
Archer Balanced Fund

Annual Report

August 31, 2006

Fund Advisor:

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

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Management Discussion and Analysis

To Our Shareholders

The Archer Balanced Fund achieved total returns of 3.17% for the six months ended August 31, 2006 and 8.24% since the Fund's inception (September 27, 2005) to August 31, 2006, compared to total returns of 3.88% and 6.54% for the Dow Jones U.S. Moderate Relative Risk Index during the same periods. At the end of its first fiscal period, the Fund's net assets of \$8.1 million consisted of 67.9% stocks, 27.0% in fixed-income related securities and 5.1% cash equivalents.

Performance Review

The Fund's performance for the reporting period ended August 31, 2006 was driven by the Fund's equity holdings as rising interest rates in the bond market resulted in a loss in the fixed income holdings of the Fund. Our short-term notes only provided a modest return on investment.

Equity Portfolio

The equity segment of the portfolio contributed significantly to the return for the reporting period. The significant contributors to the portfolio's performance included:

- Increases in foreign securities, favorable movements in foreign exchange rates and the performance of a few specific securities were the biggest contributors to the Fund's performance for the period. BT Group, ICICI Bank, and Unibanco Brazil stocks specifically were strong performers in the international sector of our portfolio.
- We also sold our largest equity holding, Disney, making a nearly 25% return in less than one year on our investment.
- We increased or started new positions in the last six months for 3M, Microsoft, and AIG. These were our three largest holdings in the equity section of the portfolio at the end of the reporting period.

Conversely, some of our Consumer Discretionary stocks did not perform as well, such as Home Depot, Starbucks, and Fortune Brands. Home Depot and Fortune Brands were impacted by the decline in the housing markets. Starbucks had lower than expected same-store sales that caused a decline in the price.

We have continued to see strength in the financial sector across the board throughout the period and we expect the sector to continue to outperform the markets as we believe interest rates will decline in calendar year 2007. As a result, we have maintained an overweight position in this sector.

Fixed-Income Portfolio

For the reporting period ended August 31, 2006, the fixed income portfolio's return was negative as rising interest rates created a loss for the treasuries we owned for the year. The short-term notes linked

to equity securities had positive returns for the period; however, they were lower than we had anticipated.

Current Strategy

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

We will continue to monitor the fixed income side of the portfolio for prospects of inflation, declines in interest rates, and overall yield.

We will continue to monitor our turnover of positions to attempt to limit the tax effects of the sales of securities as well, although the tax ramifications are secondary to the valuation of the security in our investment decision-making process.

We will continue to purchase securities with a long-term time horizon of three to five years and maintain this policy when purchasing any new securities for the equity side of the portfolio. We may continue to purchase one year notes and short-term equivalents if we feel it is the most appropriate place to invest given the current investment climate.

Thank you for your support for the past year as a shareholder of the Archer Balanced Fund. We welcome any comments or questions at any time.

Total Returns
(for the period ended August 31, 2006)

Since Inception
(September 27, 2005)

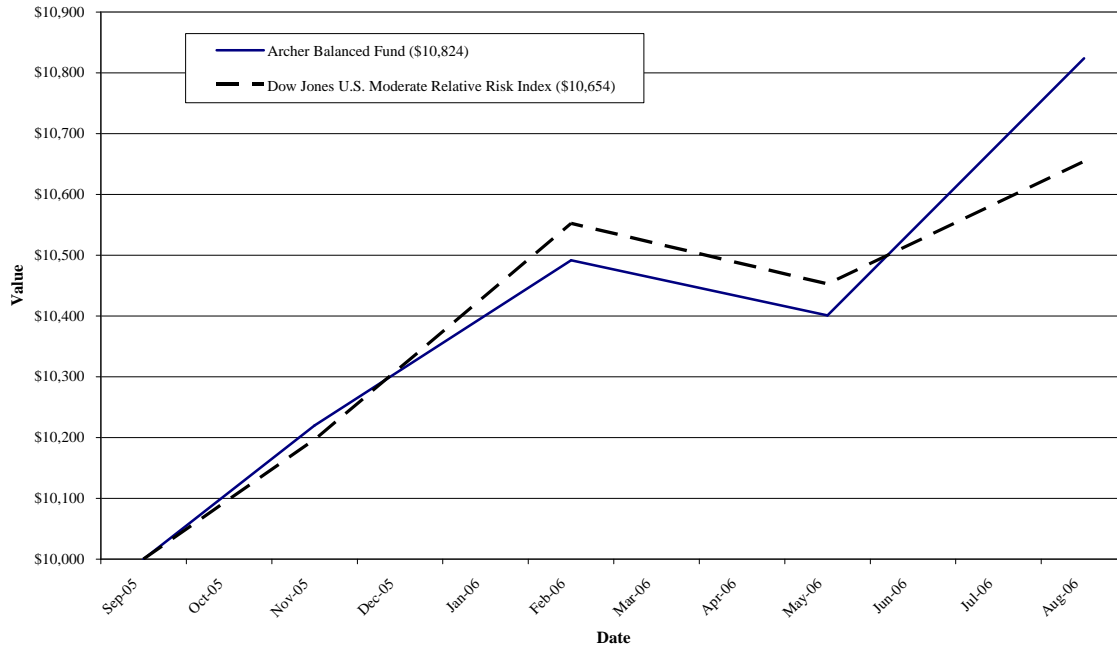
Archer Balanced Fund*	8.24%
Dow Jones U.S. Moderate Relative Risk Index**	6.54%

The performance quoted represents past performance, which 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. The returns shown do not reflect deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Current performance of the Fund may be lower or higher than the performance quoted. The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. Performance data current to the most recent month end may be obtained by calling shareholder services at 1-800-238-7701.

