



**PHOCAS REAL ESTATE FUND  
PHOCAS SMALL CAP VALUE FUND**

**Each a series of Advisors Series Trust**

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**PROSPECTUS  
April 29, 2008**

**The Securities and Exchange Commission (“SEC”) has not approved or disapproved these securities or passed upon the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offense.**

**PHOCAS REAL ESTATE FUND  
PHOCAS SMALL CAP VALUE FUND**

Each Fund is a series of Advisors Series Trust

**Phocas Real Estate Fund** (the “Real Estate Fund”) is a non-diversified mutual fund that seeks long-term total investment return through a combination of capital appreciation and current income.

**Phocas Small Cap Value Fund** (the “Small Cap Value Fund”) is a diversified mutual fund that seeks long-term total investment return through capital appreciation.

Phocas Financial Corporation (the “Advisor”) is the investment advisor to the Real Estate Fund and the Small Cap Value Fund (each, a “Fund,” and collectively, the “Funds”) and is located at 980 Atlantic Avenue, Suite 106, Alameda, California 94501. The Funds are series of Advisors Series Trust (the “Trust”). The Funds do not hold themselves out as related to any other series of the Trust for purposes of investment and investor services, nor do they share the same investment advisor with any other series.

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**This Prospectus sets forth basic information about the Funds that you should know before investing. It should be read and retained for future reference.**

**The date of this Prospectus is April 29, 2008.**

**Please find the Funds’ Privacy Notice inside  
the back cover of this Prospectus.**

## RISK/RETURN SUMMARY: INVESTMENTS, RISKS, AND PERFORMANCE

### What are the Funds' Investment Objectives?

The investment objective of the **Real Estate Fund** is long-term total investment return through a combination of capital appreciation and current income.

The investment objective of the **Small Cap Value Fund** is long-term total investment return through capital appreciation.

### What are the Funds' Principal Investment Strategies?

#### **Real Estate Fund**

Under normal market conditions, the Real Estate Fund will invest at least 80% of its net assets, plus any borrowings for investment purposes, in equity real estate investment trusts ("REITs") and other commercial real estate-oriented companies which own, manage and invest in underlying real estate assets, including REITs and real estate operating companies. The Fund will seek to maintain a portfolio with continuous exposure to most real estate sectors.

#### **Small Cap Value Fund**

Under normal market conditions, the Small Cap Value Fund will invest at least 80% of its net assets, plus any borrowings for investment purposes, in domestic common stocks and other equity securities (including convertible preferred stocks and warrants) of small-capitalization companies, consistent with companies within the Russell 2000<sup>®</sup> Value Index. The Fund will pursue its investment objective by investing in a diversified portfolio of small-capitalization securities selling at discounts to their fair value as assessed by the investment and research team of the Advisor.

### What are the Principal Risks of Investing in the Funds?

By themselves, the Funds are not complete, balanced investment plans. The Funds cannot guarantee that they will achieve their investment objectives. As with all mutual funds, there is the risk that you could lose money on your investment in the Funds.

The following are the principal risks (applicable to both Funds) that could adversely affect the value of your investment in the Funds.

*Market Risk.* The value of the Funds' shares will fluctuate as a result of the movement of the overall stock market or of the value of the individual securities held by the Funds, and you could lose money.

*Equity Risk.* The equity securities held by the Funds may experience sudden, unpredictable drops in value or long periods of decline in value.

*Non-U.S. Investment Risk.* Foreign securities can be more volatile than domestic (U.S.) securities. Securities markets of other countries are generally smaller than U.S. securities markets. Many foreign securities may be less liquid and more volatile than U.S. securities, which could affect the Funds' investments. The exchange rates between U.S. dollar and foreign currencies might fluctuate, which can negatively affect the value of the Funds' investments.

*Conflicts of Interest Risk.* The Advisor may advise other clients with investment objectives similar to those of the Funds. There may be instances in which the Funds would not be able to invest in certain limited investment opportunities due to the investment by other clients advised by the Advisor.

*Management Risk.* The skill of the Advisor will play a significant role in the Funds' abilities to achieve their investment objectives. Each Fund's ability to achieve its investment objective depends on the ability of the Advisor to correctly identify economic trends, especially with regard to accurately forecasting inflationary and deflationary periods.

*New Fund Risk.* Because the Funds are relatively new, there is a risk that the Funds may be liquidated if either one does not attract enough assets to support its continued existence. Liquidation does not require prior approval of the Funds' shareholders and will trigger a taxable event equivalent to redemption of Fund shares.

### **Risks Specific to the Real Estate Fund**

*Non-Diversification Risk.* There is no restriction on how much the Real Estate Fund may invest in the securities of a single issuer under the Investment Company Act of 1940, as amended (the "1940 Act"). Therefore, greater investment in a single issuer makes the Real Estate Fund more susceptible to financial, economic or market events impacting such issuer.

*Real Estate and REIT Risk.* Because the Real Estate Fund invests principally in a single market sector, it is particularly vulnerable to the risks of the real estate industry. The value and performance of equity, mortgage and hybrid REITs depends on how well the underlying property owned by the REIT is managed.

### **Risks Specific to the Small Cap Value Fund**

*Small Companies Risk.* Investing in securities of small-sized companies may involve greater volatility than investing in larger and more established companies because

small-sized companies can be subject to more abrupt or erratic share price changes than larger, more established companies.

*Value Style Investing Risk.* Different types of equity investment strategies tend to yield more or less favorable returns depending on market conditions. The performance resulting from the Small Cap Value Fund's "value" investment style may sometimes be lower than that of other types of equity funds.

**Who may want to  
Invest in the Funds?**

The Funds may be appropriate for investors who:

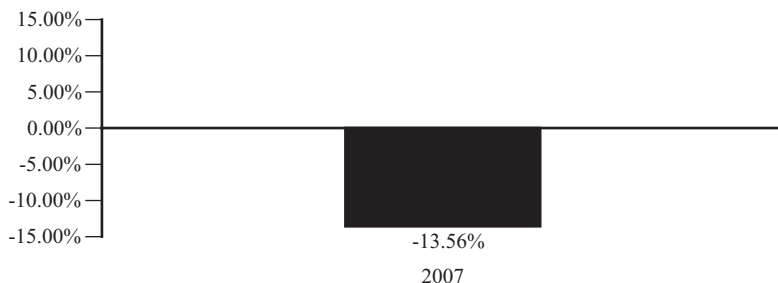
- Have a long-term investment horizon;
- Want to add an investment with potential for capital appreciation to diversify their investment portfolio; and
- Can accept the greater risks of investing in a portfolio with common stock holdings.

## Performance

### Real Estate Fund

The following performance information provides some indication of the risks of investing in the Real Estate Fund. The bar chart illustrates the Real Estate Fund's total return in the past calendar year. The table illustrates the Real Estate Fund's average annual return compared with both a broad measure of market performance and an index that is comprised of the type of securities in which the Real Estate Fund generally invests. This past performance, before and after taxes, is not necessarily an indication of how the Real Estate Fund will perform in the future.

### **Calendar Year Total Return (%) for the Real Estate Fund as of December 31**



During the period of time displayed in the bar chart, the Real Estate Fund's best quarter was Q1 2007, up 4.20%, and its worst quarter was Q4 2007, down -10.79%.

### **Average Annual Total Returns**

*(for the periods ended December 31, 2007)*

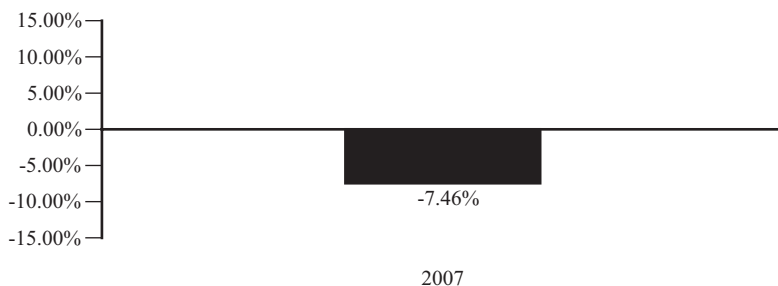
	<u>1 Year</u>	<u>Since Inception (9/29/2006)</u>
<b>Real Estate Fund</b>		
Return Before Taxes	-13.56%	-3.70%
Return After Taxes on Distributions <sup>1</sup>	-13.99%	-4.28%
Return After Taxes on Distributions and Sale of Fund Shares <sup>1,2</sup>	-8.78%	-3.45%
<b>S&amp;P 500® Index<sup>3</sup></b> (reflects no deduction for fees, expenses, or taxes)	5.49%	9.89%
<b>NAREIT Equity Index<sup>4</sup></b> (reflects no deduction for fees, expenses, or taxes)	-15.69%	-6.20%

- 1 After tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your situation and may differ from those shown. Furthermore, the after-tax returns shown are not relevant to those who hold their shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts ("IRAs").
- 2 The Return After Taxes on Distributions and Sale of Fund Shares may be higher than its Return Before Taxes and After Taxes on Distributions because it may include a tax benefit resulting from the capital losses that would have resulted.
- 3 The S&P 500® Index is an unmanaged index generally representative of the market for stocks of large-sized U.S. companies. The figures above reflect all dividends reinvested. You cannot invest directly in an index.
- 4 The NAREIT Equity Index is an unmanaged index of all tax-qualified REITs that are publicly traded and have 75% or more of their gross invested book assets invested directly or indirectly in equity ownership of real estate. The figures above reflect all dividends reinvested. You cannot invest directly in an index.

