—</u>	<u>—</u>	<u>7,260,523</u>
<b>Closed-End Funds</b>	39,940	—	—	39,940
<b>Exchange-Traded Funds</b>	16,882,582	—	—	16,882,582
<b>Short-Term Investments</b>	348,032	—	—	348,032
<b>Total Investments</b>	<u>\$24,531,077</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$24,531,077</u>

**Active/Passive Funds****NOTES TO FINANCIAL STATEMENTS (Continued)****October 31, 2011**

The following is a summary of the inputs used to value the Active/Passive Small/Mid Cap Fund's net assets as of October 31, 2011:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Common Stocks</b>				
Accommodation & Food Services	\$ 360,489	\$ —	\$ —	\$ 360,489
Administrative Support, Waste Management & Remediation Services	388,600	—	—	388,600
Arts, Entertainment & Recreation	298,936	—	—	298,936
Finance & Insurance	1,091,238	—	—	1,091,238
Health Care & Social Assistance	101,025	—	—	101,025
Information	1,339,032	—	—	1,339,032
Manufacturing	5,595,204	—	—	5,595,204
Mining	374,519	—	—	374,519
Professional, Scientific & Technical Services	1,050,969	—	—	1,050,969
Real Estate, Rental & Leasing	156,252	—	—	156,252
Retail Trade	1,368,953	—	—	1,368,953
Transportation & Warehousing	350,704	—	—	350,704
Wholesale Trade	<u>146,920</u>	<u>—</u>	<u>—</u>	<u>146,920</u>
<b>Total Common Stocks</b>	12,622,841	—	—	12,622,841
<b>Exchange-Traded Funds</b>	10,428,368	—	—	10,428,368
<b>Trusts</b>	91,600	—	—	91,600
<b>Short-Term Investments</b>	<u>48,661</u>	<u>—</u>	<u>—</u>	<u>48,661</u>
<b>Total Investments</b>	<u>\$23,191,470</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$23,191,470</u>

**ActivePassive Funds**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**October 31, 2011**

The following is a summary of the inputs used to value the ActivePassive International Equity Fund's net assets as of October 31, 2011:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Equity Securities</b>				
Australia	\$ 602,732	\$ —	\$ —	\$ 602,732
Belgium	179,568	—	—	179,568
Bermuda	37,101	—	—	37,101
Brazil	82,167	—	—	82,167
Canada	633,592	—	—	633,592
China	130,355	—	—	130,355
Denmark	142,317	—	—	142,317
France	653,647	—	—	653,647
Germany	583,950	—	—	583,950
Hong Kong	216,989	—	—	216,989
India	100,599	—	—	100,599
Israel	178,188	—	—	178,188
Japan	1,023,455	—	—	1,023,455
Jersey	273,521	—	—	273,521
Mexico	347,993	—	—	347,993
Netherlands	264,216	—	—	264,216
Russia	107,397	—	—	107,397
Singapore	264,435	—	—	264,435
South Korea	276,972	—	—	276,972
Sweden	349,633	—	—	349,633
Switzerland	789,756	—	—	789,756
Taiwan	141,041	—	—	141,041
Turkey	73,853	—	—	73,853
United Kingdom	1,843,494	—	—	1,843,494
<b>Total Common Stocks</b>	9,296,971	—	—	9,296,971
<b>Open-End Funds</b>	11,537,607	—	—	11,537,607
<b>Preferred Stocks</b>				
Brazil	191,555	—	—	191,555
Germany	117,905	—	—	117,905
<b>Total Preferred Stocks</b>	309,460	—	—	309,460
<b>Short-Term Investments</b>	873,106	—	—	873,106
<b>Total Investments</b>	<u>\$22,017,144</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$22,017,144</u>

The following is a summary of the inputs used to value the ActivePassive Global Bond Fund's net assets as of October 31, 2011:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Exchange-Traded Funds</b>	\$ 8,860,047	\$ —	\$ —	\$ 8,860,047
<b>Open-End Funds</b>	7,281,222	—	—	7,281,222
<b>Short-Term Investments</b>	166,926	—	—	166,926
<b>Total Investments in Securities</b>	<u>\$16,308,195</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$16,308,195</u>

**ActivePassive Funds****NOTES TO FINANCIAL STATEMENTS (Continued)****October 31, 2011**

The following is a summary of the inputs used to value the ActivePassive Intermediate Taxable Bond Fund's net assets as of October 31, 2011:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Asset Backed Securities	\$ —	\$ 918,371	\$ —	\$ 918,371
Collateralized Mortgage Obligation –				
Private Mortgage Backed Securities	—	792,862	—	792,862
Corporate Bond	—	3,471,932	—	3,471,932
Exchange-Traded Funds	20,466,497	—	—	20,466,497
Mortgage Backed Securities	—	423,928	—	423,928
U.S. Government Agency Issues	—	1,886,157	—	1,886,157
U.S. Treasury Obligations	—	2,627,469	—	2,627,469
Short-Term Investments	840,988	—	—	840,988
<b>Total Investments</b>	<u>\$21,307,485</u>	<u>\$10,120,719</u>	<u>\$ —</u>	<u>\$31,428,204</u>

The following is a summary of the inputs used to value the ActivePassive Intermediate Municipal Bond Fund's net assets as of October 31, 2011:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Municipal Bond	\$ —	\$9,063,273	\$ —	\$ 9,063,273
Exchange-Traded Funds	6,750,131	—	—	6,750,131
Short-Term Investments	501,494	—	—	501,494
<b>Total Investments</b>	<u>\$7,251,625</u>	<u>\$9,063,273</u>	<u>\$ —</u>	<u>\$16,314,898</u>

For further information regarding security characteristics, see the Schedule of Investments.

Transfers between levels are recognized at the end of the reporting period. There were no transfers of securities between levels during the reporting period. During the year ended October 31, 2011, the Funds recognized no transfers to/from level 1 or level 2. There were no level 3 securities held in the Funds during the year ended October 31, 2011.