* Return figures reflect any change in price per share and assume the reinvestment of all distributions.

** The index is an unmanaged benchmark that assumes reinvestment of all distributions and excludes the effect of taxes and fees. The Dow Jones US Moderate Relative Risk Index represents a diversified portfolio of U.S. stocks, bonds and cash, and seeks to capture 60% of the risk of the stock market. Although the stock, bond and cash allocations will be approximately 60/35/5, they will vary from month to month based on the risk and correlation of the three asset classes. The Index's equity allocation is weighted equally among six Dow Jones stock indexes (Large-Cap Growth, Large-Cap Value, Mid-Cap Growth, Mid-Cap Value, Small-Cap Growth, Small-Cap Value). The Index's fixed income allocation is equally weighted among three Lehman Brothers bond indexes: Government Bond, Corporate Bond and Mortgage Bond. The Index's cash allocation is represented by the Lehman Brothers U.S. Treasury Bills:1-3 Months Index. Individuals cannot invest directly in these indices; however, an individual can invest in exchange traded funds or other investment vehicles that attempt to track the performance of a benchmark index.

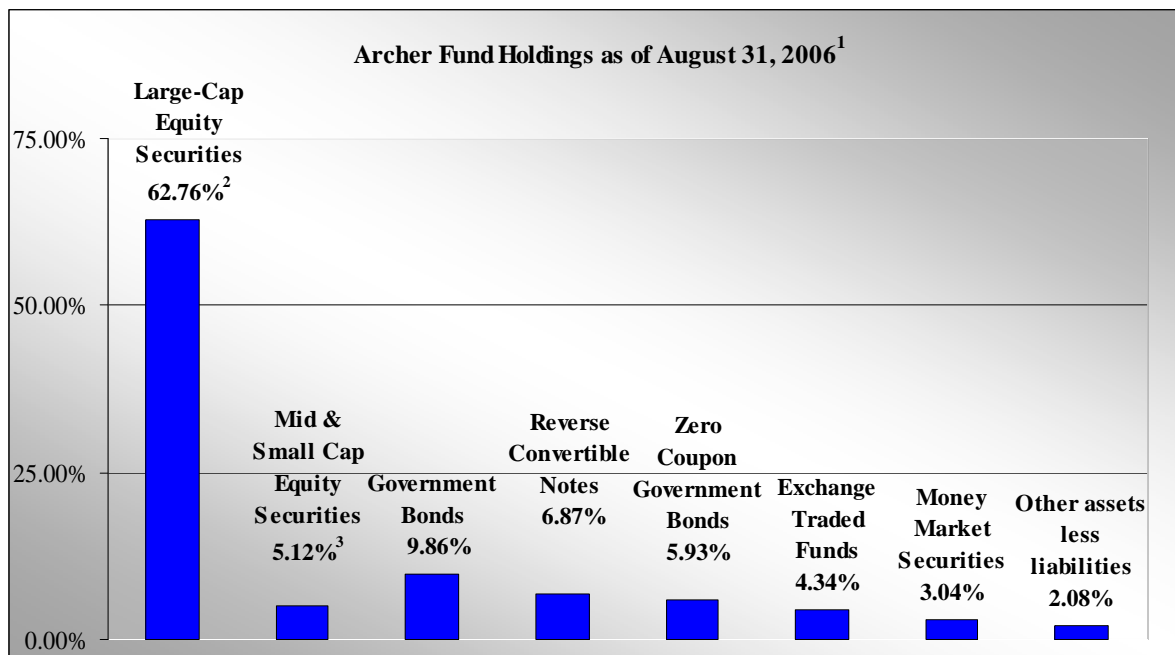
Comparison of the Growth of a \$10,000 Investment in the Archer Balanced Fund and the Dow Jones U.S. Moderate Relative Risk Index



*The chart above assumes an initial investment of \$10,000 made on September 27, 2005 (commencement of Fund operations) and held through August 31, 2006. The chart also assumes reinvestment of all dividends and distributions on the reinvestment dates during the period. **THE FUND'S RETURN REPRESENTS PAST PERFORMANCE AND DOES NOT GUARANTEE FUTURE RESULTS.** The returns shown do not reflect deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Investment returns and principal values will fluctuate so that your shares, when redeemed, may be worth more or less than their original purchase price.*

The Fund is distributed by Unified Financial Securities, Inc., Indianapolis, IN (Member NASD).

Fund Holdings – (Unaudited)



¹As a percentage of net assets.

²Equity securities with market capitalizations above \$10 billion.

³Equity securities with market capitalizations below \$10 billion.

Availability of Portfolio Schedule – (Unaudited)

The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission (“SEC”) for the first and third quarters of each fiscal year on Form N-Q. The Fund’s Forms N-Q are available at the SEC’s website at www.sec.gov. The Fund’s Forms N-Q may be reviewed and copied at the Public Reference Room in Washington DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

Summary of Fund’s Expenses – (Unaudited)

As a shareholder of a Fund, you incur two types of costs: (1) transaction costs (such as short-term redemption fees); and (2) ongoing costs, including management fees and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (March 1, 2006 through August 31, 2006).

