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# 2009

The AI Frank Fund  
and the AI Frank  
Dividend Value Fund



**AI Frank**

MUTUAL FUNDS

NOT PART OF THE PROSPECTUS

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## Short-term prediction: We won't be making any short-term predictions.

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Anyone who purports to know what's going to happen in the market tomorrow or next week or even next month is guilty of hubris. And eventually the market humbles all such short-term prognosticators.

Our Funds are based on a simple, honest, hard-working premise: Buy low, hold, and sell high. On the face of it, it's not complicated. But as you might suspect, beneath that placid surface the duck's legs are paddling furiously. For us, the complex analyses in our search for value never stop.

The Al Frank Funds are comprised of two mutual funds: The Al Frank Fund, which aims for long-term capital appreciation, and the newer Al Frank Dividend Value Fund, which is designed for long-term total return from both capital appreciation and, secondarily, dividend income. Both Funds are managed using the same eclectic, value-oriented style made famous by Al Frank: selection, diversification and patience are the three pillars that support everything we do.

It starts with our unfettered approach to stock selection. Unlike most fund managers, we aren't constrained by those nine little boxes. We believe that confining our investment possibilities by market-capitalization or traditional value-versus-growth distinctions only serves to limit our potential returns. If small-cap stocks have had a great run, it's time to start looking at mid- and large-cap companies. If a \$100 million tech stock with a cash-rich balance sheet is inexpensive, we have no bias that's going to preclude us from buying it. Bargains are bargains, and we'll be there to take advantage of them.

Our approach to diversification further sets us apart. According to conventional wisdom, holding 25 to 30 stocks gives you a diversified portfolio. We hold more than 200 in our Funds in order to minimize risk and maximize opportunity. By holding so many names, we increase our chances of owning those stocks that will one day prove the most rewarding.

And finally, we wait: on average, we hold stocks for six years. We believe that it's only through patience that value can emerge and the daily gyrations of the market can be rendered moot.

Let's leave the short-term guesswork to the weathermen. As Al Frank himself once said, "Intelligent patience is golden."

To invest in an Al Frank Fund call your investment professional, contact us at 888.263.6443, or visit [alfrankfunds.com](http://alfrankfunds.com) for more information.





## **Al Frank Fund**

Investor Class (VALUX)

Advisor Class (VALAX)

## **Al Frank Dividend Value Fund**

Investor Class (VALDX)

Advisor Class (VALEX)

Each a series of Advisors Series Trust

# **PROSPECTUS**

## **April 30, 2009**

The Al Frank Funds  
615 East Michigan Street, Third Floor  
Milwaukee, Wisconsin 53202  
Shareholder Services: 888.263.6443  
[alfrankfunds.com](http://alfrankfunds.com)

**As with all mutual funds, the U.S. Securities and Exchange Commission has not approved or disapproved these securities or determined if this Prospectus is accurate or complete.**

**Any representation to the contrary is a criminal offense.**

# Al Frank Fund

Investor and Advisor Classes

## Al Frank Dividend Value Fund

Investor and Advisor Classes

Each a series of Advisors Series Trust

The **Al Frank Fund** is a diversified no-load mutual fund that seeks long-term capital appreciation by investing in undervalued and out of favor equity securities.

The **Al Frank Dividend Value Fund** (the “Dividend Value Fund”) is a diversified no-load mutual fund that seeks long-term total return from both capital appreciation and, secondarily, dividend income by investing in undervalued and out of favor dividend-paying equity securities.

Al Frank Asset Management, Inc. (the “Advisor”) is the investment advisor to the Al Frank Fund and the Dividend Value Fund (each, a “Fund,” and collectively, the “Funds”) and is located at 32392 Coast Highway, Suite 260, Laguna Beach, California 92651-6784. 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. This Prospectus discusses Investor Class and Advisor Class Shares of the Funds.

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**This combined Prospectus contains basic information about the Funds that you should know before investing. It should be read and retained for future reference. More detailed information is contained in the Funds’ Statement of Additional Information dated April 30, 2009 (the “SAI”).**

The date of this Prospectus is April 30, 2009.

**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 **Al Frank Fund** is long-term capital appreciation.

The investment objective of the **Dividend Value Fund** is long-term total return from both capital appreciation and, secondarily, dividend income.

### **How will the Funds Achieve their Investment Objectives?**

#### **Al Frank Fund**

The Advisor selects equity securities that it believes are out of favor and undervalued. The Advisor then purchases the securities and holds them until it believes that the securities have reached their fair value.

#### **Dividend Value Fund**

The Advisor selects dividend-paying equity securities that it believes are out of favor and undervalued. The Advisor then purchases the securities and holds them until it believes that the securities have reached their fair value.

### **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.

- *Management risk* – The Funds' ability to achieve their investment objectives depends on the ability of the Advisor to correctly identify economic trends and select stocks, particularly in volatile stock markets.
- *Market risk* – The value of stocks and other securities the Funds hold or the overall stock market may decline over short or extended periods. The stock market has been subject to significant volatility recently which has increased the risks associated with an investment in the Funds.

- *Small- and medium-sized companies risk* – Small- and medium-sized companies may be more vulnerable to adverse business or economic events than stocks of larger companies. These stocks present greater risks than securities of larger, more diversified companies.
- *Equity risk* – The equity securities held in the Funds' portfolios may experience sudden, unpredictable drops in value or long periods of decline in value. This may occur because of factors that affect securities markets generally or factors affecting specific industries, sectors or companies in which the Funds invest.

The following is a principal risk of the Al Frank Fund:

- *Securities lending risk* – There are certain risks associated with securities lending, including the risk that when lending portfolio securities, the securities may not be available to the Al Frank Fund on a timely basis and the Fund may, therefore, lose the opportunity to sell the securities at a desirable price.

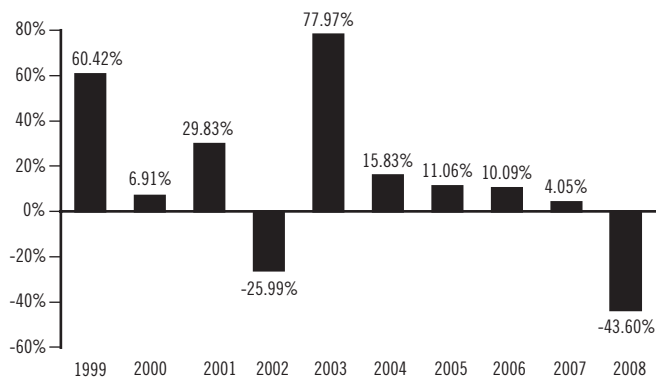
If you are looking for current income or short-term market gain, you should not invest in the Funds as each Fund is designed for long-term investing.

## **Fund Performance**

#### **Al Frank Fund**

The following performance information indicates some of the risks of investing in the Al Frank Fund. The bar chart illustrates how the Investor Class Shares of the Al Frank Fund's total return has varied from year to year. The table illustrates the average annual returns of the Investor Class Shares of the Al Frank Fund compared with a broad-based index, as well as indices that are comprised of the type of securities in which the Al Frank Fund generally invests. Prior to April 30, 2006, the shares of the Fund had no specific class designation. As of that date, all of the then outstanding shares were redesignated as Investor Class Shares. As part of its multiple class plan, the Fund also offers Advisor Class Shares. Because the fees and expenses vary between the Investor Class Shares and the Advisor Class Shares, performance will vary with respect to each class. Under normal conditions, the Advisor Class Shares are expected to have lower expenses than the Investor Class Shares, which will result in the Advisor Class Shares having higher total returns. After-tax returns are shown only for Investor Class Shares. The Al Frank Fund's past performance, before and after taxes, is not necessarily an indication of how the Fund will perform in the future.

## AI Frank Fund – Investor Class Calendar Year Total Returns as of 12/31



During the period of time displayed in the bar chart, the Fund's best quarter was Q2 1999, up 34.32%, and its worst quarter was Q3 2002, down -27.79%.