**NOTE 4 – INVESTMENT ADVISORY FEE AND OTHER TRANSACTIONS WITH AFFILIATES**

For the year ended October 31, 2011, FundQuest Incorporated (the “Advisor”) provided the Funds with investment management services under an Investment Advisory Agreement. The Advisor furnished all investment advice, office space, facilities, and provides most of the personnel needed by the Funds. As compensation for its services, the Advisor is entitled to a monthly management fee based upon the average daily net assets of the Funds at the annual rates of:

**Active/Passive Funds**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**October 31, 2011**

Small/Mid Cap Fund and International Equity Fund	0.80%
Large Cap Growth Fund, Large Cap Value Fund, and Global Bond Fund	0.75%
Intermediate Taxable Bond Fund, and Intermediate Municipal Bond Fund	0.60%

For the year ended October 31, 2011, the advisory fees incurred by each of the Funds were as follows: \$221,691 for the Large Cap Growth Fund, \$178,895 for the Large Cap Value Fund, \$191,184 for the Small/Mid Cap Fund, \$185,674 for the International Equity Fund, \$108,701 for the Global Bond Fund, \$165,387 for the Intermediate Taxable Bond Fund and \$90,088 for the Intermediate Municipal Bond Fund.

Each of the Funds is responsible for its own operating expenses. The Advisor has contractually agreed, however, to waive its fees and/or absorb expenses of the Funds to ensure that the total net annual fund operating expenses (excluding Acquired Fund Fees and Expenses, tax, interest, and extraordinary expenses) do not exceed the following amounts of the Funds' average daily net assets:

Small/Mid Cap Fund	1.50%
Large Cap Growth Fund and International Equity Fund	1.30%
Large Cap Value Fund and Global Bond Fund	1.20%
Intermediate Taxable Bond Fund and Intermediate Municipal Bond Fund	1.00%

Any such reduction made by the Advisor in its fees or payment of expenses which are the Fund's obligation are subject to reimbursement by the Fund to the Advisor, if so requested by the Advisor, in subsequent fiscal years if the aggregate amount actually paid by the Fund toward the operating expenses for such fiscal year (taking into account the reimbursement) does not exceed the applicable limitation on Fund expenses. The Advisor is permitted to be reimbursed only for fee reductions and expense payments made in the previous three fiscal years. Any such reimbursement is also contingent upon Board of Trustees review and approval at the time the reimbursement is made. Such reimbursement may not be paid prior to the Fund's payment of current ordinary operating expenses. For the year ended October 31, 2011, the Advisor reduced its fees in the amount of \$103,543 for the Large Cap Growth Fund, \$127,628 for the Large Cap Value Fund, \$74,884 for the Small/Mid Cap Fund, \$193,380 for the International Equity Fund, \$117,089 for the Global Bond Fund, \$146,597 for the Intermediate Taxable Bond Fund and \$117,301 for the Intermediate Municipal Bond Fund. Cumulative expenses subject to recapture pursuant to the aforementioned conditions and the year of expiration are as follows:

**Active/Passive Funds****NOTES TO FINANCIAL STATEMENTS (Continued)****October 31, 2011**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Total</u>
Large Cap Growth Fund	\$137,997	\$107,918	\$103,543	\$349,458
Large Cap Value Fund	\$130,777	\$120,475	\$127,628	\$378,880
Small/Mid Cap Fund	\$128,043	\$103,798	\$74,884	\$306,725
International Equity Fund	\$216,048	\$202,349	\$193,380	\$611,777
Global Bond Fund	\$139,567	\$123,246	\$117,089	\$379,902
Intermediate Taxable Bond Fund	\$141,821	\$138,945	\$146,597	\$427,363
Intermediate Municipal Bond Fund	\$129,312	\$123,306	\$117,301	\$369,919

U.S. Bancorp Fund Services, LLC (the “Administrator”) acts as the Funds’ Administrator under an Administration Agreement. The Administrator prepares various federal and state regulatory filings, reports and returns for the Funds; prepares reports and materials to be supplied to the Trustees; monitors the activities of the Funds’ custodian, transfer agent and accountants; coordinates the preparation and payment of the Funds’ expenses and reviews the Funds’ expense accruals.

For the year ended October 31, 2011, the administration fees incurred by each of the Funds were: \$20,218 for the Large Cap Growth Fund, \$20,223 for the Large Cap Value Fund, \$20,198 for the Small/Mid Cap Fund, \$20,218 for the International Equity Fund, \$20,223 for the Global Bond Fund, \$20,218 for the Intermediate Taxable Bond Fund and \$20,163 for the Intermediate Municipal Bond Fund.

U.S. Bancorp Fund Services, LLC (“USBFS”) also serves as the fund accountant and transfer agent to the Funds. For the year ended October 31, 2011, the fund accounting fees incurred by each of the Funds were: \$21,379 for the Large Cap Growth Fund, \$21,649 for the Large Cap Value Fund, \$23,252 for the Small/Mid Cap Fund, \$31,178 for the International Equity Fund, \$20,239 for the Global Bond Fund, \$34,447 for the Intermediate Taxable Bond Fund and \$28,379 for the Intermediate Municipal Bond Fund and the transfer agent fees incurred by each of the Funds were: \$32,713 for the Large Cap Growth Fund, \$32,686 for the Large Cap Value Fund, \$31,980 for the Small/Mid Cap Fund, \$32,301 for the International Equity Fund, \$25,173 for the Global Bond Fund, \$25,514 for the Intermediate Taxable Bond Fund and \$9,215 for the Intermediate Municipal Bond Fund. U.S. Bank, N.A., an affiliate of USBFS, serves as the Funds’ custodian. For the year ended October 31, 2011, the custody fees incurred by each of the Funds were: \$6,185 for the Large Cap Growth Fund, \$4,196 for the Large Cap Value Fund, \$9,958 for the Small/Mid Cap Fund, \$69,951 for the International Equity Fund, \$4,219 for the Global Bond Fund, \$6,281 for the Intermediate Taxable Bond Fund and \$4,376 for the Intermediate Municipal Bond Fund.

