

WORLD COMMODITYSM FUND

WCOMX

ANNUAL REPORT

For year ended:
September 30, 2011

www.worldcommodityfunds.com

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WorldCommoditySM Fund
September 30, 2011 (Unaudited)

Top Holdings* (% of Net Assets)	
Vulcan Materials Co.	13.82
Western Refining, Inc.	13.39
United States Steel Corp.	13.25
Birchcliff Energy Ltd.	6.25
Berkshire Hathaway, Inc. Class B	5.34
Potash Corp of Saskatchewan, Inc.	4.49
WPG Resources Ltd.	4.40
Mosaic Co.	4.21
Swedish Export Credit Corp. Elements	4.20
Rogers International Commodity Index®	
Agriculture Total Return SM Linked Securities	
Cliffs Natural Resources, Inc.	4.03
OneSteel Limited	1.42
CF Industries Holdings, Inc.	1.33
Petroplus Holdings, AG	1.21
New Gold Inc. Warrants (6/28/2017)	1.15
Cequence Energy Ltd.	1.14
New Gold Inc. Warrants (4/3/2012)	1.00
Franco-Nevada Corp. Warrants (3/13/2012)	<u>0.84</u>
	81.47%

Country Holdings* (% of Net Assets)	
United States	55.45
Canada	19.52
Australia	5.82
Sweden	5.36
Switzerland	1.21
New Zealand	0.08
Bermuda	<u>0.04</u>
	<u>87.48</u>

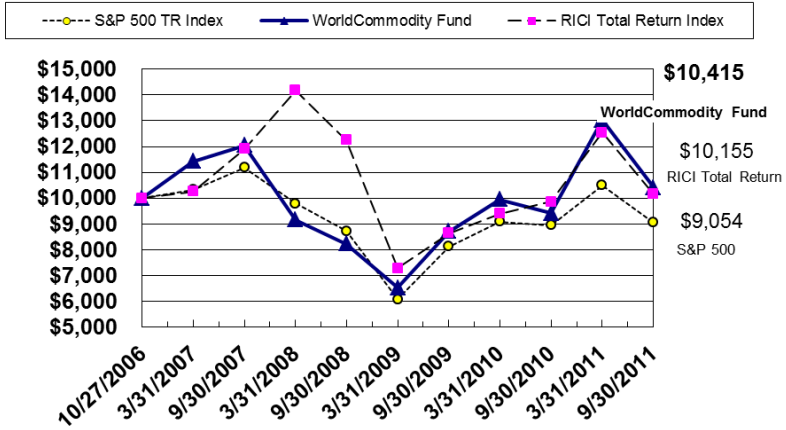
Commodity Sectors (% of Net Assets)	
Metals	29.20
Energy	24.10
Multi-Sector & Misc.	19.80
Agriculture	14.38
Cash**	<u>12.52</u>
	100.00%

*Excludes cash and cash equivalents

**Includes money market funds and other assets net of liabilities

Investment Performance Graph (Unaudited)

Value of \$10,000 Invested At Inception WorldCommodity Fund vs. S&P 500 and RIC1



The chart above covers the period from inception of the Fund (October 27, 2006) to the end of the most recent period (September 30, 2011).

Note: The following notes pertain to the chart above as well as the performance table included below. Performance information in this report represents past performance and is not a guarantee of future results. The investment return and principal value of an investment in the Fund will fluctuate, so that an investor's shares when redeemed may be worth more or less than their original cost. Current performance may be higher or lower than performance quoted within. Any questions you have, including obtaining the latest month-end performance, can be answered by calling the Fund at 1-800-595-4922.

The S&P 500® Total Return Index is an unmanaged index comprised of 500 stocks selected for market capitalization, liquidity, and industry group representation. The RIC1® TR is an unmanaged, total return index representing 38 exchange-traded commodities. The S&P 500® and RIC1® TR are used for comparative purposes. The WorldCommodity Fund™ is not designed to track the S&P 500® or the RIC1® TR indexes and its performance will differ from these benchmarks.

The chart above and table below do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Average annual total returns are historical in nature and measure net investment income and capital gain or loss from portfolio investments assuming reinvestment of dividends.

Investment Performance (Unaudited)

Below is a comparison of the WorldCommoditySM Fund's performance with that of two unmanaged, total return indexes, (both with dividends reinvested), that of the *Standard & Poor's 500® Total Return Index* and the *Rogers International Commodity Index® Total Return* from the inception of the Fund on October 27, 2006 through September 30, 2011.