### Average Annual Total Returns as of December 31, 2008

	1 Year	5 Years	10 Years	Since Inception <sup>(1)</sup>
<b>AI Frank Fund – Investor Class</b>				
Return Before Taxes	-43.60%	-3.63%	9.32%	7.48%
Return After Taxes on Distributions <sup>(2)</sup>	-43.67%	-4.09%	8.89%	7.10%
Return After Taxes on Distributions and Sale of Fund Shares <sup>(2)(3)</sup>	-28.25%	-2.79%	8.40%	6.73%
<b>AI Frank Fund – Advisor Class</b>				
Return Before Taxes	-43.41%	-3.48%	9.41%	7.56%
<b>S&amp;P 500® Index<sup>(4)</sup></b> (reflects no deduction for fees, expenses, or taxes)	-37.00%	-2.19%	-1.38%	0.98%
<b>Russell 2000® Index<sup>(5)(9)</sup></b> (reflects no deduction for fees, expenses, or taxes)	-33.79%	-0.93%	3.02%	2.52%
<b>Dow Jones Wilshire 5000 (Full-Cap) Index<sup>SM(6)(9)</sup></b> (reflects no deduction for fees, expenses, or taxes)	-37.34%	-1.67%	-0.63%	1.32%
<b>S&amp;P MidCap 400 Index<sup>(7)(9)</sup></b> (reflects no deduction for fees, expenses, or taxes)	-36.23%	-0.08%	4.46%	5.75%
<b>Russell 3000® Index<sup>(8)</sup></b> (reflects no deduction for fees, expenses, or taxes)	-37.31%	-1.95%	-0.80%	1.22%

(1) Investor Class Shares commenced operations on January 2, 1998; Advisor Class Shares commenced operations on April 30, 2006. Performance shown prior to the inception of the Advisor Class reflects the performance of the Investor Class and includes expenses that are not applicable to and are higher than those of the Advisor Class.

(2) 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.

(3) The Return After Taxes on Distributions and Sale of Fund Shares may be higher than other returns when a net capital loss occurs upon the redemption of Fund shares.

(4) The S&P 500® Index is an unmanaged capitalization-weighted index of 500 stocks designed to represent the broad domestic market. Because the S&P 500® Index is a widely recognized benchmark for the performance of U.S. stocks, it is used to compare the performance of the AI Frank Fund. The figures above reflect all dividends reinvested. You cannot invest directly in an index.

(5) The Russell 2000® Index is a widely recognized small cap index of the 2,000 smallest stocks of the Russell 3000® Index, which is comprised of the 3,000 largest U.S. stocks as determined by total market capitalization. The figures above reflect all dividends reinvested. You cannot invest directly in an index.

(6) The Dow Jones Wilshire 5000 (Full-Cap) Index<sup>SM</sup> measures the performance of all U.S. equity issues with readily available prices. The figures above reflect all dividends reinvested. You cannot invest directly in an index.

(7) The S&P MidCap 400 Index is a capitalization weighted index of 400 stocks designed to measure the performance of the mid-range sector of the U.S. stock market. The figures above reflect all dividends reinvested. You cannot invest directly in an index.

(8) The Russell 3000® Index measures the performance of the largest 3,000 U.S. companies as determined by total market capitalization. The figures above reflect all dividends reinvested. You cannot invest directly in an index.

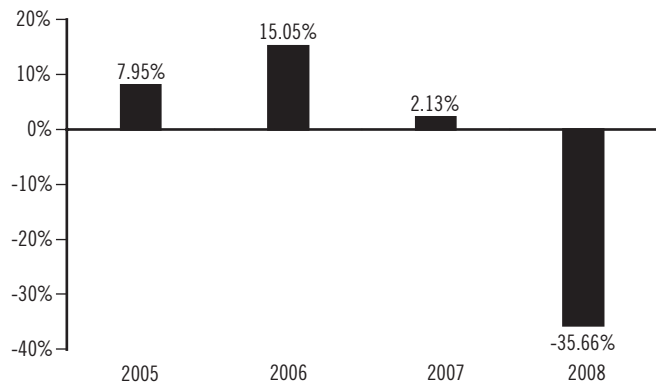
(9) The Fund is discontinuing the use of this index. The Fund believes the Russell 3000® Index is more comparable to the Fund's investment style.

### AI Frank Dividend Value Fund

The following performance information indicates some of the risks of investing in the Dividend Value Fund. The bar chart illustrates how the Investor Class Shares of the Dividend Value Fund's total return has varied from year to year. The table illustrates the average annual returns of the Investor Class Shares of the Dividend Value Fund compared with a broad-based index, as well as indices that are comprised of the type of securities in which the Dividend Value Fund generally invests. Prior to April 30, 2006, the shares of the Fund had no specific class designation. As of that date, all of the then outstanding shares were redesignated as Investor Class Shares. As part of its multiple class plan, the Dividend Value Fund also offers Advisor Class Shares. Because the fees and expenses vary between the Investor Class Shares and the Advisor Class Shares,

performance will vary with respect to each class. Under normal market conditions, the Advisor Class Shares are expected to have lower expenses than the Investor Class Shares, which will result in the Advisor Class Shares having higher total returns. After-tax returns are shown only for Investor Class Shares. The Dividend Value Fund's past performance, before and after taxes, is not necessarily an indication of how the Fund will perform in the future.

## Dividend Value Fund – Investor Class Calendar Year Total Returns as of 12/31



During the period of time displayed in the bar chart, the Fund's best quarter was Q1, 2006 up 8.66%, and its worst quarter was Q4, 2008 down -22.00%.

### Average Annual Total Returns as of December 31, 2008

	<u>1 Year</u>	<u>Since Inception<sup>(1)</sup></u>
<b>Dividend Value Fund – Investor Class</b>		
Return Before Taxes	-35.66%	-2.35%
Return After Taxes on Distributions <sup>(2)</sup>	-35.81%	-2.66%
Return After Taxes on Distributions and Sale of Fund Shares <sup>(2)(3)</sup>	-22.99%	-1.87%
<b>Dividend Value Fund – Advisor Class</b>		
Return Before Taxes	-35.48%	-2.22%
<b>S&amp;P 500<sup>®</sup> Index<sup>(4)</sup></b> (reflects no deduction for fees, expenses, or taxes)		
	-37.00%	-2.91%
<b>Dow Jones Wilshire 5000 (Full-Cap) Index<sup>SM(5)(8)</sup></b> (reflects no deduction for fees, expenses, or taxes)		
	-37.34%	-2.43%
<b>S&amp;P MidCap 400 Index<sup>(6)(8)</sup></b> (reflects no deduction for fees, expenses, or taxes)		
	-36.23%	-0.98%
<b>Russell 3000<sup>®</sup> Index<sup>(7)</sup></b> (reflects no deduction for fees, expenses, or taxes)		
	-37.31%	-2.66%

- (1) Investor Class Shares commenced operations on September 30, 2004; Advisor Class Shares commenced operations on April 30, 2006. Performance shown prior to the inception of the Advisor Class reflects the performance of the Investor Class and includes expenses that are not applicable to and are higher than those of the Advisor Class.
- (2) 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.
- (3) The Return After Taxes on Distributions and Sale of Fund Shares may be higher than other returns when a net capital loss occurs upon the redemption of Fund shares.
- (4) The S&P 500<sup>®</sup> Index is an unmanaged capitalization-weighted index of 500 stocks designed to represent the broad domestic market. Because the S&P 500<sup>®</sup> Index is a widely recognized benchmark for the performance of U.S. stocks, it is used to compare the performance of the Dividend Value Fund. The figures above reflect all dividends reinvested. You cannot invest directly in an index.
- (5) The Dow Jones Wilshire 5000 (Full-Cap) Index<sup>SM</sup> measures the performance of all U.S. equity issues with readily available prices. The figures above reflect all dividends reinvested. You cannot invest directly in an index.
- (6) The S&P MidCap 400 Index is a capitalization weighted index of 400 stocks designed to measure the performance of the mid-range sector of the U.S. stock market. The figures above reflect all dividends reinvested. You cannot invest directly in an index.
- (7) The Russell 3000<sup>®</sup> Index measures the performance of the largest 3,000 U.S. companies as determined by total market capitalization. The figures above reflect all dividends reinvested. You cannot invest directly in an index.
- (8) The Fund is discontinuing the use of this index. The Fund believes the Russell 3000<sup>®</sup> Index is more comparable to the Fund's investment style.