Actual Expenses

The first line of the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.60), then multiply the result by the number in the first line under the heading entitled “Expenses Paid During Period” to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an 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.

Expenses shown are meant to highlight your ongoing costs only and do not reflect any transactional costs such as the redemption fee imposed on short-term redemptions. The second line of the table below is useful in comparing ongoing costs only and will not help you determine the relative costs of owning different funds. If incurred, the short-term redemption fee imposed by the Fund would increase your expenses.

Archer Balanced Fund	Beginning Account Value March 1, 2006	Ending Account Value August 31, 2006	Expenses Paid During the Period March 1, 2006 – August 31, 2006*
Actual	\$1,000.00	\$1,031.67	\$6.19
Hypothetical**	\$1,000.00	\$1,019.12	\$6.15

*Expenses are equal to the Fund's annualized expense ratio of 1.21%, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the partial year period).

** Assumes a 5% return before expenses.

Archer Balanced Fund
Schedule of Investments
August 31, 2006

Common Stocks - 67.88%	<u>Shares</u>	<u>Value</u>
Air Courier Services - 1.25% FedEx Corp.	1,000	\$ 101,030
Computer Storage Devices - 2.87% EMC Corp. (a)	20,000	<u>233,000</u>
Commercial Banks - 2.21% ICICI Bank Ltd. (b)	4,000	106,760
Unibanco Union of Brazilian Banks S.A. (b)	1,000	<u>72,350</u>
		<u>179,110</u>
Electric Services - 4.95% Great Plains Energy, Inc.	5,000	152,600
Pinnacle West Capital Corp.	3,000	137,820
Progress Energy, Inc.	2,500	<u>110,825</u>
		<u>401,245</u>
Electromedical & Electrotherapeutic Apparatus - 1.16% Medtronic, Inc.	2,000	<u>93,800</u>
Electronic & Other Electrical Equipment - 2.52% General Electric Co.	6,000	<u>204,360</u>
Fire, Marine & Casualty Insurance - 3.93% American International Group, Inc.	5,000	<u>319,100</u>
Food and Kindred Products - 1.48% Unilever PLC (b)	5,000	<u>120,400</u>
Heating Equipment, Except Electric & Warm Air & Plumbing Fixtures - 1.79% Fortune Brands, Inc.	2,000	<u>145,200</u>
National Commercial Banks - 7.22% Bank of America Corp.	2,300	118,381
Citigroup, Inc.	4,000	197,400
US Bancorp	3,000	96,210
Wells Fargo & Co.	5,000	<u>173,750</u>
		<u>585,741</u>
Orthopedic, Prosthetic & Surgical Appliances & Supplies - 2.52% Zimmer Holdings, Inc. (a)	3,000	<u>204,000</u>
Petroleum Refining - 1.59% Chevron Corp.	2,000	<u>128,800</u>
Pharmaceutical Preparations - 7.63% Eli Lilly & Co.	2,000	111,860
Johnson & Johnson	4,000	258,640
Pfizer, Inc.	9,000	<u>248,040</u>
		<u>618,540</u>
Radiotelephone Communications - 1.08% Deutsche Telekom AG (b)	6,000	<u>87,840</u>
Real Estate Investment Trusts - 0.40% Inland Real Estate Corp.	2,000	<u>32,300</u>

See accompanying notes which are an integral part of these financial statements.

Archer Balanced Fund
Schedule of Investments - continued
August 31, 2006

Common Stocks - 67.88% - continued	<u>Shares</u>	<u>Value</u>
Retail - Eating & Drinking Places - 1.15%		
Starbucks Corp. (a)	3,000	\$ 93,030
Retail - Family Clothing Stores - 0.41%		
The Gap, Inc.	2,000	33,620
Retail - Lumber & Other Building Materials Dealers - 1.69%		
Home Depot, Inc.	4,000	137,160
Retail - Variety Stores - 1.10%		
Wal-Mart Stores, Inc.	2,000	89,440
Semiconductors & Related Devices - 3.07%		
Intel Corp.	8,000	156,320
Taiwan Semiconductor Manufacturing Co. Ltd. (b)	10,000	93,100
		<u>249,420</u>
Services - Computer Integrated Systems Design - 1.42%		
Yahoo!, Inc. (a)	4,000	115,280
Services - Prepackaged Software - 4.37%		
Microsoft Corp.	13,800	354,522
State Commercial Banks - 2.91%		
Fifth Third Bancorp	6,000	236,040
Sugar & Confectionery Products - 1.14%		
William Wrigley Jr. Co.	2,000	92,840
Surgical & Medical Instruments & Apparatus - 4.42%		
3M Co.	5,000	358,500
Telephone Communications - 3.60%		
BT Group PLC (b)	2,500	117,650
China Telecom Corp. Ltd. (b)	1,000	33,750
Verizon Communications, Inc.	4,000	140,720
		<u>292,120</u>
TOTAL COMMON STOCKS (Cost \$5,236,386)		<u>5,506,438</u>
Exchange-Traded Funds - 4.34%		
iShares Lehman 20+ Year Treasury Bond Fund	4,000	352,320
TOTAL EXCHANGE-TRADED FUNDS (Cost \$353,930)		<u>352,320</u>
Reverse Convertible Notes - 6.87%	<u>Principal</u>	
	<u>Amount</u>	
Barclays Bank PLC, 10.50%, 11/30/2006 convertible to MGM Mirage	\$ 100,000	92,480
Barclays Bank PLC, 10.00%, 10/31/2006 convertible to Micron Technology, Inc.	100,000	100,670
SG Structured Products, 8.75%, 9/29/2006 convertible to Intel Corp.	100,000	81,760
SG Structured Products, 8.00%, 9/29/2006 convertible to Home Depot, Inc.	100,000	90,680
SG Structured Products, 8.00%, 2/28/2007 convertible to Chevron Corp.	100,000	100,610
SG Structured Products, 9.00%, 2/28/2007 convertible to Hewlett-Packard Corp.	50,000	49,790
SG Structured Products, 13.00%, 2/28/2007 convertible to Advanced Micro Devices, Inc.	20,000	13,318
SG Structured Products, 14.50%, 2/28/2007 convertible to Apple Computer, Inc.	30,000	28,005
TOTAL REVERSE CONVERTIBLE CORPORATE BONDS (Cost \$595,630)		<u>557,313</u>