## **Small Cap Value Fund**

The following performance information provides some indication of the risks of investing in the Small Cap Value Fund. The bar chart illustrates the Small Cap Value Fund's total return in the past calendar year. The table illustrates the Small Cap Value Fund's average annual return compared with both a broad measure of market performance and an index that reflects the market sectors in which the Fund invests. This past performance, before and after taxes, is not necessarily an indication of how the Small Cap Value Fund will perform in the future.

### **Calendar Year Total Return (%) for the Small Cap Value Fund as of December 31**



During the period of time displayed in the bar chart, the Small Cap Value Fund's best quarter was Q1 2007, up 3.16%, and its worst quarter was Q4 2007, down -9.00%.

### **Average Annual Total Returns**

*(for the periods ended December 31, 2007)*

	<b>1 Year</b>	<b>Since Inception (9/29/2006)</b>
<b>Small Cap Value Fund</b>		
Return Before Taxes	-7.46%	1.00%
Return After Taxes on Distributions <sup>1</sup>	-7.61%	0.84%
Return After Taxes on Distributions and Sale of Fund Shares <sup>1,2</sup>	-4.65%	0.83%
<b>S&amp;P 500® Index<sup>3</sup></b> (reflects no deduction for fees, expenses, or taxes)	5.49%	9.89%
<b>Russell 2000® Value Index<sup>4</sup></b> (reflects no deduction for fees, expenses, or taxes)	-9.78%	-1.30%

1 After tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on your situation and may differ from those shown. Furthermore, the after-tax returns shown are not relevant to those who hold their shares through tax-deferred arrangements such as 401(k) plans or IRAs.

2 The Return After Taxes on Distributions and Sale of Fund Shares may be higher than its Return Before Taxes and After Taxes on Distributions because it may include a tax benefit resulting from the capital losses that would have resulted.

3 The S&P 500® Index is an unmanaged index generally representative of the market for stocks of large-sized U.S. companies. The figures above reflect all dividends reinvested. You cannot invest directly in an index.

4 The Russell 2000® Value Index measures the performance of those Russell 2000® companies with lower price-to-book ratios and lower forecasted growth values. The figures above reflect all dividends reinvested. You cannot invest directly in an index.

## FEES AND EXPENSES

This table describes the fees and expenses that you may pay if you buy and hold shares of either the Real Estate Fund or the Small Cap Value Fund.

<b>Shareholder Fees<sup>1</sup></b> <i>(fees paid directly from your investment)</i>	Real Estate Fund	Small Cap Value Fund
Maximum sales charge (load) imposed on purchases	None	None
Maximum deferred sales charge (load)	None	None
Redemption fee (as a percentage of amount redeemed) <sup>1</sup>	1.00%	1.00%
<b>Annual Fund Operating Expenses</b> <i>(expenses that are deducted from Fund assets)</i>		
Management fees	0.75%	0.75%
Rule 12b-1 distribution fee <sup>2</sup>	0.25%	0.00%
Other expenses <sup>3</sup>	4.00%	1.58%
Total annual fund operating expenses	5.00%	2.33%
Less: Expense waiver/reimbursement <sup>4</sup>	-3.50%	-1.34%
Net annual fund operating expenses	1.50%	0.99%

1 The redemption fee applies only to those shares that have been held for 90 days or less. The fee is payable to the respective Fund and is intended to benefit the remaining shareholders by reducing the cost of short-term trading. Shareholders will be charged a fee by the Funds' transfer agent for outgoing wire transfers, exchanges, returned checks and stop payment orders.

2 Effective October 1, 2007, the 12b-1 accrual for the Small Cap Value Fund was reduced from 0.25% to 0.00%.

3 Other expenses include custodian, transfer agency and other customary fund expenses, plus acquired fund fees and expenses ("AFFE") that do not exceed 0.01%.

4 The Advisor has contractually agreed to waive its fees and/or absorb expenses of each Fund to ensure that Net Annual Fund Operating Expenses (excluding AFFE, interest, taxes and extraordinary expenses) do not exceed 1.50% of average daily net assets of the Real Estate Fund and 0.99% of average daily net assets of the Small Cap Value Fund (each an "Expense Cap," and together the "Expense Caps"). (Prior to October 1, 2007, the Advisor had contractually agreed to waive its fees and/or absorb expenses of the Small Cap Value Fund to ensure that Net Annual Fund Operating Expenses did not exceed 1.50% of average daily net assets.) The Expense Caps will remain in effect indefinitely and may be terminated only by the Trust's Board of Trustees (the "Board" or the "Trustees"). The Advisor is permitted to seek reimbursement from the Funds, subject to limitations, for fees it waived and Fund expenses it paid for three years from the date fees were waived or reimbursed provided that any such reimbursement during any fiscal year will not cause the Funds' Net Annual Operating Expenses to exceed the Expense Caps.

## EXAMPLE

The example below is intended to help you compare the costs of investing in the Funds with the cost of investing in other mutual funds.

The example assumes that you invest \$10,000 in the Funds for the time periods indicated and that you then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year, that dividends and distributions are reinvested, and that the Funds' operating expenses remain the same.

Please note that the figures below are based on the Funds' net expenses as limited by the Expense Caps described above. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>	<u>Ten Years</u>
Real Estate Fund	\$153	\$474	\$818	\$1,791
Small Cap Value Fund	\$101	\$315	\$547	\$1,213

## **INVESTMENT OBJECTIVES, PRINCIPAL INVESTMENT STRATEGIES, RELATED RISKS AND DISCLOSURE OF PORTFOLIO HOLDINGS**

### **Investment Objectives and Principal Strategies**

#### **Real Estate Fund**

The investment objective of the Real Estate Fund is long-term total investment return through a combination of capital appreciation and current income. Please remember that an investment objective is not a guarantee and that there is no assurance that the Fund's investment objective can be achieved.

Under normal market conditions, the Real Estate Fund seeks to achieve its objective by investing at least 80% of its net assets, plus any borrowings for investment purposes, in equity REITs and other commercial real estate-oriented companies. Other commercial real estate-oriented companies are companies that own, manage and invest in properties such as offices, industrial properties, malls, shopping centers, apartments and healthcare facilities; however, not residential homes or home builders.

REITs are often categorized as equity REITs, mortgage REITs and hybrid REITs. An equity REIT invests primarily in the fee ownership of land and buildings. An equity REIT derives its income primarily from rental income and may also realize capital gains or losses by selling real estate properties in its portfolio that have appreciated or depreciated in value. A mortgage REIT invests primarily in mortgages on real estate, which may secure construction, development or long-term loans. A mortgage REIT generally derives its income from interest payments on the credit it has extended. A hybrid REIT combines the characteristics of equity REITs and mortgage REITs, generally by holding both ownership interests and mortgage interests in real estate.

The Real Estate Fund seeks to maintain a portfolio with continuous exposure to most real estate sectors, including office, industrial, retail, apartments and lodging. The Real Estate Fund, however, also will seek to minimize its exposure to what the Advisor believes are the riskiest sectors (*e.g.*, hotels). In order to minimize tax exposure and avoid spreads and commission costs, the Real Estate Fund will strive to keep portfolio turnover low (under 100%). The policy of investing in REITs and other commercial real estate-oriented companies may only be changed with 60 days' prior notice to shareholders.

#### **Small Cap Value Fund**

The investment objective of the Small Cap Value Fund is long-term total investment return through capital appreciation. Please remember that an investment objective is not a guarantee and that there is no assurance that the Fund's investment objective can be achieved.

Under normal market conditions, the Small Cap Value Fund seeks to achieve its investment objective by investing at least 80% of its net assets, plus any borrowings for investment purposes, in domestic common stocks and other equity securities of small-capitalization companies, consistent with companies within the Russell 2000<sup>®</sup> Value

Index. This includes investment in convertible preferred stocks and warrants. The policy of investing in small-cap equity securities may only be changed upon 60 days' prior notice to shareholders.

The Small Cap Value Fund expects to invest in a diversified portfolio of small-capitalization securities selling at discounts to fair value assessed by the investment and research team of the Advisor. The Small Cap Value Fund will generally invest in a limited number of equity securities issued by companies with market capitalizations between \$200 million and \$5 billion. The Small Cap Value Fund's portfolio will be diversified across most of the major industries through a portfolio typically containing between 80 to 120 stocks.

### **Principal Strategies Common to Both Funds**

**Non-U.S. Securities.** Each Fund may make significant investments in securities of non-U.S. issuers ("foreign securities") denominated in U.S. dollars. The Real Estate Fund reserves the right to invest up to 50% of its net assets in foreign securities that may be traded on U.S. exchanges. The Small Cap Value Fund will invest primarily in domestic U.S. small-cap securities but reserves the right to invest up to 20% of its net assets in American Depositary Receipts ("ADRs") or foreign securities that trade on U.S. exchanges.