	Six Months Ended	One Year Ended	Since Inception 10/27/2006 to 9/30/2011**
WorldCommoditySM Fund (WCOMX)	9/30/2011*	9/30/2011	
	-20.08%	10.46%	0.83%
Rogers International Commodity Index® Total Return	-19.01%	3.02%	0.31%
S&P 500® Total Return Index	-13.78%	1.44%	-1.99%

*Returns are cumulative, not annualized

**Returns are annualized

Note: The S&P 500® Total Return Index is an unmanaged index comprised of 500 stocks selected for market capitalization, liquidity, and industry group representation. The RICI® TR is an unmanaged, total return index representing 38 exchange-traded commodities. The S&P 500® and RICI® TR incur no fees, expenses or tax effects and are shown solely for comparative purposes. The WorldCommodity FundTM is not designed to track the S&P 500® or the RICI®TR indexes and its performance will differ from these benchmarks.

Management Discussion & Analysis For the Year Ended September 30, 2011

WorldCommodity Fund
November 21, 2011

To the Shareholders and Directors of the WorldCommodity Fund:

In managing the Fund, our strategy is to look globally among all equity markets for companies, countries and currencies that will benefit from the continued rise of global commodity prices, as measured best by the Rogers International Commodity Index®.

As shown in the preceding table titled *Commodity Sectors*, 29% of the Fund's portfolio is invested in securities which we believe will perform well with rising metals prices and 24% with rising energy prices. The best performing commodity sector for the one year period ending September 30, 2011 (as measured by the Rogers Commodity Indexes) was in fact the agriculture sector:

Rogers International Commodity Index® Agriculture Total Return
RICI®-A™ 4.92%

Rogers International Commodity Index® Energy Total Return
RICI®-E™ 3.37%

Rogers International Commodity Index® Metals Total Return
RICI®-M™ -2.94%

What factors influenced performance?

The WorldCommodity Fund's (WCOMX) return of positive 10.46% for the year ended September 30, 2011 outperformed the Rogers International Commodity Index®, all of the RICI® sub-indexes as shown above, and the S&P 500® Total Return Index.

The Fund's performance can be attributed to the following:

Strengths:

- Increased exposure to gasoline and other refined crude products
- Minimal exposure to crude oil production or oil services companies
- Exposure to precious metals, especially gold
- Reduced exposure to weakening Australian & Canadian dollars in second half of the period
- Increased cash position in the second half of the period

Weaknesses:

- Not enough exposure to rising prices for agriculture products

Management Discussion & Analysis (Continued) For the Year Ended September 30, 2011

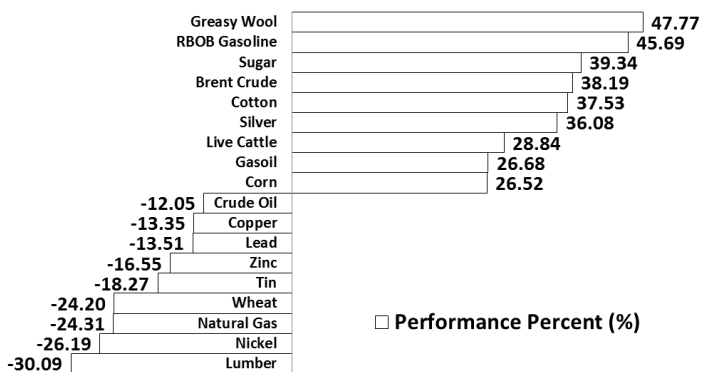
Welcome

We have many new shareholders to welcome this year, due in part to the Fund's past performance relative to its peers (other natural resource and energy funds) as well as exposure/ratings at leading independent data providers Morningstar, Lipper and Standard & Poor's/S&P. Moreover, the Fund is now available for purchase on at least 10 new brokerage platforms with more to come in 2012. I thank you all for your support and look forward to the coming year.

With so many new shareholders, let's review where we started the year on October 1, 2010 (our fiscal year). Prices for equities in the U.S. were still depressed in our view, with much bearishness and news headlines dominated by concerns about upcoming 2010 mid-term elections. The Fund started the year with less than 1% in cash, being particularly excited about prospects for the business of refining crude oil into gasoline/diesel fuel which we wrote about in last year's letter. With this in mind, we sold positions in nickel and zinc mining companies (Kagara Ltd. and Minara Resources Ltd.) to build a new position in Western Refining, Inc. (WNR), a company which refines crude petroleum into gasoline/diesel fuel.