## Fees and Expenses Table

This table describes the fees and expenses that you may pay if you buy and hold shares of the Funds. There are two types of expenses involved: shareholder transaction expenses, such as redemption fees, and annual operating expenses, such as management fees.

### Shareholder Fees<sup>(1)</sup>

(fees paid directly from your investment)

	AI Frank Fund		Dividend Value Fund	
	Investor Class	Advisor Class	Investor Class	Advisor Class
Maximum Sales Charge (Load) Imposed on Purchases	None	None	None	None
Maximum Sales Charge (Load) Imposed on Reinvested Dividends	None	None	None	None
Maximum Deferred Sales Charge (Load)	None	None	None	None
Redemption Fee (as a percentage of amount redeemed) <sup>(2)</sup>	2.00%	2.00%	2.00%	2.00%

### Annual Fund Operating Expenses

(expenses that are deducted from Fund assets)

	AI Frank Fund		Dividend Value Fund	
	Investor Class	Advisor Class	Investor Class	Advisor Class
Management Fee	1.00%	1.00%	1.00%	1.00%
Rule 12b-1 Distribution Fee	0.25%	0.00%	0.25%	0.00%
Other Expenses <sup>(3)</sup>	0.40%	0.40%	1.07%	1.07%
Total Annual Fund Operating Expenses	1.65%	1.40%	2.32%	2.07%
Less Expense Waiver/Reimbursement	-0.16%	-0.16%	-0.34%	-0.34%
Net Annual Fund Operating Expenses <sup>(4)</sup>	1.49%	1.24%	1.98%	1.73%

(1) Although no sales loads or transaction fees are charged, you will be assessed a \$15 fee for outgoing wire transfers, and \$25 for returned checks and stop payment orders by U.S. Bancorp Fund Services, LLC, the Funds' transfer agent. Please note that these fees are subject to change.

(2) The redemption fee applies only to those shares that have been held for 60 days or less. The fee is payable to the respective Fund and is intended to benefit the remaining shareholders by reducing the costs of short-term trading.

(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%. AFFE are fees and expenses incurred by a Fund in connection with its investments in other investment companies.

(4) The Advisor has contractually agreed to waive its management fees and/or pay Fund expenses of the AI Frank Fund, until such contractual agreement is terminated by the Trust's Board of Trustees (the "Board" or "Trustees"), to ensure that Net Annual Fund Operating Expenses (excluding AFFE, interest, taxes and extraordinary expenses) do not exceed 1.49% of the average daily net assets of the Investor Class and 1.24% of the average daily net assets of the Advisor Class (the "AI Frank Fund Expense Caps"). The Advisor has contractually agreed to waive its management fees and/or pay Fund expenses for the Dividend Value Fund, until such contractual agreement is terminated by the Board, to ensure that Net Annual Fund Operating Expenses (excluding AFFE, interest, taxes and extraordinary expenses) do not exceed 1.98% of the average daily net assets of the Investor Class and 1.73% of the average daily net assets of the Advisor Class (the "Dividend Value Fund Expense Caps," together with the AI Frank Fund Expense Caps, the "Expense Caps"). The Expense Caps will remain in effect indefinitely and may be terminated only by the Board. The Advisor is permitted to seek recoupment from the Funds, subject to limitations, for management fees it waived and Fund expenses it paid for three years from the date management fees were waived or expenses were paid provided that any such recoupment during any fiscal year will not cause the Funds' Net Annual Fund Operating Expenses to exceed the Expense Caps. Any such recoupment is subject to the Board's review and approval.

## Example

This example is intended to help you compare the cost of investing in the Funds with the cost of investing in other mutual funds. It is based on the net annual Fund operating expenses shown above as limited by the Expense Caps described above, and it assumes that these expenses will remain the same over the time periods shown. It also assumes that you make a single \$10,000 investment in each Fund to start with, that you reinvest dividends and distributions and that you earn a 5% return each year. Finally, it assumes that you redeem all of your shares at the end of each of the time periods. Although your actual expenses 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>
Al Frank Fund – Investor Class	\$152	\$471	\$813	\$1,780
Al Frank Fund – Advisor Class	\$126	\$393	\$681	\$1,500
Dividend Value Fund – Investor Class	\$201	\$621	\$1,068	\$2,306
Dividend Value Fund – Advisor Class	\$176	\$545	\$939	\$2,041

## Investment Objective, Principal Strategies, Related Risks and Disclosure of Portfolio Holdings

### Al Frank Fund

#### **What is the Al Frank Fund’s Investment Objective?**

The Fund’s investment objective is to seek long-term capital appreciation.

There is no assurance that the Fund will achieve its investment objective.

#### **How does the Al Frank Fund Seek to Achieve its Investment Objective?**

Under normal market conditions, the Advisor selects equity securities for the Fund’s portfolio that it believes are out of favor and undervalued, i.e., those trading for low fundamental valuations relative to what the Advisor thinks their businesses will be worth over the next five years. The Advisor then

attempts to purchase the securities and hold them until it believes that the securities have reached their fair value.

### Dividend Value Fund

#### **What is the Dividend Value Fund’s Investment Objective?**

The Fund’s investment objective is to seek long-term total return from both capital appreciation and, secondarily, dividend income.

There is no assurance that the Fund will achieve its investment objective.

#### **How does the Dividend Value Fund Seek to Achieve its Investment Objective?**

Under normal market conditions, the Fund invests at least 80% of its net assets in equity securities, and it primarily invests in equity securities that pay or are expected to pay dividends. The Fund’s policy of investing in equity securities may only be changed upon 60 days’ prior notice to shareholders. Despite the focus on dividend paying stocks, the Advisor believes that its value-oriented total return investment strategy will favor appreciation over dividend yield. The Advisor believes that investing in dividend paying stocks will result in lower levels of volatility. The Fund may invest in companies of any size, from larger, well-established companies to smaller companies.

The Advisor selects dividend-paying equity securities consisting of common stocks and securities having the characteristics of common stocks, such as preferred stocks, convertible securities, rights and warrants, on the basis of fundamental corporate analysis.

#### **How does the Advisor Select Equity Securities for each Fund’s Portfolio?**

For each Fund, the Advisor selects equity securities consisting of common stocks and securities having the characteristics of common stocks. It screens a universe of more than 6,000 stocks in order to identify those with low price-to-earnings ratios, price-to-book values, and price-to-revenues ratios relative to its historical norms, its industry peers or the overall market. The Funds’ portfolios are expected to be highly diversified, generally with more than 100 separate securities.

The Advisor sells a stock when its analysis indicates that it is fairly valued. A stock is fairly valued if it has achieved, in the Advisor's opinion, a high price-to-earnings ratio, price-to-book value or price-to-sales ratio, or some other fundamental valuation measure relative to its historic norm, its industry peers or the overall market.

### **Temporary Defensive Investment Strategies**

For temporary defensive purposes, the Advisor may invest without limit in high-quality, short-term debt securities and money market instruments. These short-term debt securities and money market instruments include shares of other mutual funds, commercial paper, certificates of deposit, bankers' acceptances, U.S. Government securities and repurchase agreements. Taking a temporary defensive position may result in the Funds not achieving their investment objectives. Furthermore, to the extent that a Fund invests in money market mutual funds for its cash position, there will be some duplication of expenses because the Fund would bear its pro rata portion of such money market funds' management fees and operational expenses.