## **ActivePassive Funds**

### **NOTES TO FINANCIAL STATEMENTS (Continued)**

**October 31, 2011**

Quasar Distributors, LLC (the “Distributor”) acts as the Funds’ principal underwriter in a continuous public offering of the Funds’ shares. The Distributor is an affiliate of the Administrator.

Certain officers of the Trust are also employees of the Administrator.

For the year ended October 31, 2011, the Chief Compliance Officer fees and expenses incurred by each of the Funds were: \$8,570 for the Large Cap Growth Fund, \$8,570 for the Large Cap Value Fund, \$8,570 for the Small/Mid Cap Fund, \$8,570 for the International Equity Fund, \$5,570 for the Global Bond Fund, \$8,570 for the Intermediate Taxable Bond Fund and \$8,570 for the Intermediate Municipal Bond Fund.

#### **NOTE 5 – DISTRIBUTION PLAN**

The Funds have adopted a plan pursuant to Rule 12b-1 (the “Plan”) that allows the Funds to pay distribution and service fees for the sale, distribution and servicing of their shares. The Plan provides for the payment of a distribution and service fees at the annual rate of up to 0.25% of average daily net assets. The expenses covered by the Plan may include the cost of preparing and distributing prospectuses and other sales material, advertising and public relations expenses, payments to financial intermediaries and compensation of personnel involved in selling shares of the Funds. Payments made pursuant to the Plan will represent compensation for distribution and service activities, not reimbursements for specific expenses incurred. For the year ended October 31, 2011, the distribution and service fees incurred by the Funds were: \$73,897 for the Large Cap Growth Fund, \$59,632 for the Large Cap Value Fund, \$59,745 for the Small/Mid Cap Fund, \$58,023 for the International Equity Fund, \$36,234 for the Global Bond Fund, \$68,911 for the Intermediate Taxable Bond Fund and \$37,536 for the Intermediate Municipal Bond Fund.

#### **NOTE 6 – SHAREHOLDER SERVICING PLAN**

The Funds have entered into a Shareholder Servicing Plan (the “Servicing Plan”) under which the Advisor will provide, or arrange for others to provide, certain specified shareholder services. As compensation for the provision of shareholder services, the Funds will pay the Advisor a monthly fee at an annual rate of 0.10% of each Fund’s average daily net assets. The Advisor will pay certain banks, trust companies, broker-dealers and other financial intermediaries (each, a “Participating Organization”) out of the fees the Advisor receives from the Funds under the Servicing Plan to the extent that the Participating Organization performs shareholder servicing functions for the Funds’ shares owned by its customers. For the year ended October 31, 2011, the distribution and service fees

**Active/Passive Funds****NOTES TO FINANCIAL STATEMENTS (Continued)****October 31, 2011**

incurred by the Funds were: \$29,559 for the Large Cap Growth Fund, \$23,853 for the Large Cap Value Fund, \$23,898 for the Small/Mid Cap Fund, \$23,209 for the International Equity Fund, \$14,493 for the Global Bond Fund, \$27,565 for the Intermediate Taxable Bond Fund and \$15,014 for the Intermediate Municipal Bond Fund.

**NOTE 7 – PURCHASES AND SALES OF SECURITIES**

For the year ended October 31, 2011, the cost of purchases and the proceeds from sales of securities (excluding short-term securities) were as follows:

	<u>Purchases</u>	<u>Sales</u>
Large Cap Growth Fund	\$18,098,839	\$15,497,783
Large Cap Value Fund	7,808,981	5,479,115
Small/Mid Cap Fund	8,198,184	8,872,728
International Equity Fund	5,955,783	5,446,566
Global Bond Fund	4,667,722	853,379
Intermediate Taxable Bond Fund	11,285,902	3,364,947
Intermediate Municipal Bond Fund	4,695,038	1,923,191

Purchases and sales of long-term U.S. Government securities for the Intermediate Taxable Bond Fund were \$7,733,507 and \$8,483,877, respectively.

**NOTE 8 – LINE OF CREDIT**

The Large Cap Growth Fund, Large Cap Value Fund, Small/Mid Cap Fund, International Equity Fund, Global Bond Fund, Intermediate Taxable Bond Fund and Intermediate Municipal Bond Fund have \$6,000,000, \$5,000,000, \$5,000,000, \$5,000,000, \$2,750,000, \$5,000,000 and \$3,000,000 lines of credit, respectively, intended to provide short-term financing, if necessary, subject to certain restrictions, in connection with shareholder redemptions. The credit facility is with its custodian bank, U.S. Bank, N.A. Borrowings under this arrangement bear interest at the bank's prime rate. During the year ended October 31, 2011, the Large Cap Growth Fund had an outstanding average daily balance and a weighted average interest rate of \$1,263 and 3.25%, respectively. The maximum amount outstanding for the Large Cap Growth Fund during the period was \$147,000. During the year ended October 31, 2011, the Large Cap Value Fund had an outstanding average daily balance and a weighted average interest rate of \$167 and 3.25%, respectively. The maximum amount outstanding for the Large Cap Value Fund during the period was \$40,000. During the year ended October 31, 2011, the Small/Mid Cap Fund had an outstanding average daily balance and a weighted average interest rate of \$189 and 3.25%, respectively. The maximum amount outstanding for the Small/Mid Cap Fund during the period was \$35,000.