As it turned out, the Fund was well positioned for 2011 with 90% of the portfolio focused in the following select sectors; iron and coal, gold/silver mining and royalties, Canadian natural gas producers, refining – producers of gasoline (RBOB), diesel fuel, kerosene and fertilizer (nitrogen, phosphate, potash).

Best & Worst Performing Commodities within the RIC 10/1/2010 thru 9/30/2011



Management Discussion & Analysis (Continued) For the Year Ended September 30, 2011

How did individual commodity prices perform in 2011?

Recalling that the RICI® is made up of 38 different commodity futures contracts, the table above titled "Best & Worst Performing Commodities within the RICI®" highlights just the top and bottom individual commodities in the Rogers International Commodity Index® in terms of performance for the year ending 9/30/2011.

Best Performing Sectors: RBOB Gasoline, Gasoil, Silver, Corn, Fertilizer, Iron Ore

Most notable for us this year is the performance of gasoil and RBOB gasoline (or unleaded gasoline) which was the #2 performer within the RICI®, rising 45.69% in the year ending 9/30/11. This had a direct impact on earnings at Western Refining, Inc. (WNR) where we had anticipated that prices of unleaded gasoline would rise regardless of one's outlook for WTI (West Texas Intermediate) crude oil. It was our view that refined gasoline and diesel prices would rise faster than the cost of the inputs which for WNR is WTI crude oil. In fact, profit margins increased dramatically from negative to above \$30/barrel for refiners that relied on WTI rather than European/Brent crude oil. For this reason among others, we concentrated our position in WNR which has no direct exposure to higher Brent crude prices.

Worst Performing Sectors: Nickel, Tin, Zinc, Lead, Copper

You will see from the above table that futures prices for European Brent crude oil rose 38%. This was very negative for Petroplus Holdings, AG, a refiner of gasoline in Switzerland which the Fund owns. Petroplus has the ability to process lower quality grades of crude which we thought would be helpful if Brent prices remained high. Unfortunately, this wasn't the case, as the company dealt with strikes at its plants as well. Natural gas prices were one of the worst performers in 2011, but our core holding Birchcliff Energy, Inc. is doing well.

Investing style and Sir John Templeton

Sir John Templeton is widely considered to be one of the most successful practitioners of value investing over the last 100 years. Sir John, the investor, pioneer of diversified global investing, writer, and philanthropist, passed away at the age of 95 on June 8, 2008. In *Memorandum*, one of his last memos published posthumously, Sir John predicts the coming "acceleration in the cost of living" (rising inflation and commodity prices) and gives advice on how to prosper during the period.

Management Discussion & Analysis (Continued) For the Year Ended September 30, 2011

Excerpted from:

MEMORANDUM, by Sir John M. Templeton
June 15, 2005

“Financial Chaos – probably in many nations in the next five years. The word chaos is chosen to express likelihood of reduced profit margin at the same time as acceleration in cost of living.

Not yet have I found any better method to prosper during the future financial chaos, which is likely to last many years, than to keep your net worth in shares of those corporations that have proven to have the widest profit margins and the most rapidly increasing profits. Earning power is likely to continue to be valuable, especially if diversified among many nations.”

(Source: Newsmax.com)

Investing Style

Recently, I have been asked, what style of investing do we practice, or do we have an investment style? Is it growth, value, GARP (growth at a reasonable price)? Professional investors it seems are very interested in knowing what style of investing we claim to practice. Investor, Warren Buffett, has famously said all investing is ‘value investing’. If one does any reading in the ‘value investing’ genre they will soon discover that investments in physical commodities and commodity futures as an asset class are often ignored or discouraged. Many mainstream proponents of value investing hold that commodities as an asset class have no income stream and therefore are considered not proper investments.

Profit growth, Profit margins, + Reserves +Reserve growth

Rather than styles, we tend to focus on the fundamentals which we consider to be; profits, profit growth, profit margins. For natural resource based companies we add to these reserves and reserve growth. In many cases the true value of a mining company or energy company is the value of its reserves of (oil/gold) in the ground and the potential for growth of those reserves. The best example of this in our portfolio to date has been Birchcliff Energy, Inc. (BIR:CN). In 2009, we felt the stock market was severely undervaluing BIR’s reserves of natural gas and the growth in that reserve base. This spring’s nuclear accident in Fukushima, Japan reinforced and increased our estimates for the value of BIR’s natural gas reserves.