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

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

**Management Risk.** The skill of the Advisor will play a significant role in the Funds' ability to achieve their investment objectives. The Funds' ability to achieve their investment objectives 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.

**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 fluctuate due to the movement of the overall stock market or the value of the individual securities held by the Funds. Recently, the financial markets have experienced a period of extreme stress which has resulted in unusual and extreme volatility in the equity markets and in the prices of individual stocks. In some cases, the prices of stocks of individual companies have been negatively impacted even though there may be little or no apparent degradation in the financial conditions or prospects of that company. These market conditions add significantly to the risk of short term volatility of the Funds.

**Small- and Medium-Sized Companies Risk.** Investing in securities of small- and medium-sized companies may involve greater volatility than investing in larger and more established companies, because they can be subject to more abrupt or erratic share price changes than larger, more established companies. Smaller 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.

**Equity Risk.** The risks that could affect the value of the Funds' shares and the total return on your investment include the possibility that the equity securities held in the Funds' portfolios may experience sudden, unpredictable drops in value or long periods of decline in value. This may occur because of factors that affect the securities market in general, 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. This risk is greater for small- and medium-sized companies, which tend to be more vulnerable to adverse developments than larger companies.

**Securities Lending Risk.** To earn additional income, the AI Frank Fund, through its agent, may lend its portfolio securities to broker-dealers amounting to no more than 33 1/3% of the total assets of the Fund (including any collateral posted) or 50% of the total assets of the Fund (excluding any collateral posted). When the AI Frank Fund loans its portfolio securities, it will receive collateral equal to at least 102% of the value of the loaned securities. The Fund's collateral may consist of cash or cash equivalents, securities issued or guaranteed by the U.S.

Government or one of its agencies or instrumentalities, an irrevocable bank letter of credit, or any combination thereof. Nevertheless, the Fund risks a delay in the recovery of the loaned securities, or even the loss of rights in the collateral deposited by the borrower if the borrower should fail financially. In addition, if the Fund's securities are sold while out on loan and the securities are not returned timely by the borrower, there is a possibility that the sale transaction will not settle in the usual manner and cause unintended market exposure and additional trade and other expenses to the Fund. As well, any investments made with the collateral received are subject to the risks associated with such investments. If such investments lose value, the Fund will have to cover the loss when repaying the collateral.

### **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' 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 Annual Report and Semi-Annual Report to Fund shareholders and in the quarterly holdings report on Form N-Q. A list of each Fund's top ten portfolio holdings and sector composition as of each calendar quarter-end is made available to the public no later than seven business days after the calendar quarter-end at [www.alfrankfunds.com](http://www.alfrankfunds.com). A complete list of each Fund's portfolio holdings as of each calendar quarter-end is available upon request approximately seven business days after the calendar quarter-end by calling 888.263.6443.

## **Management of the Funds**

### **The Advisor**

The Advisor, Al Frank Asset Management, Inc., 32392 Coast Highway, Suite 260, Laguna Beach, California 92651-6784, has provided asset management services to individuals and institutional investors since 1977 and presently has assets under management of approximately \$322 million. The Advisor is also the Editor of *The Prudent Speculator*, a nationally known investment newsletter that has been in circulation since 1977. The Advisor is wholly owned by AF Holdings, Inc., which is a privately owned Minnesota corporation.

The Advisor provides the Funds with advice on buying and selling securities, manages the investments of the Funds, furnishes the Funds with office space and certain administrative

services, and provides personnel needed by the Funds. For its services, the Advisor is entitled to receive an annual management fee, calculated daily and payable monthly of 1.00% of each Fund's average daily net assets. For the fiscal year ended December 31, 2008, the Advisor received management fees of 0.84% of the Al Frank Fund's average daily net assets, net of waivers, and 0.66% of the Dividend Value Fund's average daily net assets, net of waivers.

A discussion regarding the basis for the Board's approval of the Advisor's investment advisory agreement for the Funds is available in the Funds' Annual Report dated December 31, 2008.

### **Portfolio Managers**

Each Fund's Chief Investment Officer is John Buckingham. As each Fund's Chief Investment Officer, Mr. Buckingham is principally responsible for the day-to-day management of the Funds' portfolios. Mr. Buckingham joined the Advisor in 1987, and has managed the Funds since their inception. He is also Director of Research and Editor of *The Prudent Speculator*.

Jessica Chiaverini, Portfolio Manager, assists the Chief Investment Officer in the day-to-day management of each Fund's portfolio and joined the Advisor in June of 2000. Ms. Chiaverini has been a portfolio manager of the Funds since November 2002.

The SAI provides additional information about the portfolio managers' compensation, other accounts managed by the portfolio managers and their ownership of securities in the Funds.

### **Fund Expenses**

Each Fund is responsible for its own operating expenses. The Advisor has contractually agreed to waive a portion or all of its management fees and/or pay Fund expenses of the Al Frank Fund to ensure that its Investor Class and Advisor Class Annual Fund Operating Expenses (excluding AFFE, interest, taxes and extraordinary expenses) do not exceed 1.49% and 1.24%, respectively, of their average daily net assets. The Advisor has also contractually agreed to waive a portion or all of its management fees and/or pay expenses of the Dividend Value Fund to ensure that its Investor Class and Advisor Class Annual Fund Operating Expenses (excluding AFFE, interest, taxes and extraordinary expenses) do not exceed 1.98% and 1.73%,

respectively, of their average daily net assets. If the Advisor requests, any waiver in management fees or payment of Fund expenses may be recouped by the Advisor in subsequent fiscal years. This recoupment may be requested if the aggregate amount actually paid by each respective Fund toward operating expenses for such fiscal year (taking into account the recoupment) does not exceed the applicable limitation on Fund expenses. The Advisor is permitted to recoup management fees waived and/or Fund expenses paid in the prior three fiscal years from the date the management fees were waived and/or Fund expenses were paid. Any such recoupment must be approved by the Board. Each Fund must pay its current ordinary operating expenses before the Advisor is entitled to any recoupment of management fees waived and/or Fund expenses paid.

## **Description of Classes**

The Trust has adopted a multiple class plan that allows the Funds to offer one or more classes of shares of the Funds. The Funds offer two classes of shares – Investor Class and Advisor Class. This Prospectus offers both the Investor Class and Advisor Class. The initial investment minimums for the Investor Class and Advisor Class are \$1,000 and \$100,000, respectively.

The Trust has adopted a plan pursuant to Rule 12b-1 of the Investment Company Act of 1940, as amended (the “1940 Act”) (“Rule 12b-1”) that allows the Funds to pay distribution and service fees for the sales, distribution and servicing of their shares. With respect to Investor Class Shares of the Funds, the plan provides for a distribution fee of up to 0.25% of their average daily net assets. Because these fees are paid out of the Investor Class Shares’ assets, over time, these fees will increase the cost of your investment and may cost you more than paying other types of sales charges. A Rule 12b-1 fee is not imposed on the Advisor Class Shares of the Funds.

## **Investor Guide**

### **Pricing the Funds’ Shares**

The price of each Fund’s shares is based on its NAV per share. This is calculated by dividing the value of the Fund’s total assets, less its liabilities, by the number of its shares outstanding. In calculating the NAV per share, portfolio securities are valued using current market values or official closing prices, if available. Securities for which market quotations are not readily available are valued at fair values determined in good faith by or

under the supervision of the Board. The NAV per share is calculated at the close of regular trading of the New York Stock Exchange (“NYSE”) (normally, 4:00 p.m. Eastern time). The NAV per share will not be calculated on days that the NYSE is closed for trading.

When fair value pricing is employed, the prices of securities used by a Fund to calculate its NAV per share may differ from quoted or published prices for the same securities. Due to the subjective and variable nature of fair value pricing, it is possible that the fair value determined for a particular security may be materially different from the value realized upon such security’s sale. Therefore, if a shareholder purchases or redeems shares in a Fund that holds securities priced at a fair value, this may have the unintended effect of increasing or decreasing the number of shares received in a purchase or the value of the proceeds received upon a redemption.