**Temporary or Cash Investments.** Under normal market conditions, the Funds will stay fully invested according to their principal investment strategies as noted above. The Funds, however, may temporarily depart from their principal investment strategies. At the discretion of the Advisor, each Fund may invest up to 100% of its net assets in cash, cash equivalents, and high-quality, short-term debt securities and money market instruments for temporary defensive purposes in response to adverse market, economic or political conditions. This may result in the Funds not achieving their investment objectives during that period.

For longer periods of time, the Funds may hold a substantial cash position. If the market advances during periods when the Funds are holding a large cash position, the Funds may not participate to the extent they would have if the Funds had been more fully invested. To the extent that a Fund uses a money market fund for its cash position, there will be some duplication of expenses because the Fund would bear its pro rata portion of such money market fund's advisory fees and operational expenses.

### **Portfolio Turnover**

The Funds' annual portfolio turnover rates indicate changes in portfolio investments. The Advisor will sell a security when appropriate and consistent with the Funds' investment objectives and policies, regardless of the effect on each Fund's portfolio turnover rate.

Please note that buying and selling securities generally involves some expense to the Funds, such as broker commissions and other transaction costs. A high turnover rate in any year will result in the Funds paying above-average transaction costs, and could result in shareholders paying above-average taxes on realized capital gains. Frequent buying and selling of securities could result in the distribution of short-term capital gains that are taxed at ordinary income rates.

The Funds cannot accurately predict future annual portfolio turnover rates. Securities may be replaced as they mature. Each Fund, however, expects that its actual annual

portfolio turnover rate generally will be less than 100%. Portfolio turnover may vary substantially from year-to-year since portfolio adjustments are made when conditions affecting relevant markets, particular industries or individual issues warrant such action. In addition, portfolio turnover may also be affected by the sale of portfolio securities necessary to meet the cash requirements for redemptions of shares.

### **Non-Principal Strategies of Both Funds**

In addition to the principal strategies, the Funds may also invest in several other types of financial instruments. These non-principal strategies include investments in certificates of deposit, corporate debt securities, commercial paper, and Rule 144A restricted securities. The Real Estate Fund may also invest in rights and warrants.

### **Portfolio Selection Process**

#### **Real Estate Fund**

The Advisor has developed a disciplined selection process for investing in securitized commercial real estate vehicles (publicly traded companies that own, manage and invest in commercial real estate (excluding residential homes and home builders)). The Advisor's investment model focuses on the three ways that investors value securitized commercial real estate vehicles. The investment process concentrates on the following factors:

1. Management quality;
2. Quality and location of the real estate held; and
3. Debt leverage used.

The Advisor's approach to securitized commercial real estate vehicles focuses on equity investing.

The investment models take into account the following variables that affect securitized commercial real estate pricing:

- Asset values;
- Management quality;
- Prospective growth rates;
- Debt leverage and overall balance sheet quality;
- The quality of income streams;
- Conflicts of interest;
- Insider stock ownership; and
- Other factors.

The Advisor seeks a balance of quality and growth at attractive risk-adjusted valuations. Valuation models are designed to keep the Real Estate Fund from overpaying for securities. The Advisor seeks to have continuous exposure to most real estate sectors and to minimize exposure to the riskiest real estate sectors. The Advisor believes that this approach may sacrifice performance at times, but is consistent with the preservation of capital.

#### **Small Cap Value Fund**

The Advisor's selection process for the Small Cap Value Fund focuses on U.S. small-cap value stocks. The Advisor conducts an initial screening of the marketable U.S. equity

universe for liquidity and market capitalization. The initial screening eliminates the large and mid-cap U.S. equity universe and also the micro-cap U.S. equity universe. The Advisor establishes valuation screens for each major industry segment of the Russell 2000® Value Index. Traditional valuation metrics such as price/book, price/sales, cash flow metrics and other factors, are used either individually or in combination. Depending upon the industry segment, adjustments are made for balance sheet risk relative to peer group. The initial screens will result in finding the most reasonably priced companies within the U.S. small-cap universe.

The Advisor's research team then focuses on specific company qualitative analysis, income statement and balance sheet review, as well as any other major factors that might impact share price. Combining qualitative analysis with fundamental valuation based on traditional cash flow models, proprietary financial models, or other historically reliable valuation methodologies, the Advisor will invest in approximately 80 to 120 companies with initial weightings between 0.50% to 1.50% of total Fund value in order to have broad industry representation and reduce individual security risk within the Fund.

The Small Cap Value Fund will also have exposure to most of the major industry segments of the Russell 2000® Value Index at all times with no less than 50% exposure to the benchmark industry weight, and no more than twice the benchmark weight not to exceed 50% of the Small Cap Value Fund's total portfolio.

**The Advisor will rebalance the Small Cap Value Fund's portfolio at least once per year. Individual positions that exceed 3% of the Small Cap Value Fund's value will be reduced to below 3%.**

### **Principal Risks of Investing in the Funds**

The principal risks that may adversely affect the Funds' net asset value ("NAV") or total return have previously been summarized under "Risk/Return Summary: Investments, Risks, and Performance." These risks are discussed in more detail below.

The Funds are designed for long-term investors and are not complete investment programs. You may lose money by investing in the Funds.

### **Risks Common to Both Funds**

**Market Risk.** The Funds are designed for long-term investors who can accept the risks of investing in a portfolio with significant common stock holdings. Common stocks tend to be more volatile than other investment choices such as bonds and money market instruments. The value of the Funds' shares will go up and down as a result of the movement of the overall stock market or of the value of the individual securities held by the Funds, and you could lose money.

**Equity Risk.** The risks that could affect the value of a Fund's shares and the total return on your investment include the possibility that the equity securities held by the Fund will experience sudden, unpredictable drops in value or long periods of decline in value. This may occur because of factors that affect the securities market generally, such as adverse changes in: economic conditions, the general outlook for corporate earnings, interest rates, or investor sentiment. Equity securities may also lose value because of factors affecting an entire industry or sector, such as increases in production costs, or factors directly related to a specific company, such as decisions made by its management.

**Non-U.S. Investment Risk.** Both the Real Estate Fund and the Small Cap Value Fund may invest in foreign securities and in emerging markets. These investments are subject to special risks. The Funds' returns and NAV may be affected by several factors, including those described below.

Foreign securities can be more volatile than domestic (U.S.) securities. Securities markets of other countries are generally smaller than U.S. securities markets. Many foreign securities may be less liquid and more volatile than U.S. securities, which could affect the Funds' investments. The exchange rates between U.S. dollar and foreign currencies might fluctuate, which can negatively affect the value of the Funds' investments.

Foreign securities are also subject to higher political, social and economic risks. These risks include, but are not limited to, a downturn in the country's economy, excessive taxation, political instability, and expropriation of assets by foreign governments. Compared to the U.S., foreign governments and markets often have less stringent accounting, disclosure, and financial reporting requirements.

In addition, both Funds may invest in emerging markets. Emerging markets are in countries with immature economic and political structures. These markets are more volatile than the markets of developed countries.

**Conflicts of Interest Risk.** The Advisor may advise other clients with investment objectives similar to those of the Funds. There may be instances in which the Funds would not be able to invest in certain limited investment opportunities due to the investment by other clients advised by the Advisor. All trades will be allocated fairly across all appropriate accounts, including the Funds. The Funds' Board of Trustees will review the Advisor's trade allocation policies annually.

**Management Risk.** The skill of the Advisor will play a significant role in the Funds' abilities to achieve their investment objectives. Each Fund's ability to achieve its investment objective depends on the ability of the Advisor to correctly identify economic trends, especially with regard to accurately forecasting inflationary and deflationary periods. In addition, the Funds' ability to achieve their investment objectives depends on the Advisor's ability to select stocks, particularly in volatile stock markets. The Advisor could be incorrect in its analysis of industries, companies and the relative attractiveness of growth and value stocks and other matters.

**New Fund Risk.** Because the Funds are relatively new, there can be no assurance that either Fund will grow to or maintain an economically viable size, in which case the Board may determine to liquidate the Funds. The Board can liquidate the Funds without shareholder vote and, while shareholder interests will be the paramount consideration, the timing of any liquidation may not be favorable to certain individual shareholders.

### **Risks Specific to the Real Estate Fund**

**Non-Diversification Risk.** The Real Estate Fund is non-diversified, which means that there is no restriction on how much the Real Estate Fund may invest in the securities of an issuer under the 1940 Act. Because of this, greater investment in a single issuer makes the Real Estate Fund more susceptible to financial, economic or market events impacting such issuer. (A "diversified" investment company is required by the 1940 Act, generally, with respect to 75% of its total assets, to invest not more than 5% of such assets in the securities of a single issuer.)

**Real Estate and REIT Risk.** The value and performance of equity, mortgage and hybrid REITs depends on how well the property owned by the REIT is managed. A REIT's performance also depends on that company's ability to finance property purchases and renovations and manage its cash flows.

The Real Estate Fund will invest a substantial portion of its assets in equity REITs under normal conditions. An equity REIT holds equity positions in real estate. Equity REITs can provide their shareholders with income from the leasing of its properties and from the capital gains from any sale of properties. Accordingly, equity REITs may be affected by any changes in the value of the underlying property owned. A decline in rental income may occur because of extended vacancies, the failure to collect rents, increased competition from other properties or poor management. In addition, an individual REIT's securities value can decline if the REIT fails to continue qualifying for special tax treatment.