**Active/Passive Funds****NOTES TO FINANCIAL STATEMENTS (Continued)****October 31, 2011**

During the year ended October 31, 2011, the International Equity Fund had an outstanding average daily balance and a weighted average interest rate of \$477 and 3.25%, respectively. The maximum amount outstanding for the International Equity Fund during the period was \$119,000. During the year ended October 31, 2011, the Global Bond Fund had an outstanding average daily balance and a weighted average interest rate of \$2,279 and 3.25%, respectively. The maximum amount outstanding for the Global Bond Fund during the period was \$143,000. During the year ended October 31, 2011, the Intermediate Taxable Bond Fund had an outstanding average daily balance and a weighted average interest rate of \$2,208 and 3.25%, respectively. The maximum amount outstanding for the Intermediate Taxable Bond Fund during the period was \$160,000. During the year ended October 31, 2011, the Intermediate Municipal Bond Fund had an outstanding average daily balance and a weighted average interest rate of \$1,712 and 3.25%, respectively. The maximum amount outstanding for the Intermediate Municipal Bond Fund during the period was \$139,000.

**NOTE 9 – FEDERAL TAX INFORMATION**

Net investment income/(loss) and net realized gains/(losses) differ for financial statement and tax purposes due to differing treatments of wash sale losses deferred and non-deductible organizational expenditures.

The tax character for the distributions paid during the year ended October 31, 2011 and the year ended October 31, 2010 for the Funds were as follows:

	<u>Year Ended October 31, 2011</u>	<u>Year Ended October 31, 2010</u>
<b>Large Cap Growth Fund</b>		
Ordinary income	\$ —	\$ 9,462
	<u>Year Ended October 31, 2011</u>	<u>Year Ended October 31, 2010</u>
<b>Large Cap Value Fund</b>		
Ordinary income	\$224,536	\$104,542
	<u>Year Ended October 31, 2011</u>	<u>Year Ended October 31, 2010</u>
<b>International Equity Fund</b>		
Ordinary income	\$231,284	\$164,062
	<u>Year Ended October 31, 2011</u>	<u>Year Ended October 31, 2010</u>
<b>Global Bond Fund</b>		
Ordinary income	\$334,209	\$152,983

**Active/Passive Funds**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**October 31, 2011**

	<u>Year Ended October 31, 2011</u>	<u>Year Ended October 31, 2010</u>
<b>Intermediate Taxable Bond Fund</b>		
Ordinary income	\$644,475	\$366,484
Long-Term Capital Gains	\$ 40,745	\$ —
	<u>Year Ended October 31, 2011</u>	<u>Year Ended October 31, 2010</u>

<b>Intermediate Municipal Bond Fund</b>		
Exempt interest dividend	\$360,338	\$378,307
Ordinary income	\$ 23,429	\$ 6,041
Long-Term Capital Gains	\$105,110	\$ —

As of October 31, 2011, the components of accumulated earnings/(losses) on a tax basis were as follows:

	<u>Large Cap Growth Fund</u>	<u>Large Cap Value Fund</u>	<u>Small/Mid Cap Fund</u>	<u>International Equity Fund</u>
Cost of investments	<u>\$27,111,475</u>	<u>\$22,812,493</u>	<u>\$18,463,374</u>	<u>\$18,882,980</u>
Gross tax unrealized appreciation on investments	\$ 4,624,045	\$ 2,441,214	\$ 5,374,810	\$ 3,593,627
Gross tax unrealized depreciation on investments	<u>(566,961)</u>	<u>(722,630)</u>	<u>(646,714)</u>	<u>(459,463)</u>
Net tax unrealized appreciation	<u>4,057,084</u>	<u>1,718,584</u>	<u>4,728,096</u>	<u>3,134,164</u>
Undistributed ordinary income	—	213,406	—	83,310
Undistributed long-term capital gain	<u>1,394,311</u>	<u>509,920</u>	<u>285,950</u>	<u>—</u>
Total distributable earnings	<u>1,394,311</u>	<u>723,326</u>	<u>285,950</u>	<u>83,310</u>
Other accumulated gains/(losses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>(3,513,602)</u>
Total accumulated earnings/(losses)	<u>\$ 5,451,395</u>	<u>\$ 2,441,910</u>	<u>\$ 5,014,046</u>	<u>\$ (296,128)</u>

**ActivePassive Funds****NOTES TO FINANCIAL STATEMENTS (Continued)****October 31, 2011**

	<u>Global Bond Fund</u>	<u>Intermediate Taxable Bond Fund</u>	<u>Intermediate Municipal Bond Fund</u>
Cost of investments	<u>\$15,432,376</u>	<u>\$30,168,641</u>	<u>\$15,527,251</u>
Gross tax unrealized appreciation on investments	\$ 919,577	\$ 1,283,284	\$ 793,922
Gross tax unrealized depreciation on investments	<u>(43,758)</u>	<u>(23,721)</u>	<u>(6,275)</u>
Net tax appreciation	<u>875,819</u>	<u>1,259,563</u>	<u>787,647</u>
Undistributed ordinary income	3,526	83,638	16,211
Undistributed tax exempt income	—	—	6,160
Undistributed long-term capital gain	—	133,040	53,715
Total distributable earnings	<u>3,526</u>	<u>216,678</u>	<u>76,086</u>
Other accumulated gains/(losses)	<u>(20,283)</u>	<u>—</u>	<u>—</u>
Total accumulated earnings/(losses)	<u>\$ 859,062</u>	<u>\$ 1,476,241</u>	<u>\$ 863,733</u>

At October 31, 2011, the Funds had capital loss carryforwards which expire as follows:

International Equity Fund	\$3,365,920	10/31/17
	150,047	10/31/18
Global Bond Fund	20,283	10/31/17

**NOTE 10 – SIGNIFICANT OWNERSHIP CONCENTRATION**

At October 31, 2011, the ActivePassive Large Cap Growth Fund invested 52.56% of its total net assets in the Vanguard Growth ETF. The Vanguard Growth ETF seeks to track the performance of a benchmark index that measures the investment return of large-capitalization growth stocks. The Vanguard Growth ETF attempts to replicate the MSCI US Prime Market Growth Index by investing all of its assets in the stocks that make up the Index.

