

*The American Trust*  
Allegiance Fund

One Court Street  
Lebanon, New Hampshire 03766

PROSPECTUS

JUNE 28, 2007

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

## **THE AMERICAN TRUST ALLEGIANCE FUND**

A series of Advisors Series Trust (the "Trust")

One Court Street  
Lebanon, New Hampshire 03766  
www.allegiancefund.com

**Trading Symbol: ATAFX**

**The American Trust Allegiance Fund** (the "Fund") is a mutual fund with the investment objective of capital appreciation. The Fund attempts to achieve its objective by investing in equity securities.

The Fund's investment advisor is American Trust Investment Advisors, LLC (the "Advisor").

This Prospectus sets forth basic information about the Fund that prospective investors should know before investing. It should be read and kept for future reference.

**Please see the Fund's Privacy Notice on the inside back cover.**

**Prospectus dated June 28, 2007**

## Table of Contents

|  |                   |
|--|-------------------|
| Investment Objective, Strategies and Related Risks . . . . . | 4                 |
| Fund Performance . . . . .                                   | 6                 |
| Fees and Expenses . . . . .                                  | 8                 |
| Portfolio Holdings Information . . . . .                     | 9                 |
| Investment Advisor . . . . .                                 | 9                 |
| Shareholder Information . . . . .                            | 10                |
| How to Purchase Shares of the Fund . . . . .                 | 12                |
| How to Redeem Your Shares . . . . .                          | 16                |
| Tools to Combat Frequent Transactions . . . . .              | 19                |
| Distributions and Taxes . . . . .                            | 21                |
| Financial Highlights . . . . .                               | 22                |
| PRIVACY NOTICE . . . . .                                     | Inside back cover |

## **Investment Objective, Strategies and Related Risks**

### **What is the Fund's Investment Objective?**

The investment objective of the Fund is to seek capital appreciation.

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

The Advisor selects stocks for the Fund's portfolio that it expects will appreciate in value over the long term. The Advisor uses a "bottom up" approach to stock investing and does not attempt to forecast the U.S. economy, interest rates, inflation or the U.S. stock market. It focuses on finding companies that meet its financial criteria, including either a history of consistent earnings and revenue growth or strong prospects of earnings and revenue growth, and a strong balance sheet. The Advisor purchases the securities of a company with the intention of holding them for a minimum of three years, subject to changes in fundamentals, such as marked deceleration in earnings growth, decline in revenues or deterioration of the balance sheet, or a change in a company's valuation or competitive position. Companies should demonstrate leadership, operating momentum and strong prospects for annual growth rates of 10% or better. Normally, the companies in which the Fund invests represent the eight major economic or market sectors: consumer discretion, consumer staples, energy, financial services, technology, utilities, telecommunications, and materials.

The Fund avoids investments in companies that have significant involvement in the tobacco, pharmaceuticals, biotechnology, medical diagnostic services and products, gambling and liquor industries. While the Fund may invest in a company that conducts operations in one of these areas, the Fund will not invest in such a company unless current revenues from these industries represent less than 5% of the total revenues of the company. The majority of companies in which the Fund invests will have no operations in these industries.

The Advisor expects that the Fund's portfolio will generally consist predominantly of large- and mid-capitalization stocks, but in some market environments small-capitalization stocks may constitute a large portion of the Fund's portfolio. A small-capitalization stock is considered to be one which has a market capitalization of less than \$1 billion at the time of investment; a mid-capitalization stock is considered to be one which has a market capitalization of between \$1 billion and \$10 billion at the time of investment; and a large-capitalization stock is considered to be one which has a market capitalization of more than \$10 billion at the time of investment.

The Fund's portfolio turnover rate may vary substantially from year to year since portfolio adjustments are made when conditions affecting relevant markets or individual issues or circumstances warrant such action. Buying and selling securities generally involves some expense to the Fund, such as broker commissions and other transaction costs, and a high turnover rate (100% or more) in any year will result in payment by the Fund of above-average transaction costs and could result in the payment by shareholders of above-average amounts of taxes on realized investment gains. Distributions to shareholders of short-term capital gains are taxed as ordinary income under federal tax laws. The Fund's annual portfolio turnover rate is noted in the Financial Highlights section of this Prospectus.

There is, of course, no assurance that the Fund's objective will be achieved. Because prices of common stocks and other securities fluctuate, the value of an investment in the Fund will vary as the market value of its investment portfolio changes.

### **Other Securities the Fund might Purchase**

Under normal market conditions, the Fund will invest at least 85% of its total assets in common stocks. If the Advisor believes that market conditions warrant a temporary defensive posture, the Fund 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 commercial paper, certificates of deposit, bankers' acceptances, shares of money market mutual funds, U.S. Government securities and repurchase agreements.

If the Fund takes a defensive posture, the Fund may not reach its investment objective. For example, should the market advance during this period, the Fund may not participate as much as it would have if it had been more fully invested. To the extent the Fund uses a money market fund for its cash position, there will be some duplication of expenses because the Fund would bear its pro rata portion of such money market fund's advisory fees and operational expenses.

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

The risk exists that you could lose money on your investment in the Fund. The principal risks of investing in the Fund that may adversely affect the Fund's net asset value or total return are discussed below.

**Market Risk.** The risk that the market value of a security may move up and down, sometimes rapidly and unpredictably. These fluctuations

may cause a security to be worth less than the price originally paid for it, or less than it was worth at an earlier time. Market risk may affect a single issuer, industry, sector of the economy or the market as a whole.