Since the Real Estate Fund will concentrate its portfolio in equity REITs and other commercial real estate-oriented companies, the Real Estate Fund's performance will be exposed to the same risks that are associated with the direct ownership of real estate. Some of the risks involved in the real estate market include a general decline in the value of real estate, fluctuations in rental income, changes in interest rates, increases in property taxes, increased operating costs, overbuilding, changes in zoning laws, and changes in consumer demand for real estate.

#### **Risks Specific to the Small Cap Value Fund**

**Small Companies Risk.** Investing in securities of small-sized companies may involve greater volatility than investing in larger and more established companies because small-sized companies can be subject to more abrupt or erratic share price changes than larger, more established companies. Small companies may have limited product lines, markets or financial resources and their management may be dependent on a limited number of key individuals. Securities of those companies may have limited market liquidity and their prices may be more volatile.

**Value Style Investing Risk.** Value stocks can perform differently from the market as a whole and from other types of stocks. Value stocks may be purchased based upon the belief that a given security may be out of favor. Value investing seeks to identify stocks that have depressed valuations, based upon a number of factors which are thought to be temporary in nature, and to sell them at superior profits when their prices rise in response to resolution of the issues which caused the valuation of the stock to be depressed. While certain value stocks may increase in value more quickly during periods of anticipated economic upturn, they may also lose value more quickly in periods of anticipated economic downturn. Furthermore, there is the risk that the factors which caused the depressed valuations are longer term or even permanent in nature, and that there will not be any rise in valuation. Finally, there is the increased risk in such situations that such companies may not have sufficient resources to continue as ongoing businesses, which would result in the stock of such companies potentially becoming worthless.

#### **Portfolio Holdings Information**

A description of the Funds' policies and procedures with respect to the disclosure of the Funds' portfolio securities is available in the Funds' Statement of Additional Information dated April 29, 2008 (the "SAI"). Currently, disclosure of the Funds' holdings is required to be made quarterly within 60 days of the end of each fiscal quarter in the Funds' Annual

Report and Semi-Annual Report to Fund shareholders and in the quarterly holdings report on Form N-Q. A complete list of the Funds' portfolio holdings as of each calendar quarter-end is available upon request approximately five to ten business days after the calendar quarter end by calling 1-866-PHOCAS1 (746-2271).

## **MANAGEMENT OF THE FUNDS**

### **Investment Advisor**

Phocas Financial Corporation is the Funds' investment advisor and provides investment advisory services to the Funds pursuant to an investment advisory agreement between the Advisor and the Trust (the "Advisory Agreement"). The Advisor's address is 980 Atlantic Avenue, Suite 106, Alameda, California 94501. The Advisor has provided investment advisory services to individual and institutional accounts since 2005. The Advisor has provided investment advisory services to the Funds since their inception and as of March 31, 2008, had over \$416 million in assets under management.

The Advisor provides the Funds with advice on buying and selling securities. The Advisor also furnishes the Funds with office space and certain administrative services and provides most of the personnel needed by the Funds. For its services, the Advisor is entitled to receive an annual management fee, calculated daily and payable monthly, equal to 0.75% of each respective Fund's average daily net assets. For the fiscal year ended December 31, 2007, the Advisor waived its entire management fee for both Funds.

A discussion regarding the basis for the Board's approval of the Advisory Agreement is available in the Funds' Annual Report for the period ended December 31, 2007.

### **Portfolio Managers**

#### **Real Estate Fund**

William Schaff and James Murray are responsible for the day-to-day management of the Real Estate Fund.

**William Schaff, CFA.** Mr. Schaff founded the Advisor in June 2005 and has been a co-portfolio manager of the Phocas Real Estate Fund and Phocas Small Cap Value Fund since their inception. For the last twenty years (1986 to 2005), Mr. Schaff has managed institutional equity portfolios and mutual funds for Bay Isle Financial LLC, Janus Capital Group, Berger LLC, and the Undiscovered Managers organization. Mr. Schaff was President and Chief Investment Officer of Bay Isle Financial LLC before it became a fully-owned subsidiary of Janus Capital Management, and was President of Bay Isle Financial LLC and Portfolio Manager at Janus Capital Management. Over this time, he developed a strong performance track record in securitized real estate investing in separate accounts as well as mutual funds including the 5-star Morningstar rated Undiscovered Managers REIT Fund and the Janus U.S. REIT Fund for non-U.S. investors. Mr. Schaff was the sole manager of the Undiscovered Managers REIT Fund from January 1993 to December 1997, co-manager from January 1998 through June 2003, and became sole portfolio manager in July 2003. Mr. Schaff was the sole manager of the Janus Global REIT Fund from September 2003 through February 2005. Mr. Schaff was the co-manager of the Small Company Value portfolio from April 2002 to February 2005.

Mr. Schaff holds a Masters degree in Engineering from the University of California, Davis. He also holds the Chartered Financial Analyst designation and is a member of the

Security Analysts of San Francisco. Formerly, Mr. Schaff served as Trustee and Chairperson of the Investment committee of Alameda County Employee's Retirement Association from 1998 to 2003.

**James Murray, CFA.** Mr. Murray was one of three original partners at the Advisor starting in June 2005. Mr. Murray has been a co-portfolio manager of the Phocas Real Estate Fund since its inception. Prior to this, Mr. Murray was the Senior REIT Analyst for Bay Isle Financial Institutional REIT portfolios and a mutual fund and institutional trader (1999 to 2005).

Mr. Murray earned a B.A. degree in economics from Kenyon College. He holds the Chartered Financial Analyst designation and is a member of the Security Analysts of San Francisco.

### **Small Cap Value Fund**

William Schaff and Steve Block are responsible for the day-to-day management of the Small Cap Value Fund. Mr. Schaff's biographical information can be found above.

**Steve Block, CFA.** Mr. Block founded Block Capital in March 2005, and joined the Advisor in March 2006. Mr. Block was a co-Portfolio Manager of Bay Isle Financial LLC's Separate Account Large Cap Value Portfolios and Senior Analyst on the Janus Adviser Small Company Value Fund (2002 to 2005). Mr. Block has been a portfolio manager of the Small Cap Value Fund since its inception.

Mr. Block received his MBA from the University of Michigan's Ross School of Business in accounting and finance. He received his B.A. degree from University of California, San Diego in Quantitative Economic Decision Science. He also holds the Chartered Financial Analyst designation and is a member of the Security Analysts of San Francisco.

The SAI provides additional information about the portfolio managers for both the Real Estate Fund and the Small Cap Value Fund, including information about the portfolio managers' compensation, other accounts managed by the portfolio managers, and their ownership of securities in the Funds.

### **Prior Performance**

While at Bay Isle Financial LLC ("Bay Isle"), Mr. Schaff was primarily responsible for the investment adviser's investment team, and was the lead manager of Bay Isle's dedicated REIT portfolios from January 1993 to December 2004. During that time, Mr. Schaff was the sole manager of Bay Isle's dedicated REIT portfolios, with the exception of the period from January 1998 through December 2003, when Mr. Ralph Block served as co-manager.

Mr. Schaff founded the Advisor in June, 2005, and is primarily responsible for the Advisor's investment team. The following table sets forth performance data relating to the historical performance of private institutional accounts of the Advisor, for the periods indicated, that have investment objectives, policies, strategies and risks substantially similar to those of the Real Estate Fund.

The data is provided to illustrate the past performance of the composite of the Advisor's dedicated REIT portfolios as measured against a market index, and does not represent the performance of the Real Estate Fund. You should not consider this performance data to be an indication of future performance of the Real Estate Fund.

<u>Period</u>	<u>Phocas Private Account Composite Net Return</u>	<u>NAREIT Return</u>	<u>Composite Number of Accounts</u>	<u>Total Assets (in millions)</u>	<u>% of Total Firm Assets</u>	<u>Firm Assets (in millions)</u>
2005Q3	4.52%	3.83%	26	\$28.448	38.21%	\$74.457
2005Q4	3.63%	1.54%	27	\$26.720	34.48%	\$77.497
2006Q1	15.76%	14.74%	27	\$29.878	34.03%	\$87.794
2006Q2	-0.88%	-1.59%	28	\$29.329	33.36%	\$87.920
2006Q3	8.96%	9.27%	28	\$32.618	21.73%	\$150.080
2006Q4	9.95%	9.47%	30	\$36.786	22.92%	\$160.486
2007Q1	3.80%	3.46%	31	\$40.324	22.73%	\$177.425
2007Q2	-9.63%	-9.04%	31	\$35.700	19.85%	\$179.863
2007Q3	4.12%	2.59%	31	\$37.872	18.37%	\$206.170
2007Q4	-10.60%	-12.67%	31	\$32.774	13.54%	\$242.090
2008Q1	-0.89%	1.40%	31	\$32.484	7.80%	\$416.650
<b>Cumulative</b>	28.84%	21.74%				

All returns presented are quarterly returns. All returns are presented after the deduction of investment advisory fees, brokerage commissions and execution costs paid by the private portfolios of the Advisor without provision for federal or state income taxes.

The private accounts for which results are reported are not subject to the same types of expenses as the Real Estate Fund or to the diversification requirements, specific tax restrictions and investment limitations imposed on the Real Estate Fund by the 1940 Act, or the Internal Revenue Code of 1986, as amended.