See accompanying notes which are an integral part of these financial statements.

Archer Balanced Fund
Schedule of Investments - continued
August 31, 2006

	<u>Principal Amount</u>	<u>Value</u>
Zero Coupon Bonds - 5.93%		
US Treasury Strip, 0.00%, 5/15/2025 (a)	\$ 500,000	\$ 197,425
US Treasury Strip, 0.00%, 5/13/2026 (a)	750,000	<u>283,414</u>
TOTAL ZERO COUPON BONDS (Cost \$502,412)		<u>480,839</u>
Government Securities - 9.86%		
Federal Home Loan Bank, 5.45%, 12/28/2006	800,000	<u>799,943</u>
TOTAL GOVERNMENT SECURITIES (Cost \$800,000)		<u>799,943</u>
Money Market Securities - 3.04%		
	<u>Shares</u>	
Fidelity Institutional Money Market Portfolio, CI I, 5.21% (c)	246,936	<u>246,936</u>
TOTAL MONEY MARKET SECURITIES (Cost \$246,936)		<u>246,936</u>
TOTAL INVESTMENTS (Cost \$7,735,294) - 97.92%		<u>\$ 7,943,789</u>
Other assets less liabilities - 2.08%		<u>168,365</u>
TOTAL NET ASSETS - 100.00%		<u><u>\$ 8,112,154</u></u>

(a) Non-income producing.

(b) American Depositary Receipts.

(c) Variable rate security; the money market rate shown represents the rate at August 31, 2006.

See accompanying notes which are an integral part of these financial statements.

Archer Balanced Fund
Statement of Assets and Liabilities
August 31, 2006

Assets

Investments in securities, at value (cost \$7,735,294)	\$ 7,943,789
Receivable due from Advisor	14,013
Receivable for investments sold	144,246
Interest receivable	7,697
Dividend receivable	23,409
Prepaid expenses	9,056
Total assets	<u>8,142,210</u>

Liabilities

Payable to Transfer Agent, Fund Accountant and Fund Administrator	12,330
Accrued trustee and officer expenses	841
Other accrued expenses	16,885
Total liabilities	<u>30,056</u>

Net Assets	<u>\$ 8,112,154</u>
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Net Assets consist of:

Paid in capital	\$ 7,629,794
Accumulated undistributed net investment income	162,550
Accumulated net realized gain from investment transactions	111,315
Net unrealized appreciation on investments	208,495

Net Assets	<u>\$ 8,112,154</u>
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Shares outstanding (unlimited number of shares authorized)	<u>754,950</u>
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Net Asset Value and offering price per share	<u>\$ 10.75</u>
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Redemption price per share (\$10.75 * .995) (a)	<u>\$ 10.70</u>
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(a) The Fund charges a 0.50% redemption fee on shares redeemed within 30 calendar days of purchase.

See accompanying notes which are an integral part of these financial statements.

Archer Balanced Fund
Statement of Operations
For the period September 27, 2005 (a) through August 31, 2006

Investment Income	
Dividend income (Net of foreign withholding tax of \$1,269)	\$ 118,416
Interest income	164,935
Total Investment Income	<u>283,351</u>
Expenses	
Investment Advisor fee (b)	47,444
Administration expense	29,750
Registration expense	26,499
Transfer agent expense	22,040
Fund accounting expense	16,876
Legal expense	14,628
Auditing expense	11,401
Custodian expense	6,780
Trustee expense	5,015
Pricing expense	4,379
Officer expense	3,947
Miscellaneous expense	652
24f-2 expenses	600
Printing expense	185
Total Expenses	<u>190,196</u>
Less: Waiver & reimbursement by Advisor (b)	<u>(113,942)</u>
Net operating expenses	<u>76,254</u>
Net Investment Income	<u>207,097</u>
Realized & Unrealized Gain	
Net realized gain on investment securities	111,315
Change in unrealized appreciation (depreciation) on investment securities	208,495
Net realized and unrealized gain on investment securities	<u>319,810</u>
Net increase in net assets resulting from operations	<u>\$ 526,907</u>

(a) The date the Fund commenced operations.

(b) See Note 3 in the Notes to the Financial Statements.

See accompanying notes which are an integral part of these financial statements.