At October 31, 2011, the ActivePassive Large Cap Value Fund invested 70.09% of its total net assets in the Vanguard Value ETF. The Vanguard Value ETF seeks to track the performance of a benchmark index that measures the investment return of large-capitalization value stocks. The Vanguard Value ETF attempts to replicate the MSCI US Prime Market Value Index by investing all of its assets in the stocks that make up the Index.

At October 31, 2011, the ActivePassive International Equity Fund invested 52.26% of its total net assets in the Fidelity Spartan International Index Fund. The Fidelity Spartan International Index Fund seeks to provide investment results

## **ActivePassive Funds**

### **NOTES TO FINANCIAL STATEMENTS (Continued)**

**October 31, 2011**

that correspond to the total return of foreign stock markets. The Fidelity Spartan International Index Fund will normally invest at least 80% of assets in common stocks included in the MSCI EAFE (Europe, Australia, Far East) Index, which represents the performance of foreign stock markets.

At October 31, 2011, the ActivePassive Global Bond Fund invested 33.86% of its total net assets in the Loomis Sayles Global Bond Fund, 27.05% of its total net assets in the SPDR Barclays Capital International Treasury Bond ETF and 27.56% of its total net assets in the Vanguard Total Bond Market ETF. The Loomis Sayles Global Bond Fund's objective is high total investment return through a combination of high current income and capital appreciation. The Loomis Sayles Global Bond Fund will normally invest at least 80% of its net assets (plus any borrowings made for investment purposes) in fixed-income securities. The SPDR Barclays Capital International Treasury Bond ETF uses a passive management strategy designed to track the total return performance of the Barclays Capital Global Treasury Ex-US Capped Index. The SPDR Barclays Capital International Treasury Bond ETF tracks fixed-rate local currency sovereign debt investment grade countries outside the United States. The Vanguard Total Bond Market ETF seeks to track the performance of a broad, market-weighted bond index. The Vanguard Total Bond Market ETF will normally invest at least 80% of the Fund's assets in bonds held in the Barclays Capital U.S. Aggregate Float Adjust Index.

At October 31, 2011, the ActivePassive Intermediate Taxable Bond Fund invested 66.15% of its total net assets in the Vanguard Total Bond Market ETF. The Vanguard Total Bond Market ETF seeks to track the performance of a broad, market-weighted bond index. The Vanguard Total Bond Market ETF will normally invest at least 80% of the Fund's assets in bonds held in the Barclays Capital U.S. Aggregate Float Adjust Index.

For detailed financial information regarding any of the investments listed, please refer to that Fund's most recent annual report which is available on the SEC's website at [www.sec.gov](http://www.sec.gov) or alternatively may be available on the Fund sponsor's website.

### **NOTE 11 – EVENTS SUBSEQUENT TO THE FISCAL YEAR END**

In preparing the financial statements as of October 31, 2011, management considered the impact of subsequent events for potential recognition or disclosure in the financial statements. On December 12, 2011, Envestnet Portfolio Solutions, Inc., a leading provider of wealth management software and services to financial advisors, completed the acquisition of FundQuest Inc. (the "Advisor"), BNP Paribas' U.S. provider of fee-based managed services and solutions. The acqui-

## **ActivePassive Funds**

### **NOTES TO FINANCIAL STATEMENTS (Continued)**

**October 31, 2011**

sition resulted in a change in control of the Advisor and therefore, constituted an “assignment” of the existing investment advisory agreement between the ActivePassive Funds and the Advisor within the meaning of the Investment Company Act of 1940, as amended (the “1940 Act”). An investment advisory agreement automatically terminates upon its “assignment” under the applicable provisions of the 1940 Act. The shareholders of each of the ActivePassive Funds approved Envestnet, Inc. as the new investment advisor of the Funds at a special meeting of shareholders on December 9, 2011.

#### **NOTE 12 – MATTERS SUBMITTED TO A SHAREHOLDER VOTE (Unaudited)**

A Special Meeting of Shareholders of the ActivePassive Large Cap Growth Fund, ActivePassive Large Cap Value, ActivePassive Small/Mid Cap Fund, ActivePassive International Equity Fund, ActivePassive Global Bond Fund, ActivePassive Intermediate Taxable Bond Fund and ActivePassive Intermediate Municipal Bond Fund, (each a “Fund”, collectively, the “Funds”), each a series of the Advisors Series Trust (the “Trust”) took place on December 9, 2011 to approve an investment advisory agreement between the Trust, on behalf of the Funds, and Envestnet Portfolio Solutions, Inc. (the successor to FundQuest Incorporated).

All Fund shareholders of record at the close of business on September 23, 2011 were entitled to vote. As of the record date, the total number of shares were as follows: Large Cap Growth Fund 2,149,066.041 shares, Large Cap Value Fund 1,956,450.724 shares, Small/Mid Cap Fund 1,689,775.974 shares, International Equity Fund 1,876,461.927 shares, Global Bond Fund 948,127.109 shares, Intermediate Taxable Bond Fund 1,887,218.913 shares, and Intermediate Municipal Bond Fund 1,066,060.044 shares. Of the 1,095,240 shares of the Large Cap Growth Fund present in person or by proxy, 980,195 or 89.50% voted in favor of the Proposal (representing 45.61% of total outstanding shares), 13,969 or 1.28% voted against the Proposal and 101,076 or 9.23% withheld from voting for the Proposal. Of the 1,018,550 shares of the Large Cap Value Fund present in person or by proxy, 917,975 or 90.13% voted in favor of the Proposal (representing 46.92% of total outstanding shares), 13,002 or 1.28% voted against the Proposal and 87,573 or 8.60% withheld from voting for the Proposal. Of the 854,249 shares of the Small/Mid Cap Fund present in person or by proxy, 764,074 or 89.44% voted in favor of the Proposal (representing 45.22% of total outstanding shares), 11,221 or 1.32% voted against the Proposal and 78,954 or 9.24% withheld from voting for the Proposal. Of the 953,220 shares of the International Equity Fund present in person or by proxy, 860,409 or 90.26%