Consequently, the performance results for the private portfolios could have been adversely affected if the private accounts had been regulated as investment companies. In addition, the operating expenses incurred by the private accounts were lower than the anticipated operating expenses of the Real Estate Fund, and, accordingly, the performance results of the private accounts are greater than what the Real Estate Fund's performance would have been.

Investors should also be aware that the use of a methodology different from that used above to calculate performance could result in different performance data.

### **Fund Expenses**

The Funds are responsible for their own operating expenses. The Advisor has contractually agreed, however, to waive its fees and/or absorb expenses of the Funds to ensure that the net annual fund operating expenses (excluding AFFE, interest, taxes and extraordinary expenses) do not exceed 1.50% of the Real Estate Fund's average daily net assets and 0.99% of the Small Cap Value Fund's average daily net assets. Any reduction in advisory fees or payment of expenses made by the Advisor may be reimbursed by the Funds in subsequent fiscal years if the Advisor so requests. This reimbursement may be requested if the aggregate amount actually paid by the Funds toward operating expenses for such fiscal year (taking into account the reimbursement) does not exceed the applicable limitation on the Funds' expenses. The Advisor is permitted to be reimbursed for fee reductions and/or expense payments made in the prior three fiscal years from the date the fees were waived and/or Fund expenses were reimbursed. Any such reimbursement is contingent upon the Board's subsequent review and ratification of the reimbursed amounts. The Funds must pay current ordinary operating expenses before the Advisor is entitled to any reimbursement of fees and/or expenses.

## Rule 12b-1 Plan

The Trust has adopted a plan pursuant to Rule 12b-1 that allows the Funds to pay distribution fees for sales and distribution of their shares. With respect to shares of each Fund, the plan provides for a distribution fee of up to 0.25% of each Fund's average daily net assets. Because these fees are paid out over the life of the Funds' assets, over time, these fees (to the extent they are accrued and paid) will increase the cost of your investment and may cost you more than paying other types of sales charges. Effective October 1, 2007, no Rule 12b-1 fees will be charged against the Small Cap Value Fund's assets. This reduction remains in effect until a reinstatement of the Rule 12b-1 fee for the Small Cap Value Fund is specifically approved by the Board.

## YOUR ACCOUNT WITH THE FUNDS

### Share Price

Shares of the Funds are sold at NAV per share, which is determined by the Funds as of the close of regular trading (generally, 4:00 p.m. Eastern time) on each day that the New York Stock Exchange ("NYSE") is open for unrestricted business. However, the Funds' NAV may be calculated earlier if trading on the NYSE is restricted or as permitted by the SEC. The NYSE is closed on weekends and most national holidays. The NAV will not be calculated on days when the NYSE is closed for trading.

Purchase and redemption requests are priced at the next NAV per share calculated after receipt of such requests in proper form. The NAV per share is determined by dividing the value of the Funds' securities, cash and other assets, minus all expenses and liabilities, by the number of shares outstanding. The NAV per share takes into account the expenses and fees of the Funds, including management and administration fees, which are accrued daily.

Each security owned by the Fund that is listed on a securities exchange is valued at its last sale price on that exchange on the date as of which assets are valued. When the security is listed on more than one exchange, the Fund will use the price of that exchange that the Fund generally considers to be the principal exchange on which the stock is traded. Fund securities listed on the NASDAQ Global Market System ("NASDAQ") will be valued at the NASDAQ Official Closing Price, which may not necessarily represent the last sale price. If there has been no sale on such exchange or on NASDAQ on such day, the security is valued at the closing bid price on such day. When market quotations are not readily available, any security or other asset is valued at its fair value as determined under procedures approved by the Board. These fair value procedures will also be used to price a security when corporate events, events in the securities market and/or world events cause the Fund's management to believe that a security's last sale price may not reflect its actual market value. The intended effect of using fair value pricing procedures is to ensure that the Fund is accurately priced.

### Buying Fund Shares

To purchase shares of either the Real Estate or Small Cap Value Funds, you must invest at least the minimum amount in the Fund.

<b><u>Minimum Investments</u></b>	<b><u>To Open Your Account</u></b>	<b><u>To Add to Your Account</u></b>
Regular Accounts	\$5,000	\$200
Retirement Accounts	\$2,500	\$200

Shares of the Funds may be purchased by check or by wire transfer of funds through a bank or through approved financial intermediaries, investment advisors and consultants, financial planners, brokers, dealers and other investment professionals and their agents (“Brokers”) authorized by the Funds to receive purchase orders. Each Fund’s minimum initial investment (as well as subsequent investment minimums) depends on the nature of the account as shown in the table above. For regular accounts, the Funds require an initial investment of \$5,000. For retirement and other non-taxable accounts (IRAs, SEP-IRAs, pension and profit sharing plans, etc.), the Funds require an initial investment of \$2,500. Initial and subsequent investments may be made in any amount in excess of minimum investment amounts, and these amounts may be waived from time to time by the Funds or the Advisor. Minimum investment amounts are waived when shares are purchased by current or retired directors and employees of the Advisor and its affiliates.

### **In-Kind Purchases and Redemptions**

The Funds reserve the right to accept payment for shares in the form of securities that are permissible investments for the Funds. The Funds also reserve the right to pay redemptions by a distribution “in-kind” of securities (instead of cash) from either Fund. See the SAI for further information about the terms of these purchases and redemptions.

### **Subsequent Investments**

Additional purchases in the Funds may be made for \$200 or more. Exceptions may be made at each Fund’s discretion. The additional purchases minimum is waived when shares are purchased by current or retired directors and employees of the Advisor and its affiliates. You may purchase additional shares of the Funds by sending a check, with the stub from your account statement, to the Funds at the addresses listed below. Please ensure that you include your account number on the check. If you do not have the stub from your account statement, include your name, address and account number on a separate statement. You may also make additional purchases by wire, electronic funds transfer or through a Broker. Please follow the procedures described in this Prospectus.

Short-term or excessive trading into and out of the Funds may harm performance by disrupting management strategies and by increasing expenses. Accordingly, the Funds may reject your purchase order if in the Advisor’s opinion, you have a pattern of short-term or excessive trading, your trading has been or may be disruptive to either Fund, or rejection otherwise would be in either Fund’s best interest.

### **Other Information**

In compliance with the USA PATRIOT Act of 2001, please note that U.S. Bancorp Fund Services, LLC, the Funds’ transfer agent (the “Transfer Agent”), will verify certain information on your account application as part of the Fund’s Anti-Money Laundering Program. As requested on the application, you should provide your full name, date of birth, social security number and permanent street address. Mailing addresses containing only a P.O. Box will not be accepted. Please contact the Transfer Agent at 1-866-PHOCAS1 (746-2271) if you need additional assistance when completing your application.

If we do not have a reasonable belief of the identity of an investor, the application will be rejected or the investor will not be allowed to perform a transaction on the account until such information is received. The Funds may also reserve the right to close the account within five business days if clarifying information/documentation is not received.

Shares of the Funds have not been registered for sale outside of the United States. The Funds generally do not sell shares to investors residing outside of the United States, even if they are United States citizens or lawful permanent residents, except to investors with United States military APO or FPO addresses.

### **Automatic Investment Plan**

Once your account has been opened with the initial minimum investment, you may make additional purchases at regular intervals through the Automatic Investment Plan (“AIP”). If elected on your account application, money can be automatically transferred from your checking or savings account on a weekly, biweekly, monthly, bi-monthly or quarterly basis. In order to participate in the AIP, each purchase must be in the amount of \$200 or more, and your financial institution must be a member of the Automated Clearing House (“ACH”) network. The first AIP purchase will take place no earlier than 15 days after the Transfer Agent has received your request. The Transfer Agent will charge a \$25 fee for any ACH payment that is rejected by your bank. You may terminate your participation in the AIP by notifying the Transfer Agent at 1-866-PHOCAS1 (746-2271), five days prior to the date of the next AIP transfer. The Funds may modify or terminate the AIP at any time without notice.

### **Timing and Nature of Requests**

Your share price will be the next NAV calculated after the Transfer Agent or your authorized financial intermediary receives your request in good order. “Good order” means that your purchase request includes: (1) the name of the Fund, (2) the dollar amount of shares to be purchased, (3) your purchase application or investment stub, and (4) a check payable to either the “Phocas Real Estate Fund” or the “Phocas Small Cap Value Fund.” All requests received in good order before 4:00 p.m. (Eastern time) will be processed on that same day. Requests received after 4:00 p.m. (Eastern time) will receive the next business day’s NAV.

### **Methods of Buying Through a Broker**



The Funds are offered through Brokers. The Funds are also offered directly through the distributor. An order placed with a Broker is treated as if it was placed directly with the Funds, and will be executed at the next share price calculated by the Funds. Your Broker will hold your shares in a pooled account in the Broker’s name. The Funds may pay the Broker to maintain your individual ownership information, for maintaining other required records, and for providing other shareholder services. The Broker who offers shares may require payment of fees from their individual clients. If you invest through a Broker, the policies and fees may be different than those described in this Prospectus. For example, the Broker may charge transaction fees or set different minimum investments. The Broker is responsible for processing your order correctly and promptly, keeping you advised of the status of your account, confirming your transactions and ensuring that you receive copies of the Prospectus. An order placed with a

Broker is treated as if it was placed directly with the Funds, and will be executed at the next share price calculated by the Funds after receipt by a Broker.