Archer Balanced Fund
Statement of Changes In Net Assets

	Period Ended
	August 31, 2006 (a)
Increase (decrease) in net assets:	
Operations:	
Net investment income	\$ 207,097
Net realized gain on investment securities	111,315
Change in unrealized appreciation (depreciation) on investments	<u>208,495</u>
Net increase in net assets resulting from operations	<u>526,907</u>
Distributions to shareholders:	
From net investment income	<u>(44,547)</u>
Change in net assets from distributions	<u>(44,547)</u>
Capital Share Transactions:	
Proceeds from Fund shares sold	8,110,088
Reinvestment of distributions	44,547
Amount paid for Fund shares repurchased	<u>(524,841)</u>
Net increase in net assets resulting from capital share transactions	<u>7,629,794</u>
Total Increase in Net Assets	<u>8,112,154</u>
Net Assets	
Beginning of period	<u>-</u>
End of period	<u>\$ 8,112,154</u>
Accumulated undistributed net investment income included in net assets at end of period	<u>\$ 162,550</u>
Capital Share Transactions	
Shares sold	801,473
Reinvestment of distributions	4,325
Shares repurchased	<u>(50,848)</u>
Net increase from capital share transactions	<u>754,950</u>

(a) For the period September 27, 2005 (the date the Fund commenced operations) through August 31, 2006.

See accompanying notes which are an integral part of these financial statements.

Archer Balanced Fund
Financial Highlights

(For a share outstanding during the period)

	Period Ended August 31, 2006 (a)
Selected Per Share Data:	
Net asset value, beginning of period	\$ 10.00
Income from investment operations:	
Net investment income	0.29
Net realized and unrealized gain	0.53
Total from investment operations	0.82
Less Distributions to shareholders:	
From net investment income	(0.07)
Total distributions	(0.07)
Paid in capital from redemption fees (b)	-
Net asset value, end of period	\$ 10.75
Total Return (c)	8.24% (d)
Ratios and Supplemental Data:	
Net assets, end of period (000)	\$ 8,112
Ratio of expenses to average net assets	1.20% (e)
Ratio of expenses to average net assets before reimbursement	3.00% (e)
Ratio of net investment income to average net assets	3.27% (e)
Ratio of net investment income to average net assets before reimbursement	1.47% (e)
Portfolio turnover rate	82.91%

(a) For the period September 27, 2005 (the date the Fund commenced operations) through August 31, 2006.

(b) Redemption fees resulted in less than \$0.005 per share.

(c) Total return in the above table represents the rate that the investor would have earned or lost on an investment in the Fund, assuming reinvestment of dividends.

(d) Not annualized.

(e) Annualized.

See accompanying notes which are an integral part of these financial statements.

Archer Balanced Fund
Notes to the Financial Statements
August 31, 2006

NOTE 1. ORGANIZATION

Archer Balanced Fund (the “Fund”) was organized as a diversified series of Unified Series Trust, an Ohio business trust (the “Trust”). The Trust is an open-end investment company established under the laws of Ohio by an Agreement and Declaration of Trust dated October 17, 2002 (the “Trust Agreement”). The Trust Agreement permits the Board of Trustees (the “Board”) to issue an unlimited number of shares of beneficial interest of separate series. The Fund is one of a series of funds currently authorized by the Trustees. The investment objective of the Fund is total return. The investment advisor to the Fund is Archer Investment Corporation (the “Advisor”). The Fund commenced operations on September 27, 2005.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements.

Securities Valuations - Equity securities are valued by using market quotations, but may be valued on the basis of prices furnished by a pricing service when the Advisor believes such prices accurately reflect the fair market value of such securities. Securities that are traded on any stock exchange are generally valued by the pricing service at the last quoted sale price. Lacking a last sale price, an exchange traded security is generally valued by the pricing service at its last bid price. Securities traded in the NASDAQ over-the-counter market are generally valued by the pricing service at the NASDAQ Official Closing Price. When market quotations are not readily available, when the Advisor determines that the market quotation or the price provided by the pricing service does not accurately reflect the current market value or when restricted or illiquid securities are being valued, such securities are valued as determined in good faith by the Advisor subject to guidelines approved by the Board.

Fixed income securities are valued by using market quotations, but may be valued on the basis of prices furnished by a pricing service when the Advisor believes such prices accurately reflect the fair market value of such securities. A pricing service utilizes electronic data processing techniques based on yield spreads relating to securities with similar characteristics to determine prices for normal institutional-size trading units of debt securities without regard to sale or bid prices. If the Advisor decides that a price provided by the pricing service does not accurately reflect the fair market value of the securities, when prices are not readily available from a pricing service, or when restricted or illiquid securities are being valued, securities are valued at fair value as determined in good faith by the Advisor, in conformity with guidelines adopted by and subject to review of the Board of Trustees. Short term investments in fixed income securities with maturities of less than 60 days when acquired, or which subsequently are within 60 days of maturity, are valued by using the amortized cost method of valuation, which the Board has determined will represent fair value. The ability of issuers of debt securities held by the company to meet their obligations may be affected by economic and political developments in a specific country or region.

In accordance with the Trust’s good faith pricing guidelines, the Advisor is required to consider all appropriate factors relevant to the value of securities for which it has determined other pricing sources are not available or reliable as described above. No single standard for determining fair value controls, since fair value depends upon the circumstances of each individual case. As a general principle, the current fair value of an issue of securities being valued by the Advisor would appear to be the amount which the owner might reasonably expect to receive for them upon their current sale. Methods which are in accordance with this principle may, for example, be based on (i) a multiple of earnings; (ii) a discount from market of a similar freely traded security (including a derivative security or a basket of securities traded on other markets, exchanges or among dealers); or (iii) yield to maturity with respect to debt issues, or a combination of these and other methods.