**ActivePassive Funds****NOTES TO FINANCIAL STATEMENTS (Continued)****October 31, 2011**

voted in favor of the Proposal (representing 45.85% of total outstanding shares), 9,187 or 0.96% voted against the Proposal and 83,624 or 8.77% withheld from voting for the Proposal. Of the 537,125 shares of the Global Bond Fund present in person or by proxy, 496,207 or 92.38% voted in favor of the Proposal (representing 52.34% of total outstanding shares), 5,978 or 1.11% voted against the Proposal and 34,940 or 6.51% withheld from voting for the Proposal. Of the 1,037,885 shares of the Intermediate Taxable Bond Fund present in person or by proxy, 947,579 or 91.30% voted in favor of the Proposal (representing 50.21% of total outstanding shares), 11,587 or 1.12% voted against the Proposal and 78,719 or 7.58% withheld from voting for the Proposal. Of the 614,493 shares of the Intermediate Municipal Bond Fund present in person or by proxy, 567,642 or 92.38% voted in favor of the Proposal (representing 53.25% of total outstanding shares), 12,056 or 1.96% voted against the Proposal and 34,795 or 5.66% withheld from voting for the Proposal. Accordingly, the Proposal was approved.

## **REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

### **To the Board of Trustees Advisors Series Trust and Shareholders of The Active Passive Funds**

We have audited the accompanying statements of assets and liabilities of ActivePassive Large Cap Growth Fund, ActivePassive Large Cap Value Fund, ActivePassive Small/Mid Cap Fund, ActivePassive International Equity Fund, Active Passive Global Bond Fund, ActivePassive Intermediate Taxable Bond Fund, and ActivePassive Intermediate Municipal Bond Fund, each a series of Advisors Series Trust (the "Trust"), including the schedule of investments, as of October 31, 2011, and the related statements of operations for the year then ended, the statements of 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 and for the period December 31, 2007 (commencement of operations) to October 31, 2008. These financial statements and financial highlights are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

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 Trusts 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 Trusts' 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 October 31, 2011, by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. 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 position of ActivePassive Large Cap Growth Fund, ActivePassive Large Cap Value Fund, ActivePassive Small/Mid Cap Fund, ActivePassive International Equity Fund, Active Passive Global Bond Fund, ActivePassive Intermediate Taxable Bond Fund, and ActivePassive Intermediate Municipal Bond Fund as of October 31, 2011, the results of their operations, the changes in their net assets and their financial highlights for the periods indicated above, in conformity with accounting principles generally accepted in the United States of America.

**TAIT, WELLER & BAKER LLP**

**Philadelphia, Pennsylvania  
December 28, 2011**

**ActivePassive Large Cap Growth Fund**  
**APPROVAL OF INVESTMENT SUB-ADVISORY**  
**AGREEMENT**  
**(Unaudited)**

At a meeting held on May 31-June 2, 2011, the Board of Trustees of Advisors Series Trust, including the persons who are Independent Trustees as defined under the Investment Company Act, considered and approved an initial sub-advisory agreement for the ActivePassive Large Cap Growth Fund (the “Fund”) for a period not to exceed two years. Prior to this meeting, the Board received and reviewed substantial information regarding the Fund, the sub-advisor and the services expected to be provided by the sub-advisor to the Fund under the sub-advisory agreement. This information formed the primary (but not exclusive) basis for the Board’s determinations. Below is a summary of the factors considered by the Board and the conclusions that formed the basis for the Board’s approval of the initial sub-advisory agreement:

**TCW Investment Management Company**

The Board noted that Transamerica Investment Management, LLC (“TIM”), the previous sub-advisor to the Fund, had terminated the sub-advisory agreement between itself and FundQuest Incorporated, Advisor to the Fund. The Board further noted that FundQuest had selected TCW Investment Management Co. (“TCW”) to replace TIM as sub-advisor to the Fund, effective June 1, 2011, requiring approval by the Board of the Sub-advisory Agreement, and that the terms and conditions of the Sub-advisory Agreement with TCW were generally similar in all material respects to the terms and conditions of the previous sub-advisory agreement with TIM, which the Board last reviewed and approved at its Board meeting held on December 8-9, 2010. The Board also noted that the fees payable to TCW under its Sub-advisory Agreement, though different than had been the case with TIM, do not result in an increase in the Fund’s advisory fee levels previously approved by the Fund’s initial shareholders.

The Board then considered the overall fairness of the Sub-advisory Agreement and whether the agreement was in the best interest of the Fund. The Board further considered factors it deemed relevant with respect to the Fund, including, as applicable: (1) the nature, quality and extent of the services provided or to be provided by the sub-adviser to the Fund; (2) the investment performance of the Fund and its sub-adviser; (3) the costs of the services to be provided and profits to be realized by the sub-adviser and its affiliates from the sub-adviser’s relationship with the Fund; (4) the extent to which economies of scale will be realized as the Fund grows and whether fee levels reflect those economies of scale for the benefit of Fund investors; and (5) comparative services rendered and comparative advisory and sub-advisory fee rates. In addition to the foregoing factors, the Board also discussed whether there were other benefits received by the Advisor,

**ActivePassive Large Cap Growth Fund**  
**APPROVAL OF INVESTMENT SUB-ADVISORY**  
**AGREEMENT (Continued)**  
**(Unaudited)**

the sub-adviser, or their affiliates, from the sub-adviser's relationship with the Fund. The Board concluded that any fall-out benefits resulting from the engagement of the sub-adviser were such that they did not impact the Board's conclusion that the proposed sub-advisory fees were reasonable.

The Board noted that TCW's fees would continue to be paid entirely by the Advisor so that no additional expenses would be borne by shareholders for the engagement of TCW. The Board considered the scope and quality of services to be provided by the sub-adviser, including the fact that the sub-adviser pays the costs of all necessary investment and management facilities necessary for the efficient conduct of its services. The Board also considered the qualifications and experience of the portfolio managers responsible for managing the sub-advisor's portion of the Fund. The Board further considered comparative fees and performance data of other comparable portfolios managed by the sub-adviser. Based on these considerations, the Board was satisfied, with respect to TCW and the Fund that (1) the Fund was reasonably likely to benefit from the nature, quality and extent of the sub-adviser's services and (2) the sub-adviser's compensation is fair and reasonable.