Please contact your Broker to see if they are an approved Broker of the Funds for additional information.

The Funds will not accept payment in cash, including cashier's checks, unless the cashier's checks are in excess of \$10,000. Also, to prevent check fraud, the Funds will not accept third party checks, Treasury checks, credit card checks, traveler's checks, money orders or starter checks for the purchase of shares. The Funds are unable to accept post dated checks, post-dated on-line bill pay checks, or any conditional order or payment.

To buy shares of either Fund, complete an account application form and send it together with your check for the amount you wish to invest in a Fund to the address below. To make additional investments once you have opened your account, write your account number on the check and send it together with the remittance form from your most recent confirmation statement received from the Transfer Agent. If your check is returned for any reason, your purchase will be canceled and a \$25 fee will be assessed against your account by the Transfer Agent. You may also be responsible for any loss sustained by the Funds for any payment that is returned.

#### **Regular Mail**

Phocas Real Estate Fund/Phocas Small Cap Value Fund  
c/o U.S. Bancorp Fund Services, LLC  
P.O. Box 701  
Milwaukee, Wisconsin 53201-0701

#### **Overnight Delivery**

Phocas Real Estate Fund/Phocas Small Cap Value Fund  
c/o U.S. Bancorp Fund Services, LLC  
615 E. Michigan Street, Third Floor  
Milwaukee, Wisconsin 53202

***NOTE: The Funds do not consider the U.S. Postal Service or other independent delivery services to be their agents.***

To make additional investments by telephone, you must check the appropriate box on your account application form authorizing telephone purchases. If you have given authorization for telephone transactions and your account has been open for at least 15 days, call the Transfer Agent toll-free at 1-866-PHOCAS1 (746-2271) and you will be allowed to move money in amounts of \$200 or more from

#### ***By mail***



#### ***By telephone***



*By wire*



your bank account to your Fund account upon request. Only bank accounts held at U.S. institutions that are ACH members may be used for telephone transactions. If your order is placed before 4:00 p.m., Eastern time, shares will be purchased in your account at the NAV determined on that day. For security reasons, requests by telephone will be recorded.

To open an account by wire, a completed account application is required before your wire can be accepted. You may mail or overnight deliver your account application to the Transfer Agent. Upon receipt of your completed application, an account will be established for you. The account number assigned will be required as part of the instruction that should be provided to your bank to send the wire payment. Your bank must include the name of the Fund you are purchasing, the account number, and your name so that monies can be correctly applied. Your bank should transmit funds by wire to:

U.S. Bank National Association

777 East Wisconsin Avenue

Milwaukee, Wisconsin 53202

ABA #: 075000022

Credit: U.S. Bancorp Fund Services, LLC

Account #: 112-952-137

Further Credit: (name of the Fund)

(your name or the title on the account)

(your account #)

Before sending your wire, please contact the Transfer Agent at 1-866-PHOCAS1 (746-2271) to advise them of your intent to wire funds. This will ensure prompt and accurate credit upon receipt of your wire payment.

Wired funds must be received prior to 4:00 p.m., Eastern time to be eligible for same day pricing. **The Funds and U.S. Bank N.A. are not responsible for the consequences of delays resulting from the banking or Federal Reserve wire system, or from incomplete wiring instructions.**

**Selling (Redeeming) Fund Shares**

*Through a Broker*



If you purchased your shares through a Broker, your redemption order must be placed through the same Broker. The Broker must receive and transmit your redemption order to the Transfer Agent prior to 4:00 p.m. (Eastern time) for the redemption to be processed at the current day's NAV. Orders received after 4:00 p.m. (Eastern time) will receive the next business day's NAV. Please keep in mind that your Broker may charge additional fees for its services.

## *By mail*



You may redeem shares purchased directly from either Fund by mail. Send your written redemption request to the Transfer Agent at the address below. Your request should be in good order and contain the Fund's name, the name(s) on the account, your account number and the dollar amount or the number of shares to be redeemed. Be sure to have all account shareholders sign the letter. Additional documents are required for certain types of shareholders, such as corporations, partnerships, executors, trustees, administrators, or guardians (*i.e.*, corporate resolutions, or trust documents indicating proper authorization).

### **Regular Mail**

Phocas Real Estate Fund/Phocas Small Cap Value Fund  
c/o U.S. Bancorp Fund Services, LLC  
P.O. Box 701  
Milwaukee, Wisconsin 53201-0701

### **Overnight Delivery**

Phocas Real Estate Fund/Phocas Small Cap Value Fund  
c/o U.S. Bancorp Fund Services, LLC  
615 E. Michigan Street, Third Floor  
Milwaukee, Wisconsin 53202

A signature guarantee must be included if any of the following situations apply:

- You wish to redeem more than \$100,000 worth of shares;
- The redemption proceeds are sent to any person, address or bank account not on record;
- Written requests to wire redemption proceeds (if not previously authorized on the account);
- If a change of address was received by the Transfer Agent within the last 15 days;
- When changing ownership on your account; and/or
- When establishing or modifying certain services on an account.

The Funds and/or the Transfer Agent reserve the right at their discretion to require a signature guarantee in other circumstances.

Shareholders redeeming their shares by mail should submit written instructions with a guarantee of their signature(s) by an eligible institution acceptable to the Transfer Agent, such as a domestic bank or trust company, broker, dealer, clearing agency or savings association, as well as from participants in a medallion program recognized by the Securities Transfer Association. The three recognized medallion

### ***By telephone***



programs are Securities Transfer Agents Medallion Program, Stock Exchanges Medallion Program and New York Stock Exchange, Inc. Medallion Signature Program. *A notary public cannot provide a signature guarantee.*

To redeem shares by telephone, call the Funds at 1-866-PHOCAS1 (746-2271) and specify the amount of money you wish to redeem up to \$100,000. You may have a check sent to the address of record, or, if previously established on your account, you may have proceeds sent by wire or electronic funds transfer through the ACH network directly to your bank account. Wires are subject to a \$15 fee paid by the investor and your bank may charge a fee to receive wired funds. You do not incur any charge when proceeds are sent via the ACH network; however, credit may not be available for two to three days.

If you are authorized to perform telephone transactions (either through your account application form or by subsequent arrangement in writing with the Funds) you may redeem shares in amounts up to \$100,000, by instructing the Funds by phone at 1-866-PHOCAS1 (746-2271). Unless noted on the initial application, a signature guarantee is required of all shareholders in order to qualify for or to change telephone redemption privileges. Once a telephone transaction has been placed, it cannot be canceled or modified.

Note: Neither the Funds nor their service providers will be liable for any loss or expense in acting upon instructions that are reasonably believed to be genuine. To confirm that all telephone instructions are genuine, the Funds will use reasonable procedures, such as requesting:

- That you correctly state the Fund account number;
- The name in which your account is registered;
- The social security or tax identification number under which the account is registered; and
- The address of the account holder, as stated in the account application form.

### **Systematic Withdrawal Plan**

You may request that a predetermined dollar amount be sent to you each month or quarter. Your account must have a value of at least \$500,000 for you to be eligible to participate in the Systematic Withdrawal Plan (the “SWP”). The minimum withdrawal is \$1,000. If you elect this method of redemption, the Fund will send a check to your address of record, or will send the payment via electronic funds transfer through the ACH network, directly to your bank account. You may request an application for the SWP by calling the Transfer Agent toll-free at 1-866-PHOCAS1 (746-2271). The Funds may

modify or terminate the SWP at any time. You may terminate your participation in the SWP by calling the Transfer Agent five days prior to the next withdrawal. The redemption fee will be charged on sales of Fund shares due to participation in the SWP.

### **Payment of Redemption Proceeds**

You may redeem the Funds' shares at a price equal to the NAV next determined after the Transfer Agent receives your redemption request in good order. Your redemption request cannot be processed on days the NYSE is closed. All requests received in good order by the Fund before the close of the regular trading session of the NYSE (generally, 4:00 p.m. Eastern time) will usually be sent to the bank you indicate or mailed on the following day to the address of record. Payment for shares redeemed will be sent to you typically within one to two business days, but no later than the seventh calendar day after receipt of the redemption request by the Transfer Agent.

If you purchase shares using a check and soon after request a redemption, the Funds will honor the redemption request, but will not mail the proceeds until your purchase check has cleared (usually within 12 days). Furthermore, there are certain times when you may be unable to sell the Fund shares or receive proceeds. Specifically, the Funds may suspend the right to redeem shares or postpone the date of payment upon redemption for more than three business days (1) for any period during which the NYSE is closed (other than customary weekend or holiday closings) or trading on the NYSE is restricted; (2) for any period during which an emergency exists as a result of which disposal by a Fund of securities owned by it is not reasonably practicable or it is not reasonably practicable for the Fund fairly to determine the value of its net assets; or (3) for such other periods as the SEC may permit for the protection of a Fund's shareholders.

### **Other Redemption Information**

Shareholders who have an IRA or other retirement plan must indicate on their redemption request whether or not to withhold federal income tax. Redemption requests failing to indicate an election not to have tax withheld will generally be subject to 10% withholding.

The Funds generally pay sale (redemption) proceeds in cash. However, under unusual conditions that make the payment of cash unwise (and for the protection of the Funds' remaining shareholders) the Funds might pay all or part of a shareholder's redemption proceeds in liquid securities with a market value equal to the redemption price (redemption-in-kind).