The Fund may invest in reverse convertible notes, which are short-term notes (i.e., with maturities of one year) that are linked to individual equity securities. These notes make regular interest payments by the issuer, but also have a put option attached, giving the issuer the right to exercise that option only if the price of the related security drops below a stated price.

Federal Income Taxes – The Fund makes no provision for federal income tax. The Fund intends to qualify each year as a “regulated investment company” under subchapter M of the Internal Revenue Code of 1986, as amended, by distributing substantially all of its net investment income and net realized capital gains. If the required amount of net investment income is not distributed, the Fund could incur a tax expense.

Archer Balanced Fund
Notes to the Financial Statements - continued
August 31, 2006

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES - continued

Security Transactions and Related Income - The Fund follows industry practice and records security transactions on the trade date. The specific identification method is used for determining gains or losses for financial statements and income tax purposes. Dividend income is recorded on the ex-dividend date and interest income is recorded on an accrual basis. Discounts and premiums on securities purchased are amortized or accreted using the effective interest method.

Dividends and Distributions - The Fund intends to distribute all of its net investment income as dividends to its shareholders on an annual basis. The Fund intends to distribute net realized long term capital gains and net realized short term capital gains to its shareholders at least once a year. Distributions to shareholders, which are determined in accordance with income tax regulations, are recorded on the ex-dividend date. The treatment for financial reporting purposes of distributions made to shareholders during the year from net investment income or net realized capital gains may differ from their ultimate treatment for federal income tax purposes. These differences are caused primarily by differences in the timing of the recognition of certain components of income, expense or realized capital gain for federal income tax purposes. Where such differences are permanent in nature, they are reclassified in the components of the net assets based on their ultimate characterization for federal income tax purposes. Any such reclassifications will have no effect on net assets, results of operations or net asset values per share of the Fund.

NOTE 3. FEES AND OTHER TRANSACTIONS WITH AFFILIATES

The Advisor, under the terms of the management agreement (the “Agreement”), manages the Fund’s investments. As compensation for its management services, the Fund is obligated to pay the Advisor a fee computed and accrued daily and paid monthly at an annual rate of 0.75% of the Fund’s average net assets. For the period September 27, 2005 (commencement of operations) through August 31, 2006, the Advisor earned fees of \$47,444 from the Fund before the waiver and reimbursement described below.

The Advisor has contractually agreed through August 31, 2007 to waive its management fee and/or reimburse expenses so that total annual fund operating expenses, excluding brokerage fees and commissions, 12b-1 fees, borrowing costs (such as interest and dividend expenses on securities sold short), taxes and extraordinary expenses, do not exceed 1.20% of the Fund’s average daily net assets. For the period September 27, 2005 (commencement of operations) through August 31, 2006, the Advisor waived fees and/or reimbursed expenses of \$113,942. Each waiver or reimbursement by the Advisor is subject to repayment by the Fund within the three fiscal years following the fiscal year in which the particular waiver or reimbursement occurred; provided that the Fund is able to make the repayment without exceeding the 1.20% expense limitation. As of August 31, 2006, the Fund was owed \$14,013 by the Advisor. The remaining amounts subject to repayment by the Fund, pursuant to the aforementioned conditions, at August 31, 2006, were as follows:

<u>Amount</u>	<u>Subject to repayment by August 31,</u>
\$ 113,942	2009

The Trust retains Unified Fund Services, Inc. (“Unified”), a wholly owned subsidiary of Unified Financial Services, Inc., to manage the Fund’s business affairs and provide the Fund with administrative services, including all regulatory reporting and necessary office equipment and personnel. For the period September 27, 2005 (commencement of operations) through August 31, 2006, Unified earned fees of \$29,750 for administrative services provided to the Fund.

Archer Balanced Fund
Notes to the Financial Statements - continued
August 31, 2006

NOTE 3. FEES AND OTHER TRANSACTIONS WITH AFFILIATES – continued

The Trust also retains Unified to act as each Fund’s transfer agent and to provide fund accounting services. For the period September 27, 2005 (commencement of operations) through August 31, 2006, Unified earned fees of \$12,659 from the Fund for transfer agent services and \$9,381 in reimbursement for out-of-pocket expenses incurred in providing transfer agent services. For the period September 27, 2005 (commencement of operations) through August 31, 2006, Unified earned fees of \$16,876 from the Fund for fund accounting services. A Trustee and certain officers of the Trust are members of management and/or employees of Unified, and/or shareholders of Unified Financial Services, Inc., the parent of Unified.

The Fund has adopted a Distribution Plan (the “Plan”) pursuant to Rule 12b-1 under the 1940 Act. The Plan provides that the Fund will pay its Advisor and/or any registered securities dealer, financial institution or any other person (a “Recipient”) a shareholder servicing fee aggregating up to 0.25% of the average daily net assets of the Fund in connection with the promotion and distribution of Fund shares or the provision of personal services to shareholders, including, but not necessarily limited to, advertising, compensation to underwriters, dealers and selling personnel, the printing and mailing of prospectuses to other than current Fund shareholders, the printing and mailing of sales literature and servicing shareholder accounts. The Fund and/or its Advisor may pay all or a portion of these fees to any Recipient who renders assistance in distributing or promoting the sale of shares, or who provides certain shareholder services, pursuant to a written agreement. The Plan is a compensation plan, which means that compensation is provided regardless of 12b-1 expenses actually incurred. The Plan will not be activated for the Fund through August 31, 2007.