Management Discussion & Analysis (Continued) For the Year Ended September 30, 2011

In most commodity-related businesses and industries profits are directly related to the direction of the underlying commodity price....higher gold prices means higher earnings for the gold mining industry. In 2011, the Fund also benefited from higher corn prices (fertilizer industry), higher gasoline prices (refining), higher iron ore prices (iron ore mining). For this reason, much energy is spent anticipating the supply/demand fundamentals in the underlying commodity. However, where possible we seek to find businesses where we believe profits can grow regardless of our view of the price of the underlying commodity.

Despite flat natural gas prices, Birchcliff (see table below) is finding more gas, selling more gas, and making more profit for every unit of gas/oil sold. Not unlike Coca-Cola, Inc. in its best days, this formula combined with excellent management is a recipe for success.

Birchcliff Energy, Inc. (BIR:CN): Purchase date 12/10/2009

	9/30/2009	9/30/2011	Change(%)
Natural Gas Price*	\$3.78	\$3.78	No Change
Revenues	\$98 mn CAD	\$172 mn CAD	UP 75%
Earnings	Minus \$32 mn CAD	\$44 mn CAD	UP 237%
Operating Costs/boe	\$9.27	\$6.39	Down 31%
Reserves	99 MM boe	229 MM boe	UP 131%
Market Value	\$919 mn USD	\$1.21 bn USD	UP 31%

*AECO= Alberta Energy Company, benchmark price, boe+ barrel of oil equivalent, CAD=Canadian dollar, USD=U.S. dollar,

Source: Birchcliff Energy, Inc.

Berkshire Hathaway as a natural resource company?

In the "Schedule of Investments" you will find three new holdings; Vulcan Materials Co. (VMC), United States Steel Corp. (X) and Berkshire Hathaway, Inc. (BRK.B). We will have more to say about these companies in the next report.

Berkshire Hathaway shares were acquired in mid-August in part as an alternative to holding low yielding cash. The position was accumulated prior to the company's historic buyback announcement on September 26, 2011. In the Warren Buffet era (over 40 years), Berkshire Hathaway has never paid a dividend nor purchased its own shares on the open market. In September, the Board approved a program authorizing the company to repurchase shares "at prices no higher than a 10% premium over the then-current book value of the shares". Upon closer look however, BRK is increasingly looking like a potential commodity-related company as defined in the Fund's prospectus and

Management Discussion & Analysis (Continued) For the Year Ended September 30, 2011

may soon develop into one of largest commodity-related companies in the world.

From the prospectus:

"A company will be considered to be a "commodity-related company" if it directly or indirectly, derives at least 50% of its revenues from exploration, development, production, distribution or facilitation of processes relating to commodities. A company may also be considered if it devotes 50% or more of its total assets to producing revenues from the commodities sector. All companies with substantial business in these areas will be considered "commodity-related companies" for purposes of the Fund's investment policies."

Already one of the largest companies in the world, Berkshire Hathaway has steadily built a presence in commodities. Its pipelines carry 8% of natural gas in the U.S.; its regulated utility, MidAmerican Energy, has built 2,909 megawatts of wind generation (#1 in U.S.). 'Commodity-related' businesses are approaching 40% of total assets at BRK:

- Railroad Burlington Northern Sante Fe (BNSF)
- Energy Electric utilities
- Energy Pipelines
- Manufacturing Marmon Group (Tank cars/water treatment)
- Insurance Equity holdings in POSCO (steel),
ConocoPhillips (oil/refining), BYD (batteries)

What changes in the portfolio were made?

During the last six months, the Fund materially acquired the following securities that were not owned at March 31, 2011 which are listed as portfolio investments at September 30, 2011:

- Vulcan Materials Co. Mining – Quarry Aggregate
- United States Steel Corp. Steel - Production
- Berkshire Hathaway, Inc. Class B Misc.–Diversified Conglomerate
- Potash Corp. of Saskatchewan Agri Chemicals - Fertilizer
- OneSteel Limited Steel - Production

Fund shareholders should keep in mind that the above discussion applies to the Fund's portfolio as of September 30, 2011 and may not reflect changes occurring subsequent to the end of the period.

Sincerely,
Jim Llewellyn
Portfolio Manager