Each security owned by a Fund that is listed on a securities exchange is valued at its last sale price on that exchange on the date which assets are valued. Where the security is listed on more than one exchange, a 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 Funds’ 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 Funds are accurately priced. The Board will review the fair value pricing procedures periodically to ensure their continued accuracy.

### **When is Money Invested in the Funds?**

The price per share will be the NAV per share next computed after the time the account application and funds are received in proper order and accepted by the Funds. “Proper 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 “Al Frank Fund” or the “Al Frank Dividend Value Fund.” All requests received in proper 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. The determination of NAV per share for a particular day is applicable to all requests to purchase shares and redeem shares, received at or before the close of trading on the NYSE on that day (normally, 4:00 p.m. Eastern time). Applications for purchase of shares and requests for redemption of shares received after the close of trading on the NYSE will be based on the NAV per share as determined as of the close of trading on the next day the NYSE is open.

## How to Purchase Shares

### Opening an Account

When buying Investor Class Shares and Advisor Class Shares, you must meet the following minimum investment requirements:

Investor Class	Initial	Additional
Regular Accounts and IRAs	\$1,000	\$100
Advisor Class	Initial	Additional
Regular Accounts and IRAs	\$100,000	\$100

Please note the following:

- Advisor Class Shares are offered primarily to qualified registered investment advisors, financial advisors and investors such as pension and profit sharing plans, employee benefit trusts, endowments, foundations and corporations. Advisor Class Shares may be purchased through certain financial intermediaries and mutual fund supermarkets that charge their customers transaction or other fees with respect to their customers’ investments in the Funds and may also be purchased directly through the Funds’ transfer agent, U.S. Bancorp Fund Services, LLC (the “Transfer Agent”).
- Wrap account programs established with broker-dealers or financial intermediaries may purchase Advisor Class Shares only if the program for which the shares are being acquired will not require the Funds to pay any type of distribution or administrative payment to any third-party.

- A registered investment advisor may aggregate all client accounts investing in the Funds to meet the Advisor Class Shares investment minimum.

## How to Purchase and Sell Shares Through an Authorized Broker or Investment Dealer

You may purchase and sell Fund shares through certain brokers (and their authorized agents) that have made arrangements with the Funds. An order placed with such 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 shares will be held in a pooled account in the broker’s name, and the broker will maintain your individual ownership information. The Funds may pay the broker for maintaining these records as well as providing other shareholder services. In addition, the broker may charge you a fee for handling your order. The broker is responsible for processing your order correctly and promptly, keeping you advised of the status of your individual account, confirming your transactions and ensuring that you receive copies of the Funds’ Prospectus. Investment advisors or financial planners may charge a management, consulting or other fee for their services.

## Purchasing Shares Directly From the Funds

*Investing directly by mail or by overnight delivery.* If you do not have a broker or your broker is not familiar with the Funds, you may invest in the Funds directly by mail. You may obtain an application by contacting the Funds’ shareholder services line at 888.263.6443 or visiting the Funds’ website at [www.alfrankfunds.com](http://www.alfrankfunds.com). Simply complete the account application and mail it with a check (made payable to Al Frank Funds, Al Frank Fund or Al Frank Dividend Value Fund, as applicable) to the Transfer Agent at the address below.

### *By Regular Mail:*

Al Frank Funds  
 c/o U.S. Bancorp Fund Services, LLC  
 P.O. Box 701  
 Milwaukee, Wisconsin 53201-0701

### *By Overnight Delivery:*

Al Frank Funds  
 c/o U.S. Bancorp Fund Services, LLC  
 615 East 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. Therefore, deposit in the mail or with such services, or receipt at U.S. Bancorp Fund Services, LLC's post office box, of purchase applications or redemption requests does not constitute receipt by the Transfer Agent of the Funds.**

The Funds will not accept payment in cash or money orders. The Funds also will not accept cashier's checks in amounts of less than \$10,000. To prevent check fraud, the Funds will not accept third party checks, Treasury checks, credit card checks, traveler's checks or starter checks for the purchase of shares. All investments must be made in U.S. dollars, and checks must be drawn on U.S. banks. The Funds are unable to accept post-dated checks, post-dated on-line bill pay checks or any conditional order or payment.

If your check is returned for any reason, a \$25 fee will be assessed against your account. You will also be responsible for any losses suffered by the Funds as a result.

In compliance with the USA PATRIOT Act of 2001, please note that the Transfer Agent will verify certain information on your account application as part of the Funds' Anti-Money Laundering Program. As requested on the application, you should provide your full name, date of birth, social security number and permanent U.S. street address. Mailing addresses containing only a P.O. Box will not be accepted. Please contact the Transfer Agent at 888.263.6443 if you need additional assistance when completing your application.

If we do not have a reasonable belief of the identity of an investor, the account 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. Accounts may only be opened by persons with a valid social security number or tax identification number and permanent U.S. street address.

*Investing by wire.* If you are making your first investment in a Fund, before you wire funds, the Transfer Agent must have a completed account application. You can mail or overnight deliver your account application to the Transfer Agent at the above address. Upon receipt of your completed account

application, the Transfer Agent will establish an account for you. Once your account is established, you may instruct your bank to send the wire payment. Your bank must include both the name of the Fund you are purchasing, your name and account number so that monies can be correctly applied. Your bank should transmit immediately available 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  
A/C #112-952-137  
FFC: [Name of the Fund and Class]  
Shareholder Registration  
Shareholder Account Number

If you are making a subsequent purchase, your bank should wire funds as indicated above. Before each wire purchase, you should be sure to notify the Transfer Agent. *It is essential that your bank include complete information about your account in all wire transactions.* If you have questions about how to invest by wire, you may call the Transfer Agent at 888.263.6443. Your bank may charge you a fee for sending a wire payment to the Funds.

Wired funds must be received prior to 4:00 p.m. Eastern time to be eligible for same day pricing. Neither the Funds nor U.S. Bank N.A. are responsible for the consequences of delays resulting from the banking or Federal Reserve wire system, or from incomplete wiring instructions.

## **Subsequent Investments**

*Investing by telephone.* Investors, who have elected this option on their account application, may purchase additional shares directly from the Fund by calling 888.263.6443. Each telephone order must be a minimum of \$100. Telephone orders will be processed via electronic funds transfer from your bank account through the Automated Clearing House ("ACH") network. You must have banking information established on your account for 15 days prior to making a telephone purchase. Your shares will be purchased at the next NAV per share calculated after your purchase order is received.

*Investing by mail.* If you did not originally purchase through a broker, you can send a check, with the stub from an account statement, to the Funds at the address noted above under

“Purchasing Shares Directly from the Funds.” Please also write your account number on the check. If you do not have a stub from an account statement, you can write your name, address and account number on a separate piece of paper and enclose it with your check. If you want to send additional money for investment by wire, it is important for you to call the Funds at 888.263.6443.

### **Automatic Investment Plan**

Once you open your account, you may purchase shares of the Funds in any amount through an Automatic Investment Plan (“AIP”). You can have money automatically transferred from your checking or savings account on a monthly or quarterly basis. To be eligible for the AIP, your bank must be a domestic institution that is an ACH member. The Funds may modify or terminate the AIP at any time without notice. The first AIP purchase will take place no earlier than 15 business days after the Transfer Agent has received your request to establish the AIP on your account.

If your payment is rejected by your bank, the Transfer Agent will charge a \$25 fee to your account. Any request to change or terminate an AIP should be submitted to the Transfer Agent at least five business days prior to the effective date of the next transaction.

### **Other Purchase Information**

The Advisor, the Funds, or the Funds’ distributor, Quasar Distributors, LLC (the “Distributor”) may waive the minimum investment requirements for purchases by certain groups or retirement plans. A charge may be imposed if a check used to make an investment does not clear. The Funds and their Distributor reserve the right to reject any investment, in whole or in part. Federal tax law requires that investors or their brokers provide a certified taxpayer identification number and other certifications when opening an account in order to avoid backup withholding of taxes. See the account application for more information about backup withholding. Shares of the Funds have not been registered for sale outside of the United States.

The Funds do not issue share certificates. All shares are held in non-certificated form on the books of the Funds, for the account of the shareholder. The Funds, under certain circumstances, may accept investments of securities appropriate for the respective Fund’s portfolio, in lieu of cash. Prior to making such

a purchase, you should call the Advisor to determine if such an investment may be made. The Advisor may, at its own expense, pay third parties for assistance in gathering assets for the Funds.

## **Services Available to Shareholders**

### **Retirement Plans**

The Funds offer Individual Retirement Account (“IRA”) plans. You may obtain information about opening an IRA account by calling 888.263.6443. If you wish to open a Keogh, Section 403(b) or other retirement plan, please contact your broker.

### **Fund Mailings**

Statements and reports that the Funds send to you include the following:

- Confirmation statements (after every transaction that affects your account balance or your account registration);
- Annual and Semi-Annual shareholder reports (every six months); and
- Quarterly account statements.

### **Householding**

In an effort to decrease costs, the Funds intend to reduce the number of duplicate prospectuses and Annual and Semi-Annual Reports you receive by sending only one copy of each to those addresses shared by two or more accounts and to shareholders we reasonably believe are from the same family or household. Once implemented, if you would like to discontinue householding for your accounts, please call toll-free at 888.263.6443 to request individual copies of these documents. Once the Funds receive notice to stop householding, we will begin sending individual copies thirty days after receiving your request. This policy does not apply to account statements.

## **How to Redeem Your Shares**

You have the right to redeem all or any portion of your shares of the Funds at their NAV per share on each day the NYSE is open for trading.

Before selling recently purchased shares, please note that if the Transfer Agent has not yet collected payment for the shares you are selling, it may delay sending the proceeds until the payment

is collected, which may take up to 15 calendar days from the purchase date.

## Redemptions Through Brokers

If you own your shares through a broker, you will have to contact your broker to redeem your shares. Redemption orders will be processed at the NAV per share next effective after receipt of the order from the broker. The broker is responsible for forwarding any documents required in connection with a redemption, including a signature guarantee, and the Fund may cancel the order if these documents are not received promptly. Your broker may charge you a fee for handling your redemption transaction.

## Redemptions for Direct Accounts

If you own your shares directly in your name through the Transfer Agent, you may redeem your shares by simply sending a written request to the Funds. You should give your account number and state whether you want all or part of your shares redeemed. The letter should be signed by all of the shareholders whose names appear on the account registration and sent to:

*By Regular Mail:*

Al Frank Funds  
c/o U.S. Bancorp Fund Services, LLC  
P.O. Box 701  
Milwaukee, Wisconsin 53201-0701

*By Overnight Delivery:*

Al Frank Funds  
c/o U.S. Bancorp Fund Services, LLC  
615 East Michigan Street, Third Floor  
Milwaukee, Wisconsin 53202

*Signature Guarantee.*

A signature guarantee of each owner is required to redeem shares in the following situations:

- If ownership is changed on your account;
- When redemption proceeds are payable or sent to any person, address or bank account not on record;
- Written requests to wire redemption proceeds (if not previously authorized on the account);

- When establishing or modifying certain services on an account;
- If a change of address was received by the Transfer Agent within the last 15 calendar days; and/or
- For all redemption requests exceeding \$100,000 from any shareholder account.

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

Signature guarantees will generally be accepted from domestic banks, brokers, dealers, credit unions, national securities exchanges, registered securities associations, clearing agencies and savings associations, as well as from participants in the New York Stock Exchange Medallion Signature Program and the Securities Transfer Agents Medallion Program. *A notary public is not an acceptable signature guarantor.*

## Redemptions by telephone.

If you have completed the Telephone Options portion of the account application and your Fund shares are held directly in your name, you may redeem shares directly on any business day the NYSE is open for trading by calling the Transfer Agent at 888.263.6443 before 4:00 p.m. Eastern time. Redemption proceeds will be sent on the next business day. You may have your proceeds sent by check to your address of record, wired to your designated bank account, or sent via electronic funds transfer through the ACH network to a pre-determined bank account. Wire charges, if any, will be deducted from your redemption proceeds on a complete or share certain redemption. In the case of a partial or dollar certain redemption, the wire fee will be deducted from the remaining account balance. You will not incur any charge to have proceeds sent by ACH; however, credit may not be available in your bank account for two to three days. The maximum redemption allowed by telephone is \$100,000. Amounts in excess of \$100,000 must be in writing and must include a signature guarantee as described above. The Advisor reserves the right to waive the maximum telephone redemption for certain accounts, such as omnibus or certain retirement plan accounts. The minimum amount that may be redeemed by telephone is \$1,000. Once a telephone transaction has been placed, it cannot be canceled or modified.

By using telephone redemption privileges, you authorize the Funds and their Transfer Agent to act upon the instruction of any person who makes the telephone call to redeem shares from your account and transfer the proceeds to the bank account designated in the account application. The Funds and the Transfer Agent will use procedures to confirm that redemption instructions received by telephone are genuine, including the recording of telephone instructions and requiring a form of personal identification before acting on these instructions. If these normal identification procedures are followed, neither the Funds nor the Transfer Agent will be liable for any loss, liability, or cost that results from acting upon instructions of a person believed to be a shareholder with respect to the telephone redemption privilege. The Funds may change, modify, or terminate these privileges at any time upon at least 60 days' notice to shareholders.

You may encounter higher than usual call wait times during periods of high market activity. Please allow sufficient time to ensure that you will be able to complete your telephone transaction prior to market close. If you are unable to contact the Funds by telephone, you may mail your redemption request in writing to the address noted above.

You may request telephone redemption privileges after your account is opened; however, the authorization form may require a separate signature guarantee. Contact the Transfer Agent at 888.263.6443 before submitting your request.

### **What Price is Used for Redemption?**

The redemption price is the NAV per share of a Fund's shares next determined after shares are validly tendered for redemption. All signatures of account holders must be included in the request, and a signature guarantee, if required, must also be included for the request to be valid.

### **When are Redemption Payments Made?**

If you own your shares through a broker, the broker will credit your account promptly in accordance with the broker's procedures. If you own your shares directly (in your own name), payments for redemptions are normally made on the day following the redemption, but no later than seven days after receipt of a request that meets the requirements described above. However, the Funds may suspend the right of redemption under certain extraordinary circumstances in accordance with the rules of the SEC.

### **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;
- You may generally only exchange shares of the same class;
- You may exchange between different classes if investment minimums are met;
- Before exchanging into a Fund, read about the Fund in this prospectus;
- Exchanges are considered a sale and purchase of Fund shares for tax purposes and may result in a capital gain or loss;
- 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;
- The minimum exchange amount between the Funds is \$1,000; and
- Redemption fees will not be assessed when an exchange occurs between the Funds. A new holding period begins after an exchange.

### **Systematic Withdrawal Plan**

The Funds offer a Systematic Withdrawal Plan ("SWP") whereby shareholders or their brokers may request that a check drawn in a predetermined amount be sent to them monthly, quarterly or annually. Proceeds of a SWP may also be sent via electronic funds transfer through the ACH network to the bank account of record. In order to utilize the electronic funds transfer method of payment, your bank must be an ACH member. To start the SWP, your account must have Fund shares with a value of at least \$10,000, and the minimum amount that may be withdrawn each month or quarter is \$50. The SWP may be terminated or modified by a shareholder or the Funds at any time without charge or penalty. A withdrawal under the SWP involves a redemption of shares of a Fund, and may result in a gain or loss for federal income tax purposes. In addition, if the

amount withdrawn exceeds any increase in the value of your account (due to asset appreciation or dividends credited to your account, for example), the account ultimately may be depleted. The redemption fee is currently waived on sales of Fund shares due to participation in the SWP.

## **Other Information about Redemptions**

A redemption may result in recognition of a gain or loss for federal income tax purposes. Due to the relatively high cost of maintaining smaller accounts, if you hold your shares in your name directly with a Fund and, due to redemptions you have made, the total value of your account is reduced to less than \$500, the shares in your account (unless it is a retirement plan or Uniform Gifts or Transfers to Minors Act account) may be redeemed by the Fund. If a Fund determines to make such a redemption, you will first be notified that the value of your account is less than \$500, and you will be allowed 30 days to make an additional investment to bring the value of your account to at least \$500 before the Fund takes any action.

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 a 10% withholding tax.

## **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 financial intermediaries and cannot always know or detect frequent trading that may be facilitated by the use of intermediaries or the use of group or omnibus accounts by those intermediaries. 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 2.00% redemption fee on the redemption of Fund shares held for 60 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 60 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 1940 Act, the 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 per share 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 does not represent the security's fair value), or when, in the judgment of the Advisor, events have rendered the market value unreliable (see, *e.g.*, discussion of non-U.S. securities below). 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 annually 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 a Fund's NAV per share 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 each Fund calculates its NAV per share. 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 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.

More information regarding fair value pricing can be found under the heading titled, "Pricing the Funds' Shares."

## **Redemption-in-Kind**

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 each Fund's remaining shareholders), in accordance with SEC rules, the Funds reserve the right to 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). If the 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.

## **Distributions and Taxes**

### **Dividends and Distributions**

Dividends from net investment income, if any, are normally declared and paid by each Fund in December. Capital gain distributions, if any, are also normally made in December, but each Fund may make an additional payment of dividends or distributions if it deems it desirable at another time during any year.

Dividends and capital gain distributions (net of any required tax withholding) 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 for the distribution.

Any dividend or distribution paid by a Fund has the effect of reducing the NAV per share on the ex-dividend date by the amount of the dividend or distribution. You should note that a dividend or distribution paid on shares purchased shortly before that dividend or distribution was declared will be subject to income taxes even though the dividend or distribution represents, in substance, a partial return of capital to you.

If you elect to receive dividends and/or capital gains paid in cash, and the U.S. Postal Service cannot deliver the check, or if a check remains outstanding for six months, the Funds reserve the right to reinvest the distribution check in your account, at the Funds' current NAV per share, and to reinvest all subsequent distributions.

## **Taxes**

Distributions made by each Fund will be taxable to shareholders whether received in shares (through dividend reinvestment) or in cash. Distributions derived from net investment income, including net short-term capital gains, are taxable to shareholders as ordinary income or, under current law, as qualified dividend income, depending on the source of such income to the distributing Fund and the holding period of the Fund for its dividend-paying securities and of you for your Fund shares. Distributions designated as capital gain dividends are taxable as long-term capital gains regardless of the length of time you have owned your Fund shares. The maximum capital gains rate for corporate shareholders is the same as the maximum tax rate for ordinary income. Although distributions are generally taxable when received, certain distributions made in January are taxable as if received the prior December. If you redeem shares, part of your redemption proceeds may represent your allocable share of the distributions made by a Fund relating to that tax year. You will be informed annually of the amount and nature of each Fund's distributions. If you sell or exchange your Fund shares, it is considered a taxable event for you. Depending on the purchase price and the sale price of the shares you sell or exchange and your adjusted tax basis for the shares, you may have a gain or a loss on the transaction. 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. You are responsible for any tax liabilities generated by your transaction. You should consult your own tax advisor concerning federal, state and local taxation of distributions from a Fund.

## **Distribution and Service Fees**

The Trust has adopted a distribution and service plan pursuant to Rule 12b-1 of the 1940 Act ("Rule 12b-1 Plan"). This Rule 12b-1 Plan allows each Fund's Investor Class to pay distribution fees for the sale and distribution of its shares and for services provided to its shareholders. The maximum amount of the fee authorized is 0.25% of each Fund's Investor Class Shares average daily net assets annually. In general, these fees are passed on to brokers to compensate them for their ongoing servicing of Fund shareholders. Because these distribution fees are paid out of each Fund's Investor Class assets on an on-going basis, over time these fees will increase the cost of your investment in either Fund's Investor Class Shares and may cost you more than paying other types of sales charges.

In addition to paying fees under each Fund's Rule 12b-1 Plan, the Funds' Investor Class Shares 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 payouts or non-cash compensation to intermediaries who sell shares of the Funds, including affiliates of the Advisor. Such payments and compensation are in addition to the sales charges (including Rule 12b-1 fees) and services fees paid by the Funds. 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 Fund shareholders. The Advisor may also pay cash compensation in the form of finder's fees that vary depending on the Fund and the dollar amount of the shares sold.

## **Financial Highlights**

The financial highlights tables are intended to help you understand each Fund's financial performance for the periods shown. Certain information reflects financial results for a single Fund share. The total returns in the tables 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 was audited by Tait, Weller & Baker LLP, the Funds' independent registered public accounting firm, whose report, along with the Funds' financial statements, are included in the Funds' Annual Report, which is available upon request.

## AI Frank Fund—Investor Class

For a share outstanding throughout each year

	Year Ended December 31,				
	2008	2007	2006	2005	2004
Net asset value, beginning of year	\$30.98	\$32.84	\$30.46	\$28.44	\$24.56
Income from investment operations:					
Net investment income/(loss)	0.14 <sup>^</sup>	0.04 <sup>^</sup>	(0.09) <sup>^</sup>	(0.17) <sup>^</sup>	(0.11)
Net realized and unrealized gain/(loss) on investments	(13.65)	1.34	3.16	3.30	3.98
Total from investment operations	(13.51)	1.38	3.07	3.13	3.87
Less distributions:					
From net investment income	(0.14)	(0.05)	—	—	—
From net realized gain on investments	—	(3.19)	(0.70)	(1.12)	(0.01)
	(0.14)	(3.24)	(0.70)	(1.12)	(0.01)
Redemption fees retained	0.00 <sup>^</sup> #	0.00 <sup>^</sup> #	0.01 <sup>^</sup>	0.01 <sup>^</sup>	0.02
Net asset value, end of year	\$17.33	\$30.98	\$32.84	\$30.46	\$28.44
Total return	(43.60)%	4.05%	10.09%	11.06%	15.83%
<b>Ratios/supplemental data:</b>					
Net assets, end of year (thousands)	\$102,834	\$240,064	\$278,559	\$264,186	\$259,307
Ratio of expenses to average net assets:					
Before expense reimbursement	1.65%	1.58%	1.62%	1.63%	1.61%
After expense reimbursement	1.49%	1.49%	1.62%	1.63%	1.61%
Ratio of net investment income/(loss) to average net assets:					
Before expense reimbursement	0.39%	0.02%	(0.29%)	(0.57%)	(0.41%)
After expense reimbursement	0.55%	0.11%	(0.29%)	(0.57%)	(0.41%)
Portfolio turnover rate	6.19%	1.70%	17.75%	3.84%	24.59%

<sup>^</sup> Based on average shares outstanding.