Unified Financial Securities, Inc. (the “Distributor”) acts as the principal distributor of the Fund. There were no payments made to the Distributor by the Fund for the period September 27, 2005 (commencement of operations) through August 31, 2006. Unified and the Distributor are wholly owned subsidiaries of Unified Financial Services, Inc. A Trustee and an officer of the Trust have an ownership interest in Unified Financial Services, Inc. (the parent company of the Distributor). As a result, those persons may be deemed to be affiliates of the Distributor.

NOTE 4. INVESTMENTS

For the period ended August 31, 2006, purchases and sales of investment securities, other than short-term investments and short-term U.S. government obligations were as follows:

Purchases	<u>Amount</u>
U.S. Government Obligations	\$ 484,212
Other	9,790,276
Sales	
U.S. Government Obligations	\$ -
Other	3,924,350

As of August 31, 2006, the net unrealized appreciation of investments for tax purposes was as follows:

Gross Appreciation	\$ 357,360
Gross (Depreciation)	<u>(164,727)</u>
Net Appreciation on Investments	<u><u>\$ 192,633</u></u>

At August 31, 2006, the aggregate cost of securities for federal income tax purposes was \$7,751,156.

Archer Balanced Fund
Notes to the Financial Statements - continued
August 31, 2006

NOTE 5. 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

NOTE 6. BENEFICIAL OWNERSHIP

The beneficial ownership, either directly or indirectly, of more than 25% of the voting securities of a fund creates a presumption of control of the fund, under Section 2(a)(9) of the Investment Company Act of 1940. As of August 31, 2006, no shareholder held over 25% of the Fund's shares.

NOTE 7. DISTRIBUTIONS

On December 28, 2005, the Fund paid an income distribution of \$0.0708 per share to shareholders of record on December 27, 2005.

The tax characterization of distributions for the period ended August 31, 2006 was as follows:

Distributions paid from:	
Ordinary Income	\$ 44,547
Short-Term Capital Gain	-
Long-Term Capital Gain	-
	<u>\$ 44,547</u>

As of August 31, 2006, the components of distributable earnings (accumulated losses) on a tax basis were as follows:

Undistributed ordinary income	\$ 289,727
Unrealized appreciation	<u>192,633</u>
	<u>\$ 482,360</u>

As of August 31, 2006, the difference between book basis and tax basis unrealized appreciation is attributable to the tax deferral of losses on wash sales in the amount of \$15,862.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To The Shareholders and
Board of Trustees of the
Archer Balanced Fund
(Unified Series Trust)

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of the Archer Balanced Fund (the "Fund"), a series of the Unified Series Trust, as of August 31, 2006, and the related statement of operations, the statement of changes in net assets, and financial highlights for the period September 27, 2005 (commencement of operations) through August 31, 2006. These financial statements and financial highlights are the responsibility of Fund management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audit.

We conducted our audit 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of August 31, 2006 by correspondence with the Fund's custodian and brokers. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides 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 the Archer Balanced Fund as of August 31, 2006, the results of its operations, the changes in its net assets, and the financial highlights for the period then ended, in conformity with accounting principles generally accepted in the United States of America.

COHEN FUND AUDIT SERVICES, LTD.
(f.k.a. Cohen McCurdy, Ltd.)
Westlake, Ohio
October 16, 2006

TRUSTEES AND OFFICERS (Unaudited)

Independent Trustees

Name, Address*, (Date of Birth), Position with Trust**, Term of Position with Trust	Principal Occupation During Past 5 Years and Other Directorships
Gary E. Hippenstiel (1947) Independent Trustee, December 2002 to present	Director, Vice President and Chief Investment Officer of Legacy Trust Company, N.A. since 1992; Chairman of the investment committee for W.H. Donner Foundation and Donner Canadian Foundation, since June 2005; Trustee of AmeriPrime Advisors Trust from July 2002 to September 2005; Trustee of Access Variable Insurance Trust from April 2003 to August 2005; Trustee of AmeriPrime Funds from 1995 to July 2005; Trustee of CCMI Funds from June 2003 to March 2005.
Stephen A. Little (1946) Chairman, December 2004 to present; Independent Trustee, December 2002 to present	President and founder of The Rose, Inc., a registered investment advisor, since April 1993; Trustee of AmeriPrime Advisors Trust from November 2002 to September 2005; Trustee of AmeriPrime Funds from December 2002 to July 2005; Trustee of CCMI Funds from June 2003 to March 2005.
Daniel J. Condon (1950) Independent Trustee, December 2002 to present	President of International Crankshaft Inc., an automotive equipment manufacturing company, since 2004, Vice President and General Manager from 1990 to 2003; Trustee of AmeriPrime Advisors Trust from November 2002 to September 2005; Trustee of The Unified Funds from 1994 to 2002; Trustee of Firststar Select Funds, a REIT mutual fund, from 1997 to 2000; Trustee of AmeriPrime Funds from December 2002 to July 2005; Trustee of CCMI Funds from June 2003 to March 2005.