Specifically, if the amount you are redeeming is in excess of the lesser of \$250,000 or 1% of either Fund's net assets, the Fund has the right to redeem your shares by giving you the amount that exceeds \$250,000 or 1% of the Fund's net assets in securities instead of cash. If either Fund pays your redemption proceeds by a distribution of securities, you could incur brokerage or other charges in converting the securities to cash, and will bear any market risks associated with such securities until they are converted into cash.

### **Exchange Privilege**

As a shareholder, you have the privilege of exchanging shares between the Funds. However, you should note the following:

- You may only exchange between accounts that are registered in the same name, address, and taxpayer identification number;

- All exchanges must be in amounts of \$200 or more;
- Exchanges are considered a sale and purchase of Fund shares for tax purposes and may be taxed as ordinary income or long-term capital gains depending on the period shares are held;
- Each Fund reserves the right to refuse exchange purchases by any person or group if, in the Advisor’s judgment, the Fund would be unable to invest the money effectively in accordance with its investment objective and policies, or would otherwise potentially be adversely affected; and
- If you have established telephone exchange privileges on your account, you can make a telephone request to exchange your shares for an additional \$5 fee.

### **Tools to Combat Frequent Transactions**

The Board has adopted policies and procedures with respect to frequent purchases and redemptions of Fund shares by Fund shareholders. The Funds discourage excessive, short-term trading and other abusive trading practices that may disrupt portfolio management strategies and harm the Funds’ performances. The Funds take steps to reduce the frequency and effect of these activities in the Funds. These steps include imposing a redemption fee, monitoring trading activity and using fair value pricing. Although these efforts (which are described in more detail below) are designed to discourage abusive trading practices, these tools cannot eliminate the possibility that such activity may occur. Further, while the Funds make efforts to identify and restrict frequent trading, the Funds receive purchase and sale orders through Brokers and cannot always know or detect frequent trading that may be facilitated by the use of Brokers or the use of group or omnibus accounts by those Brokers. The Funds seek to exercise their judgment in implementing these tools to the best of their abilities in a manner that the Funds believe is consistent with shareholder interests.

### **Redemption Fees**

The Funds charge a 1.00% redemption fee on the redemption of Fund shares held for 90 days or less. This fee (which is paid into the Fund) is imposed in order to help offset the transaction costs and administrative expenses associated with the activities of short-term “market timers” that engage in the frequent purchase and sale of Fund shares. The “first in, first out” (FIFO) method is used to determine the holding period; this means that if you bought shares on different days, the shares purchased first will be redeemed first for the purpose of determining whether the redemption fee applies. The redemption fee is deducted from your proceeds and is retained by each Fund for the benefit of its long-term shareholders. Redemption fees will not apply to shares acquired through the reinvestment of dividends. Exchange transactions between the Funds are exempt from redemption fees. Although the Funds have the goal of applying this redemption fee to most redemptions of shares held for 90 days or less, the Funds may not always be able to track short-term trading effected through financial intermediaries in certain omnibus accounts or retirement plans. In addition, because the Funds are required to rely on information from a financial intermediary as to the applicable redemption fee, the Funds cannot ensure that the financial intermediary is always imposing such fee on the underlying shareholder account in accordance with the Funds’ policies.

### Monitoring Trading Practices

The Funds monitor selected trades in an effort to detect excessive short-term trading activities. If, as a result of this monitoring, the Funds believe that a shareholder has engaged in excessive short-term trading, it may, in its discretion, ask the shareholder to stop such activities or refuse to process purchases in the shareholder's accounts. In making such judgments, the Funds seek to act in a manner that they believe is consistent with the best interests of shareholders. Due to the complexity and subjectivity involved in identifying abusive trading activity and the volume of shareholder transactions the Funds handle, there can be no assurance that the Funds' efforts will identify all trades or trading practices that may be considered abusive. In addition, the Funds' ability to monitor trades that are placed by individual shareholders within group or omnibus accounts maintained by financial intermediaries is limited because the Funds do not have simultaneous access to the underlying shareholder account information.

In compliance with Rule 22c-2 of the Investment Company Act of 1940, as amended, Quasar Distributors, LLC, the Funds' distributor, on behalf of the Funds, has entered into written agreements with each of the Funds' financial intermediaries, under which the intermediary must, upon request, provide the Funds with certain shareholder and identity trading information so that the Funds can enforce their market timing policies.

### *Fair Value Pricing*

The Funds employ fair value pricing selectively to ensure greater accuracy in their daily NAV and to prevent dilution by frequent traders or market timers who seek to take advantage of temporary market anomalies. The Board has developed procedures which utilize fair value pricing when reliable market quotations are not readily available or the Funds' pricing service does not provide a valuation (or provides a valuation, that in the judgment of the Advisor to the Fund, does not represent the security's fair value), or when, in the judgment of the Advisor, events have rendered the market value unreliable. Valuing securities at fair value involves reliance on judgment. Fair value determinations are made in good faith in accordance with procedures adopted by the Board and are reviewed by the Board. There can be no assurance that a Fund will obtain the fair value assigned to a security if it were to sell the security at approximately the time at which the Fund determines its NAV per share.

Fair value pricing may be applied to non-U.S. securities. The trading hours for most non-U.S. securities end prior to the close of the NYSE, the time that each Fund's NAV is calculated. The occurrence of certain events after the close of non-U.S. markets, but prior to the close of the NYSE (such as a significant surge or decline in the U.S. market) often will result in an adjustment to the trading prices of non-U.S. securities when non-U.S. markets open on the following business day. If such events occur, the Funds may value non-U.S. securities at fair value, taking into account such events, when it calculates its NAV. Other types of securities that the Funds may hold for which fair value pricing might be required include, but are not limited to: (a) investments which are not frequently traded and/or the market price of which the Advisor believes may be stale; (b) illiquid securities, including "restricted" securities and private placements for which there is no public market; (c) securities of an issuer that has entered into a restructuring; (d) securities whose trading has been halted or suspended; and (e) fixed income securities that have gone into default and for which there is not a current market value quotation.

## **General Transaction Policies**

Some of the following policies are mentioned above. In general, the Funds reserve the right to:

- Vary or waive any minimum investment requirement;
- Refuse, change, discontinue, or temporarily suspend account services, including purchase, exchange or telephone redemption privileges, for any reason;
- Reject any purchase request for any reason. Generally, the Funds do this if the purchase is disruptive to the efficient management of the Funds (due to the timing of the investment or an investor's history of excessive trading);
- Redeem all shares in your account if your balance falls below a Fund's minimum initial investment requirement due to redemption activity. If, within 30 days of the Fund's written request, you have not increased your account balance, you may be required to redeem your shares. The Funds will not require you to redeem shares if the value of your account drops below the investment minimum due to fluctuations of NAV;
- Delay paying redemption proceeds for up to seven calendar days after receiving a request, if an earlier payment could adversely affect the Funds; and
- Reject any purchase or redemption request that does not contain all required documentation.

During periods of significant economic or market change, telephone transactions may be difficult to complete. If you are unable to contact the Funds by telephone, you may also mail your request to the Funds at the address listed under "Methods of Buying."

Your Broker or other financial intermediary may establish policies that differ from those of the Funds. For example, the organization may charge transaction fees, set higher minimum investments, or impose certain limitations on buying or selling shares in addition to those identified in this Prospectus. Contact your Broker or other financial intermediary for details.

## **Service Fees – Other Payments to Third Parties**

The Funds may pay service fees to intermediaries such as banks, broker-dealers, financial advisors or other financial institutions, including affiliates of the Advisor, for sub-administration, sub-transfer agency and other shareholder services associated with shareholders whose shares are held of record in omnibus, other group accounts or accounts traded through registered securities clearing agents.

The Advisor, out of its own resources, and without additional cost to the Funds or their shareholders, may provide additional cash payments or non-cash compensation to intermediaries who sell shares of the Funds. Such payments and compensation are in addition to service fees paid by each Fund. These additional cash payments are generally made to intermediaries that provide shareholder servicing, marketing support and/or access to sales meetings, sales representatives and management representatives of the intermediary. Cash compensation may also be paid to intermediaries for inclusion of the Funds on a sales list, including a preferred or select sales list, in other sales programs or as an expense reimbursement in cases where the intermediary provides shareholder services to the Funds' shareholders. The Advisor may also pay cash compensation in the

form of finder's fees that vary depending on the Funds and the dollar amount of the shares sold.

## **DIVIDENDS AND DISTRIBUTIONS**

The Funds will make distributions of dividends and capital gains, if any, at least annually, typically in December. The Funds may make an additional payment of dividends or distributions if it deems it desirable at any other time during the year.

All distributions will be reinvested in Fund shares unless you choose one of the following options: (1) receive dividends in cash, while reinvesting capital gain distributions in additional Fund shares; or (2) receive all distributions in cash. If you wish to change your distribution option, write to the Transfer Agent in advance of the payment date of the distribution.

If an investor elects to receive distributions in cash and the U.S. Postal Service cannot deliver your check, or if a check remains uncashed for six months, the Funds reserve the right to reinvest the distribution check in the shareholder's account at each Fund's then current NAV and to reinvest all subsequent distributions.