In considering the Sub-advisory Agreement, no single factor was determinative of the Board's decision to approve the Sub-advisory Agreement; rather, the Board based their determination on the total mix of information available to them. Based on a consideration of all the factors in their totality, the Trustees determined that the sub-advisory arrangement with TCW, including sub-advisory fees, were fair and reasonable to the Fund. The Board therefore determined that the approval of the Sub-advisory Agreement was in the best interests of the Fund and its shareholders.

**ActivePassive Funds**  
**NOTICE TO SHAREHOLDERS**  
**October 31, 2011**

**How to Obtain a Copy of the Funds' Proxy Voting Policies and Proxy Voting Records**

A description of the policies and procedures that the Funds uses to determine how to vote proxies relating to portfolio securities is available without charge, upon request, by calling 1-877-273-8635, or on the SEC's website at <http://www.sec.gov>. The Funds' proxy voting record is available on the SEC's website at [www.sec.gov](http://www.sec.gov) no later than August 31 for the prior 12 months ending June 30.

**Disclosure of Portfolio Holdings**

The Funds file their complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Funds' Form N-Q is available on the SEC's website at <http://www.sec.gov>. The Funds' Form N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington, DC and information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. Information included in the Fund's Form N-Q is also available by calling 1-877-273-8635.

**Federal Tax Distribution Information (Unaudited)**

For the fiscal year ended October 31, 2011, certain dividends paid by the Funds may be subject to a maximum tax rate of 15%, as provided by the Jobs and Growth Tax Relief Reconciliation Act of 2003. The percentage of dividends declared from ordinary income designated as qualified dividend income was as follows:

Large Cap Growth Fund	0%
Large Cap Value Fund	100%
Small/Mid Cap Fund	0%
International Equity Fund	100%
Global Bond Fund	100%
Intermediate Taxable Bond Fund	0%
Intermediate Municipal Bond Fund	0%

**ActivePassive Funds**  
**NOTICE TO SHAREHOLDERS (Continued)**  
**October 31, 2011**

For corporate shareholders, the percent of ordinary income distributions qualifying for the corporate dividends received deduction for the fiscal year ended October 31, 2011 was as follows:

Large Cap Growth Fund	0%
Large Cap Value Fund	100%
Small/Mid Cap Fund	0%
International Equity Fund	84.52%
Global Bond Fund	100%
Intermediate Taxable Bond Fund	0%
Intermediate Municipal Bond Fund	0%

The Large Cap Value Fund, International Equity Fund, Global Bond Fund, Intermediate Taxable Bond Fund and Intermediate Municipal Bond Fund hereby designate 0.16%, 0.16%, 0.03%, 36.78% and 100.00%, respectively, of their ordinary income distributions for the fiscal year as interest-related dividends under Internal Revenue Code Section 871(k)(1)(c).

The Percentage of taxable ordinary income distributions that are designated as short-term capital gain distributions under Internal Revenue Section 871(k)(2)(C) for each Fund were as follows:

Large Cap Growth Fund	0%
Large Cap Value Fund	0%
Small/Mid Cap Fund	0%
International Equity Fund	0%
Global Bond Fund	0%
Intermediate Taxable Bond Fund	17.78%
Intermediate Municipal Bond Fund	100%

**Active/Passive Funds**  
**INFORMATION ABOUT TRUSTEES AND OFFICERS**  
**(Unaudited)**

This chart provides information about the Trustees and Officers who oversee the Funds. Officers elected by the Trustees manage the day-to-day operations of the Funds and execute policies formulated by the Trustees.

**Independent Trustees<sup>(1)</sup>**

<u>Name, Address and Age</u>	<u>Position Held with the Trust</u>	<u>Term of Office and Length of Time Served</u>	<u>Principal Occupation During Past Five Years</u>	<u>Number of Portfolios in Fund Complex Overseen by Trustee<sup>(2)</sup></u>	<u>Other Directorships Held During Past Five Years</u>
Sallie P. Diederich (age 61) 615 E. Michigan Street Milwaukee, WI 53202	Trustee	Indefinite term since January 2011.	Independent Mutual Fund Consultant, (1995 to present); Advisor Corporate Controller, Transamerica Fund Management Company (1994 to 1995); Senior Vice President, Mutual Fund and Custody Operations, Putnam Investments (1992 to 1993; Vice President and Controller, Mutual Fund Accounting, American Capital Mutual Funds (1986 to 1992).	7	Trustee, Advisors Series Trust (for series not affiliated with the Funds).
Donald E. O'Connor (age 75) 615 E. Michigan Street Milwaukee, WI 53202	Trustee	Indefinite term since February 1997.	Retired; former Financial Consultant and former Executive Vice President and Chief Operating Officer of ICI Mutual Insurance Company (until January 1997).	7	Trustee, Advisors Series Trust (for series not affiliated with the Funds); Trustee, The Forward Funds (35 portfolios).
George J. Rebhan (age 77) 615 E. Michigan Street Milwaukee, WI 53202	Trustee	Indefinite term since May 2002.	Retired; formerly President, Hotchkis and Wiley Funds (mutual funds) (1985 to 1993).	7	Trustee, Advisors Series Trust (for series not affiliated with the Funds); Independent Trustee from 1999 to 2009, E*TRADE Funds.

**Active/Passive Funds**  
**INFORMATION ABOUT TRUSTEES AND OFFICERS (Continued)**  
**(Unaudited)**

<u>Name, Address and Age</u>	<u>Position Held with the Trust</u>	<u>Term of Office and Length of Time Served</u>	<u>Principal Occupation During Past Five Years</u>	<u>Number of Portfolios in Fund Complex Overseen by Trustee<sup>(2)</sup></u>	<u>Other Directorships Held</u>
George T. Wofford (age 72) 615 E. Michigan Street Milwaukee, WI 53202	Trustee	Indefinite term since February 1997.	Retired; formerly Senior Vice President, Federal Home Loan Bank of San Francisco.	7	Trustee, Advisors Series Trust (for series not affiliated with the Funds).

**Interested Trustee**

Joe D. Redwine <sup>(3)</sup> (age 64) 615 E. Michigan Street Milwaukee, WI 53202	Interested Trustee	Indefinite term since September 2008.	President, CEO, U.S. Bancorp Fund Services, LLC (May 1991 to present).	7	Trustee, Advisors Series Trust (for series not affiliated with the Funds).
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**Officers**

<u>Name, Address and Age</u>	<u>Position Held with the Trust</u>	<u>Term of Office and Length of Time Served</u>	<u>Principal Occupation During Past Five Years</u>
Joe D. Redwine (age 64) 615 E. Michigan Street Milwaukee, WI 53202	Chairman and Chief Executive Officer	Indefinite term since September 2007.	President, CEO, U.S. Bancorp Fund Services, LLC (May 1991 to present).
Douglas G. Hess (age 44) 615 E. Michigan Street Milwaukee, WI 53202	President and Principal Executive Officer	Indefinite term since June 2003.	Senior Vice President, Compliance and Administration, U.S. Bancorp Fund Services, LLC (March 1997 to present).
Cheryl L. King (age 50) 615 E. Michigan Street Milwaukee, WI 53202	Treasurer and Principal Financial Officer	Indefinite term since December 2007.	Vice President, Compliance and Administration, U.S. Bancorp Fund Services, LLC (October 1998 to present).
Michael L. Ceccato (age 54) 615 E. Michigan Street Milwaukee, WI 53202	Vice President, Chief Compliance Officer and AML Officer	Indefinite term since September 2009.	Vice President, U.S. Bancorp Fund Services, LLC (February 2008 to present); General Counsel/Controller, Steinhafels, Inc. (September 1995 to February 2008).

**Active/Passive Funds**  
**INFORMATION ABOUT TRUSTEES AND OFFICERS (Continued)**  
**(Unaudited)**

<u>Name, Address and Age</u>	<u>Position Held with the Trust</u>	<u>Term of Office and Length of Time Served</u>	<u>Principal Occupation During Past Five Years</u>
Jeanine M. Bajczyk, Esq. (age 46) 615 E. Michigan Street Milwaukee, WI 53202	Secretary	Indefinite term since June 2007.	Senior Vice President and Counsel, U.S. Bancorp Fund Services, LLC (May 2006 to present); Senior Counsel, Wells Fargo Funds Management, LLC (May 2005 to May 2006); Senior Counsel, Strong Financial Corporation (January 2002 to April 2005).

- (1) The Trustees of the Trust who are not “interested persons” of the Trust as defined under the 1940 Act (“Independent Trustees”).
- (2) The Trust is comprised of numerous portfolios managed by unaffiliated investment advisers. The term “Fund Complex” applies only to the Funds. The Funds do not hold themselves out as related to any other series within the Trust for investment purposes, nor do they share the same investment adviser with any other series.
- (3) Mr. Redwine is an “interested person” of the Trust as defined by the 1940 Act. Mr. Redwine is an interested Trustee of the Trust by virtue of the fact that he is an interested person of Quasar Distributors, LLC who acts as principal underwriter to the series of the Trust.

The Statement of Additional Information includes additional information about the Funds’ Trustees and Officers and is available, without charge, upon request by calling 1-877-273-8635.

## **ActivePassive Funds**

### **Householding (Unaudited)**

In an effort to decrease costs, the Funds intend to reduce the number of duplicate prospectuses and annual and semi-annual reports you receive by sending only one copy of each to those addresses shared by two or more accounts and to shareholders we reasonably believe are from the same family or household. Once implemented, if you would like to discontinue householding for your accounts, please call toll-free at 1-877-273-8635 to request individual copies of these documents. Once the Funds receive notice to stop householding, we will begin sending individual copies thirty days after receiving your request. This policy does not apply to account statements.

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## **PRIVACY NOTICE**

The Funds collect non-public information about you from the following sources:

- Information we receive about you on applications or other forms;
- Information you give us orally; and/or
- Information about your transactions with us or others

We do not disclose any non-public personal information about our customers or former customers without the customer's authorization, except as permitted by law or in response to inquiries from governmental authorities. We may share information with affiliated and unaffiliated third parties with whom we have contracts for servicing the Funds. We will provide unaffiliated third parties with only the information necessary to carry out their assigned responsibilities. We maintain physical, electronic and procedural safeguards to guard your personal information and require third parties to treat your personal information with the same high degree of confidentiality.

In the event that you hold shares of the Funds through a financial intermediary, including, but limited to, a broker-dealer, bank, or trust company, the privacy policy of your financial intermediary would govern how your non-public personal information would be shared with unaffiliated third parties.

**Advisor**

Envestnet Portfolio Solutions, Inc.  
75 State Street  
Boston, MA 02109

**Distributor**

Quasar Distributors, LLC  
615 East Michigan Street  
Milwaukee, WI 53202

**Transfer Agent**

U.S. Bancorp Fund Services, LLC  
615 East Michigan Street  
Milwaukee, WI 53202  
(877) 273-8635

**Custodian**

U.S. Bank N.A.  
1555 North River Center Drive, Suite 302  
Milwaukee, WI 53212

**Independent Registered Public Accounting Firm**

Tait, Weller & Baker LLP  
1818 Market Street, Suite 2400  
Philadelphia, PA 19103

**Legal Counsel**

Paul Hastings LLP  
75 East 55th Street, First Floor  
New York, NY 10022-3205

Past performance results shown in this report should not be considered a representation of future performance. Share price and returns will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Statements and other information herein are dated and are subject to change.