Interested Trustees and Principal Officers

Name, Address*, (Date of Birth), Position with Trust**, Term of Position with Trust	Principal Occupation During Past 5 Years and Other Directorships
Ronald C. Tritschler (1952)*** Trustee, December 2002 to present	Chief Executive Officer, Director and Legal Counsel of The Webb Companies, a national real estate company, since 2001, Executive Vice President and Director from 1990 to 2000; Director of First State Financial since 1998; Director, Vice President and Legal Counsel of The Traxx Companies, an owner and operator of convenience stores, since 1989; Trustee of AmeriPrime Advisors Trust from November 2002 to September 2005; Trustee of AmeriPrime Funds from December 2002 to July 2005; Trustee of CCMI Funds from June 2003 to March 2005.
Anthony J. Ghoston (1959) President, July 2004 to present	President of Unified Fund Services, Inc., the Trust's administrator, since June 2005, Executive Vice President from June 2004 to June 2005, Senior Vice President from April 2003 to June 2004; Senior Vice President and Chief Information Officer of Unified Financial Services, Inc., the parent company of the Trust's administrator and distributor, from 1997 to November 2004; President of AmeriPrime Advisors Trust from July 2004 to September 2005; President of AmeriPrime Funds from July 2004 to July 2005; President of CCMI Funds from July 2004 to March 2005.
Terrance P. Gallagher, JD, CPA (1958)**** Vice President, July 2006 to present; Interim Chief Financial Officer and Treasurer, August 2006 to present	Senior Vice President, Director of Compliance of Unified Fund Services, Inc., the Trust's administrator, since November, 2004; Chief Compliance Officer of Unified Financial Securities, Inc., the Trust's distributor, since October 2005; Partner in Precision Marketing Partners and The Academy of Financial Services Studies, LLC from December 1998 to October 2004; Senior Vice President, Chief Financial Officer and Treasurer of AAL Capital Management and The AAL Mutual Funds from February 1987 to November 1998.
Lynn E. Wood (1946) Chief Compliance Officer, October 2004 to present	Chief Compliance Officer of AmeriPrime Advisors Trust from October 2004 to September 2005; Chief Compliance Officer of AmeriPrime Funds from October 2004 to July 2005; Chief Compliance Officer of CCMI Funds from October 2004 to March 2005; Chief Compliance Officer of Unified Financial Securities, Inc., the Trust's distributor, from December 2004 to October 2005 and from 1997 to 2000, Chairman from 1997 to December 2004, President from 1997 to 2000; Director of Compliance of Unified Fund Services, Inc., the Trust's administrator, from October 2003 to September 2004; Chief Compliance Officer of Unified Financial Services, Inc., the parent company of the Trust's administrator and distributor, from 2000 to 2004.
Heather Bonds (1975) Secretary, July 2005 to present; Assistant Secretary , September 2004 to June 2005	Employed by Unified Fund Services, Inc., the Trust's administrator, since January 2004 and from December 1999 to January 2002; Student at Indiana University School of Law – Indianapolis, J.D. Candidate in December 2007; Assistant Secretary of Dean Family of Funds since August 2004; Regional Administrative Assistant of The Standard Register Company from February 2003 to January 2004; Full time student at Indiana University from January 2002 to June 2002; Secretary of AmeriPrime Advisors Trust from July 2005 to September 2005, Assistant Secretary from September 2004 to June 2005; Assistant Secretary of AmeriPrime Funds from September 2004 to July 2005; Assistant Secretary of CCMI Funds from September 2004 to March 2005.

* The address for each of the trustees and officers is 431 N. Pennsylvania St., Indianapolis, IN 46204.

** The Trust currently consists of 32 series.

*** Mr. Tritschler may be deemed to be an "interested person" of the Trust because he has an ownership interest in Unified Financial Services, Inc., the parent of the distributor of the Trust.

**** Effective as of July 12, 2006, the Board appointed Mr. Gallagher as Vice President of the Trust. Effective as of August 8, 2006, the Board appointed Mr. Gallagher as Interim Chief Financial Officer and Treasurer of the Trust to fill the vacancy created by the resignation of the previous Chief Financial Officer and Treasurer.

OTHER INFORMATION

The Fund's Statement of Additional Information ("SAI") includes additional information about the trustees and is available without charge, upon request. You may call toll-free at (800) 238-7701 to request a copy of the SAI or to make shareholder inquiries.

PROXY VOTING

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities and information regarding how the Funds voted those proxies during the most recent twelve month period ended June 30, is available without charge upon request by (1) calling the Fund at (800) 238-7701 and (2) from Fund documents filed with the Securities and Exchange Commission ("SEC") on the SEC's website at www.sec.gov.

TRUSTEES

Stephen A. Little, Chairman
Gary E. Hippenstiel
Daniel J. Condon
Ronald C. Tritschler

OFFICERS

Anthony J. Ghoston, President
Terrance P. Gallagher, Vice President and Interim Chief Financial Officer and Treasurer
Heather A. Bonds, Secretary
Lynn Wood, Chief Compliance Officer

INVESTMENT ADVISOR

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

DISTRIBUTOR

Unified Financial Securities, Inc.
431 N. Pennsylvania Street
Indianapolis, IN 46204

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Cohen Fund Audit Services, Ltd.
800 Westpoint Parkway, Suite 1100
Westlake, OH 44145

LEGAL COUNSEL

Thompson Coburn LLP
One US Bank Plaza
St. Louis, MO 63101

CUSTODIAN

Huntington National Bank
41 South Street
Columbus, OH 43125

ADMINISTRATOR, TRANSFER AGENT AND FUND ACCOUNTANT

Unified Fund Services, Inc.
431 N. Pennsylvania Street
Indianapolis, IN 46204

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

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