## **TAX CONSEQUENCES**

The Funds intend to make distributions of dividends and capital gains. Dividends are taxable to shareholders as ordinary income or, under current law, as qualified dividend income. Fund distributions of short-term capital gains are taxable as ordinary income. Fund distributions of long-term capital gains are taxable as long-term capital gains. A portion of the ordinary income dividends paid by the Funds may be qualified dividend income currently eligible to individual investors for taxation at long-term capital gain rates.

The rate an individual shareholder pays on capital gain distributions will depend on how long the Fund held the securities that generated the gains, not on how long the individual owned the Fund shares. The maximum capital gains rate for corporate shareholders is the same as the maximum tax rate for ordinary income.

Please note that dividends received from REIT securities can be taxed as ordinary income or capital gains. In general, dividends from REITs included in the Real Estate Fund are taxed as ordinary income. However, the Fund is allowed to treat income received as qualified dividend income from a REIT to the extent that the REIT designates that amount as such to the Fund. Typically, REITs will inform shareholders of the proper tax character of distributions after the end of the calendar year in which the distributions were made. To the extent that a REIT designates a portion of its ordinary income distributions as qualified dividend income, the Fund will likewise designate these amounts to the extent allowed by law. Additionally, to the extent that a REIT designates a portion of its distributions as capital gain distributions, the Fund will likewise designate these amounts to the extent allowed by law.

Total ordinary dividends may include net income which is not qualified dividend income. If a fund's income from sources which are not qualified dividend income exceeds fund expenses, the fund will distribute at least some dividends that are not qualified. Sources of income that are not qualified dividend income include interest, capital gains, securities lending income, certain preferred or foreign dividends, REIT dividends and dividends on securities where the Funds did not meet certain holding period requirements.

Other than qualified retirement plans and other tax-exempt investors, shareholders will be taxed on distributions of the Funds if you either receive your dividends and capital gain distributions in cash or if they are reinvested in additional Fund shares. Both cash and reinvested distributions will be taxed in the same manner.

By law, the Funds must withhold a percentage of your taxable distributions and redemption proceeds if you do not provide your correct social security or taxpayer identification number and certify that you are not subject to backup withholding, or if the IRS instructs the Funds to do so.

If you redeem your shares of either Fund, part of your redemption proceeds may represent your allocable share of the distributions made by the respective Fund relating to that tax year. You will be informed annually of the amount and nature of each Fund's distributions. If you sell shares, it is considered a taxable event for you. Depending on the purchase price and the sale price of the shares you sell, you may have a gain or a loss on the transaction. You should consult your own tax advisor concerning federal, state and local taxation of distributions from the Funds.

## FINANCIAL HIGHLIGHTS

The financial highlights tables for the Phocas Real Estate Fund and Phocas Small Cap Value Fund are intended to help you understand the Funds' financial performance for the period of the Funds' operations. Certain information reflects financial results for a single Fund share. The total returns in each table represent the rate that an investor would have earned (or lost) on an investment in the Funds, assuming reinvestment of all dividends and distributions. This information has been audited by Tait, Weller & Baker LLP, whose reports, along with the Funds' financial statements, are included in the Annual Report, which is available upon request.

### Financial Highlights – For a share outstanding throughout each period

#### Phocas Real Estate Fund

	Year Ended December 31, 2007	September 29, 2006* through December 31, 2006
Net asset value, beginning of period . . . . .	\$21.90	\$20.00
<b>Income from investment operations:</b>		
Net investment income . . . . .	0.18	0.20
Net realized and unrealized gain (loss) on investments	<u>(3.15)</u>	<u>1.86</u>
Total from investment operations . . . . .	<u>(2.97)</u>	<u>2.06</u>
<b>Less distributions:</b>		
From net investment income . . . . .	(0.18)	(0.15)
From net realized gain on investments . . . . .	<u>(0.11)</u>	<u>(0.01)</u>
Total distributions . . . . .	<u>(0.29)</u>	<u>(0.16)</u>
<b>Net asset value, end of period . . . . .</b>	<b><u>\$18.64</u></b>	<b><u>\$21.90</u></b>
<b>Total return . . . . .</b>	<b>(13.56)%</b>	<b>10.34% ‡</b>
<b>Ratios/supplemental data:</b>		
Net assets, end of period (thousands) . . . . .	\$3,659	\$1,187
Ratio of expenses to average net assets:		
Before expense reimbursement . . . . .	5.00%	15.92% †
After expense reimbursement . . . . .	1.50%	1.50% †
Ratio of net investment income (loss)		
to average net assets:		
Before expense reimbursement . . . . .	(2.33)%	(10.55)% †
After expense reimbursement . . . . .	1.17%	3.87% †
Portfolio turnover rate . . . . .	24.81%	10.46% ‡

\* Commencement of operations.

† Annualized.

‡ Not annualized.

## Phocas Small Cap Value Fund

	Year Ended December 31, 2007	September 29, 2006* through December 31, 2006
Net asset value, beginning of period . . . . .	<u>\$21.86</u>	<u>\$20.00</u>
<b>Income from investment operations:</b>		
Net investment income . . . . .	0.05 <sup>^</sup>	0.03
Net realized and unrealized gain (loss) on investments	<u>(1.68)</u>	<u>1.85</u>
Total from investment operations . . . . .	<u>(1.63)</u>	<u>1.88</u>
<b>Less distributions:</b>		
From net investment income . . . . .	(0.09)	(0.02)
From net realized gain on investments . . . . .	<u>(0.13)</u>	<u>—</u>
Total distributions . . . . .	<u>(0.22)</u>	<u>(0.02)</u>
<b>Redemption fees retained</b> . . . . .	<u>0.00<sup>#^</sup></u>	<u>—</u>
<b>Net asset value, end of period</b> . . . . .	<u>\$20.01</u>	<u>\$21.86</u>
<b>Total return</b> . . . . .	(7.46)%	9.41% ‡
<b>Ratios/supplemental data:</b>		
Net assets, end of period (thousands) . . . . .	\$21,936	\$1,233
Ratio of expenses to average net assets:		
Before expense reimbursement . . . . .	2.43%	14.93% †
After expense reimbursement . . . . .	1.18%	1.50% †
Ratio of net investment income (loss)		
to average net assets:		
Before expense reimbursement . . . . .	(0.54)%	(12.79)% †
After expense reimbursement . . . . .	0.71%	0.63% †
Portfolio turnover rate . . . . .	147.75%	11.20% ‡

\* Commencement of operations.

† Annualized.

‡ Not annualized.

# Amount is less than \$0.01.

^ Based on average shares outstanding.

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***Investment Advisor***

Phocas Financial Corporation  
980 Atlantic Avenue, Suite 106  
Alameda, California 94501

***Independent Registered Public Accounting Firm***

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

***Legal Counsel***

Paul, Hastings, Janofsky & Walker LLP  
75 East 55th Street, First Floor  
New York, New York 10022

***Custodian***

U.S. Bank National Association  
Custody Operations  
1555 North River Center Drive, Suite 302  
Milwaukee, Wisconsin 53212

***Transfer Agent, Fund Accountant and Fund Administrator***

U.S. Bancorp Fund Services, LLC  
615 East Michigan Street  
Milwaukee, Wisconsin 53202

***Distributor***

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

## **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 non-public 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 either Fund through a financial intermediary, including, but not 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 by those entities with unaffiliated third parties.**

**PHOCAS REAL ESTATE FUND  
PHOCAS SMALL CAP VALUE FUND**

**Each a series of Advisors Series Trust**

**[www.phocasfinancial.com](http://www.phocasfinancial.com)**

**FOR MORE INFORMATION**

You can find more information about the Funds in the following documents:

**Statement of Additional Information**

The SAI provides additional details about the investments and techniques of the Funds and certain other additional information. A current SAI is on file with the SEC and is incorporated into this Prospectus by reference. This means that the SAI is legally considered a part of this Prospectus even though it is not physically within this Prospectus.

**Annual and Semi-Annual Reports**

The Funds' Annual and Semi-Annual Reports (collectively, the "Shareholder Reports") provide the most recent financial reports and portfolio listings. The Annual Report contains a discussion of the market conditions and investment strategies that affected the Funds' performance during each Fund's previous fiscal year.

The SAI is available free of charge on the Funds' website at [www.phocasfinancial.com](http://www.phocasfinancial.com). You can obtain a free copy of the SAI and Shareholder Reports, request other information, or make general inquires about the Funds by calling the Funds (toll-free) at 1-866-PHOCAS1 (746-2271) or by writing to:

**PHOCAS REAL ESTATE FUND /  
PHOCAS SMALL CAP VALUE FUND**

c/o U.S. Bancorp Fund Services, LLC

P.O. Box 701

Milwaukee, Wisconsin 53201-0701

**[www.phocasfinancial.com](http://www.phocasfinancial.com)**

You may review and copy information about the Funds, including the Shareholder Reports and SAI, at the Public Reference Room of the Securities and Exchange Commission in Washington, DC. You can obtain information on the operation of the Public Reference Room by calling (202) 551-8090. Reports and other information about the Funds are also available:

- Free of charge from the Commission's EDGAR database on the Commission's Internet website at <http://www.sec.gov>;
- For a fee, by writing to the Public Reference Section of the Commission, Washington, DC 20549-0104; or
- For a fee, by electronic request at the following e-mail address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov).