



PACIFIC INCOME ADVISERS

PIA MBS BOND FUND

The Firm

Year Founded: 1986

Ownership: Independent and Employee-owned

Location: Santa Monica, California

Number of Employees: 36

Firm Assets: \$4.5 billion

GIPS Compliant: Yes

GIPS Verified: Yes (Auditor: Ashland Partners)

Investment Objectives

The PIA MBS Bond Fund seeks to provide a total rate of return that approximates that of mortgage-backed securities (MBS) included in the Barclays Capital MBS Fixed Rate Index.

Principal Investment Strategies

The PIA MBS Bond Fund invests primarily in bonds that meet the criteria for inclusion in the MBS Index. The weighted average duration of the PIA MBS Bond Fund will generally range from plus or minus one year of the index.

Asset Allocation: The PIA MBS Bond Fund invests primarily (normally at least 80% of its net assets) in bonds that meet the criteria for inclusion in the MBS Index. The MBS Index represents the universe of mortgage-backed securities issued by the Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA) and Federal Home Loan Mortgage Corporation (FHLMC). Refer to the Fund's prospectus and Statement of Additional Information (SAI) for more details on allowable investments.

Security Selection: The PIA MBS Bond Fund purchases securities that are eligible to be included in the MBS Index. After having determined the types of MBS in which to invest and the target duration, the Adviser looks for the most attractive yields in the various asset classes. The Adviser attempts to approximate the MBS Index coupon distribution, as well as the distribution of other characteristics. For a number of reasons, bonds in one sector of the PIA MBS Bond Fund may have higher or lower yields, on a risk-adjusted basis, and higher or lower allocations than bonds in the equivalent sector of the MBS Index.

Annual Returns (in % As of 12/31/09)

	2009	2008	2007	2006
PIA MBS Bond Fund	6.08	8.09	6.89	4.50**
Barclays Capital MBS Fixed Rate Index	5.75	8.52	6.96	4.40**

Quarterly and Annualized Returns (in % As of 12/31/09)

Gross Expense Ratio: 0.60% *Net Expense Ratio: 0.19%	4Q09	YTD	1 Year	3 Year	Inception (2/28/06)
PIA MBS Bond Fund	0.75	6.08	6.08	7.02	6.66
Barclays Capital MBS Fixed Rate Index	0.55	5.75	5.75	7.07	6.69

*The Adviser has agreed to voluntarily reimburse the Funds to the extent necessary to ensure the net Annual Fund Operating Expense do not exceed 0.00%. The Adviser may discontinue reimbursing the Fund at any time.

**The inception date of the fund was 2/28/06. YTD numbers for 2006 represent performance from 2/29/06 through 12/31/06

Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 1-800-251-1970. Investment performance reflects fee waivers in effect. In the absence of such waivers, total return would be reduced.

Portfolio Overview

Ticker: PMTGX

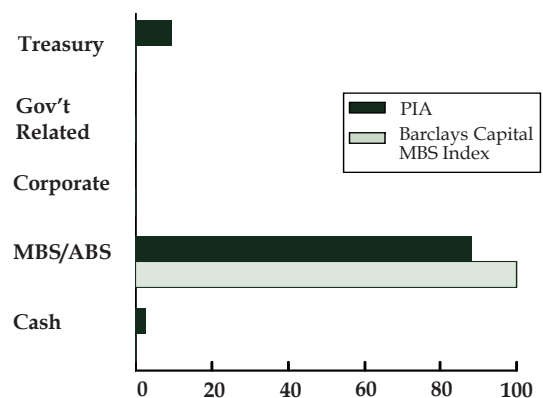
Benchmark: Barclays Capital MBS Fixed Rate Index

Fund Assets: \$104 million

Portfolio Characteristics

	PIA	Barclays Capital MBS Index
Duration	2.7	3.7
Weighted Avg Life	3.5 yrs	6.2 yrs
Avg. Credit Rating	AAA	AAA
30 Day SEC Yield (subsidized)	4.2%	N/A
30 Day SEC Yield (unsubsidized)	4.0%	N/A

Sector Allocation



Disclosures

Pacific Income Advisers, Inc. (PIA) is an autonomous investment management firm registered under the Investment Advisers Act of 1940. PIA manages a variety of fixed income, equity, and balanced assets for primarily United States clients.

The information contained herein is based on internal research derived from various sources and does not purport to be statements of all material facts relating to the securities mentioned.

Mutual Fund investing involves risk. Principal loss is possible. Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities. Investments in mortgage-backed securities involve additional risks, such as credit risk, prepayment risk, possible illiquidity and default, and susceptibility to adverse economic developments.

Fund holdings and/or sector allocations are subject to change at any time and are not recommendations to buy or sell any security.

The fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The prospectus contains this and other important information about the investment company, and it may be obtained by calling 800-251-1970 or visiting www.PIAMutualFunds.com. Read it carefully before investing.

The Barclays Capital MBS Fixed Rate Index (The MBS Index) is an unmanaged index that covers the mortgage-backed pass-through securities of Ginnie Mae (GNMA), Fannie Mae (FNMA) and Freddie Mac (FHLMC). The MBS Index is formed by grouping the universe of over 600,000 individual fixed rate MBS pools into approximately 3,500 generic aggregates. Each aggregate is a proxy for the outstanding pools for a given agency, program, issue year and coupon. The index maturity and liquidity criteria are then applied to these aggregates to determine which qualify for inclusion in the index. About 600 of these generic aggregates meet the criteria. You can not invest directly in an index.

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

Average Credit Rating is a specification of a bond issuer's probability of defaulting based on an analysis of the issuer's financial condition and profit potential. Bond rating services are provided by Standard & Poor's, Moody's Investors Service, and Fitch Investors Service. Bond ratings start at AAA (denoting the highest investment quality) and usually end at D (meaning payment is in default).

SEC Yield is a standardized yield computed by dividing the net investment income per share earned during the 30-day period prior to quarter-end. The SEC Yield was created to allow for fairer comparisons among bond funds. The SEC yield (subsidized) reflects the effects of the fee waiver in place and the (unsubsidized) yield does not reflect the effects of the fee waiver.

The PIA Funds are distributed by Quasar Distributors, LLC (1/10)