# Amount is less than \$0.01.

## AI Frank Fund—Advisor Class

For a share outstanding throughout each period

	Year Ended December 31, 2008	December 31, 2007	April 30, 2006* Through December 31, 2006
Net asset value, beginning of period	\$31.05	\$32.90	\$33.42
Income from investment operations:			
Net investment income/(loss)	0.21 <sup>^</sup>	0.13 <sup>^</sup>	(0.06) <sup>^</sup>
Net realized and unrealized gain/(loss) on investments	(13.70)	1.34	0.24
Total from investment operations	(13.49)	1.47	0.18
Less distributions:			
From net investment income	(0.22)	(0.14)	—
From net realized gain on investments	—	(3.19)	(0.70)
	(0.22)	(3.33)	(0.70)
Redemption fees retained	0.01 <sup>^</sup>	0.01 <sup>^</sup>	0.00 <sup>^</sup> #
Net asset value, end of period	\$17.35	\$31.05	\$32.90
Total return	(43.41)%	4.35%	0.52%+
<b>Ratios/supplemental data:</b>			
Net assets, end of period (thousands)	\$3,815	\$8,078	\$6,468
Ratio of expenses to average net assets:			
Before expense reimbursement	1.40%	1.33%	1.45%**
After expense reimbursement	1.24%	1.24%	1.45%**
Ratio of net investment income/(loss) to average net assets:			
Before expense reimbursement	0.65%	0.28%	(0.28)**
After expense reimbursement	0.81%	0.37%	(0.28)**
Portfolio turnover rate	6.19%	1.70%	17.75%+

\* Commencement of operations.

\*\* Annualized.

+ Not annualized.

<sup>^</sup> Based on average shares outstanding.

# Amount is less than \$0.01.

## AI Frank Dividend Value Fund—Investor Class

For a share outstanding throughout each period

	2008	Year Ended December 31,		2005	September 30, 2004* Through December 31, 2004
	2008	2007	2006	2005	2004
Net asset value, beginning of period	\$13.02	\$13.33	\$11.89	\$11.06	\$10.00
Income from investment operations:					
Net investment income	0.11 <sup>^</sup>	0.06 <sup>^</sup>	0.07 <sup>^</sup>	0.04 <sup>^</sup>	0.02
Net realized and unrealized gain/(loss) on investments	(4.76)	0.23	1.72	0.83	1.06
Total from investment operations	(4.65)	0.29	1.79	0.87	1.08
Less distributions:					
From net investment income	(0.12)	(0.06)	(0.07)	(0.03)	(0.02)
From net realized gain on investments	(0.00) <sup>#</sup>	(0.54)	(0.28)	(0.02)	—
	(0.12)	(0.60)	(0.35)	(0.05)	(0.02)
Redemption fees retained	0.00 <sup>^#</sup>	0.00 <sup>^#</sup>	0.00 <sup>^#</sup>	0.01 <sup>^</sup>	0.00 <sup>#</sup>
Net asset value, end of period	\$ 8.25	\$13.02	\$13.33	\$11.89	\$11.06
Total return	(35.66)%	2.13%	15.05%	7.95%	10.77%+
<b>Ratios/supplemental data:</b>					
Net assets, end of period (thousands)	\$14,374	\$27,746	\$30,171	\$25,950	\$16,144
Ratio of expenses to average net assets:					
Before expense reimbursement	2.32%	2.12%	2.07%	2.13%	2.84%**
After expense reimbursement	1.98%	1.98%	1.98%	1.98%	1.98%**
Ratio of net investment income/(loss) to average net assets:					
Before expense reimbursement	0.65%	0.27%	0.43%	0.17%	(0.14%)**
After expense reimbursement	0.99%	0.41%	0.52%	0.33%	0.75%**
Portfolio turnover rate	3.61%	4.49%	7.77%	8.83%	1.57%+

\* Commencement of operations.

\*\* Annualized.

+ Not annualized.

<sup>^</sup> Based on average shares outstanding.

<sup>#</sup> Amount is less than \$0.01.

## AI Frank Dividend Value Fund–Advisor Class

For a share outstanding throughout each period

	Year Ended December 31, 2008	December 31, 2007	April 30, 2006* Through December 31, 2006
Net asset value, beginning of period	\$12.99	\$13.32	\$13.18
Income from investment operations:			
Net investment income	0.14 <sup>^</sup>	0.08 <sup>^</sup>	0.10 <sup>^</sup>
Net realized and unrealized gain/(loss) on investments	(4.76)	0.22	0.42
Total from investment operations	(4.62)	0.30	0.52
Less distributions:			
From net investment income	(0.15)	(0.10)	(0.10)
From net realized gain on investments	(0.00) <sup>#</sup>	(0.54)	(0.28)
	(0.15)	(0.64)	(0.38)
Redemption fees retained	—	0.01 <sup>^</sup>	0.00 <sup>^</sup> #
Net asset value, end of period	<u>\$ 8.22</u>	<u>\$12.99</u>	<u>\$13.32</u>
Total return	(35.48)%	2.26%	3.95%+
<b>Ratios/supplemental data:</b>			
Net assets, end of period (thousands)	\$156	\$177	\$671
Ratio of expenses to average net assets:			
Before expense reimbursement	2.07%	1.87%	1.86%**
After expense reimbursement	1.73%	1.73%	1.73%**
Ratio of net investment income to average net assets:			
Before expense reimbursement	0.95%	0.44%	1.00%**
After expense reimbursement	1.28%	0.58%	1.13%**
Portfolio turnover rate	3.61%	4.49%	7.77%+

\* Commencement of operations.

\*\* Annualized.

+ Not annualized.

<sup>^</sup> Based on average shares outstanding.

# Amount is less than \$0.01.

## **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
- 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 parties 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 non-public information with the same high degree of confidentiality.**

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

**Advisor**

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32392 Coast Highway, Suite 260  
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alfrankfunds.com

**Distributor**

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Milwaukee, Wisconsin 53202

**Custodian**

U.S. Bank N.A.  
Custody Operations  
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Milwaukee, Wisconsin 53212

**Transfer Agent and Fund Administrator**

U.S. Bancorp Fund Services, LLC  
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Milwaukee, Wisconsin 53202

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New York, New York 10022-3205

# Al Frank Fund

Investor and Advisor Classes

## Al Frank Dividend Value Fund

Investor and Advisor Classes

Each a series of Advisors Series Trust

### FOR MORE INFORMATION

The Statement of Additional Information (SAI) includes additional information about the Funds and is incorporated by reference into this Prospectus.

The Funds' Annual and Semi-Annual Reports to shareholders (the "Shareholder Reports") contain additional information about the Funds' investments. The Annual Report includes a discussion of the market conditions and investment strategies that significantly affected the Funds' performance during their previous fiscal year.

The SAI and Shareholder Reports are available free upon request. To request them or other information, or to ask any questions, please call or write:

888.263.6443 (Shareholder Services)

Al Frank Funds  
c/o U.S. Bancorp Fund Services, LLC  
615 East Michigan Street, Third Floor  
Milwaukee, Wisconsin 53202

You may also obtain a free copy of the SAI and Shareholder Reports on the Funds' website at [www.alfrankfunds.com](http://www.alfrankfunds.com).

The SAI and other Fund information may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Call (202) 551-8090 for information about its operations.

Reports and other Fund information are also available on the SEC's internet site at [www.sec.gov](http://www.sec.gov). Copies of this information may be obtained, upon payment of the proper duplicating fees, by writing to the SEC's Public Reference Section, Washington, DC 20549-0213 or by email at [www.publicinfo@sec.gov](mailto:www.publicinfo@sec.gov).

(The Trust's SEC Investment Company Act file number is 811-07959.)

For customer service, including purchase, redemption and exchanges, as well as account maintenance issues, including change of shareholder privileges and change of address, call our customer service team toll-free at:

**888.263.6443**

The Al Frank Funds website contains a variety of resources for both current and potential shareholders, including:

- Performance through the most recent quarter and month end
- Market commentary by John Buckingham, Chief Investment Officer
- E-mail newsletter sign-up page to receive the Buckingham Report
- Applications, including new account forms, IRA and IRA transfer forms
- Daily fund prices

All of this information and more is available at:

**alfrankfunds.com**

*The Funds' investment objectives, risks, charges and expenses must be considered carefully before investing and are contained in the prospectus. Read it carefully before investing.*

***Mutual fund investing involves risk. Principal loss is possible. Investing in securities of small- and medium-capitalization companies will involve greater price volatility than large-capitalization companies.***

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