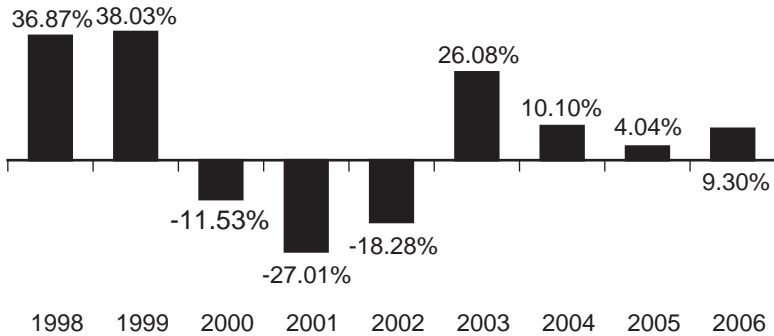
**Management Risk.** Management risk means that your investment in the Fund varies with the success and failure of the Advisor's investment strategies and the Advisor's research, analysis and determination of portfolio securities. If the Advisor's investment strategies do not produce the expected results, your investment could be diminished.

**Socially Responsible Investing Policy Risk.** The Fund's portfolio is subject to social investment criteria. As a result, the Fund may pass up opportunities to buy certain securities when it is otherwise advantageous to do so, or may sell securities for social reasons when it is otherwise disadvantageous to do so.

### **Fund Performance**

The following performance information provides some indication of the risks of investing in the Fund. The bar chart illustrates how the Fund's performance has varied from year to year. The table illustrates the Fund's average annual total return over time compared with a broad-based market index. Past performance is no guarantee of future results. The Fund's past performance, before and after taxes, is not necessarily an indication of how the Fund will perform in the future.

## Calendar Year Total Returns\*



\* The Fund's year-to-date total return as of March 31, 2007 was 2.24%.

During the period shown in the bar chart, the Fund's highest quarterly return was 31.09% for the quarter ended December 31, 1999, and the lowest quarterly return was -23.03% for the quarter ended March 31, 2001.

## Average Annual Total Return as of December 31, 2006

|  | <u>1 Year</u> | <u>5 Years</u> | <u>Since Inception<sup>(1)</sup></u> |
|--|---------------|----------------|--------------------------------------|
| <b>American Trust Allegiance Fund</b>                                      |               |                |                                      |
| Return Before Taxes  | 9.30%         | 5.22%          | 7.12%                                |
| Return After Taxes on Distributions <sup>(2)</sup>                         | 9.29%         | 5.22%          | 6.96%                                |
| Return After Taxes on Distributions and Sale of Fund Shares <sup>(2)</sup> | 6.06%         | 4.50%          | 6.23%                                |
| <b>S&amp;P 500 Composite Stock Price Index<sup>(3)</sup></b>               | 15.79%        | 6.19%          | 7.55%                                |

(1) The inception date of the Fund was March 11, 1997.

(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 IRAs.

(3) The S&P 500 Composite Stock Price Index is an unmanaged capitalization-weighted index of 500 stocks designed to represent the broad domestic economy. The figures above reflect all dividends reinvested but do not reflect any deductions for fees, expenses, or taxes.

## Fees and Expenses

The following table shows the fees and expenses you may pay if you buy and hold shares of the Fund. There are two types of expenses involved: shareholder transaction expenses (such as sales loads) and annual operating expenses (such as investment advisory fees). The Fund is a no-load mutual fund that has no shareholder transaction expenses, including no redemption fees.

### Shareholder Fees

(fees paid directly from your investment)

|   |      |
|---|------|
| Maximum sales charge (load) imposed on purchases . . . . .                    | None |
| Maximum deferred sales charge (load) . . . . .                                | None |
| Redemption fees (as a percentage of amount redeemed) <sup>(1)</sup> . . . . . | None |

### Annual Fund Operating Expenses

(expenses that are deducted from Fund assets)

|  |               |
|--|---------------|
| Investment Advisory Fees . . . . .                                   | 0.95%         |
| Other Expenses . . . . .   | 0.95%         |
| Acquired Fund Fees and Expenses ("AFFE") <sup>(2)</sup> . . . . .    | <u>0.06%</u>  |
| Total Annual Fund Operating Expenses . . . . .                       | <u>1.96%</u>  |
| Fee Reduction and/or Expense Reimbursements <sup>(3)</sup> . . . . . | <u>-0.45%</u> |
| Net Annual Fund Operating Expenses . . . . .                         | <u>1.51%</u>  |

(1) U.S. Bancorp Fund Services, LLC, the Fund's transfer agent (the "Transfer Agent") charges a \$15 fee for wire redemptions.

(2) The Total Annual Fund Operating Expenses for the Fund does not correlate to the ratio of expenses to average net assets provided in the Fund's financial statements. The Fund's financial statements reflect the operating expenses of the Fund and do not include AFFE. Without AFFE, the Net Annual Fund Operating Expenses for the Fund would have been 1.45%.

(3) The Advisor has contractually agreed to waive its fees and/or absorb Fund expenses, until such contractual arrangement is terminated by the Trust's Board of Trustees (the "Board"), to ensure that the Fund's net annual fund operating expenses (excluding interest and tax expenses) will not exceed 1.45%. The Advisor reserves the right to be reimbursed for any waiver of its fees or expenses paid on behalf of the Fund if the Fund's expenses are less than the limit agreed to by the Fund. The Advisor is permitted to seek reimbursement from the Fund for three years from the date fees were waived or reimbursed. This contract's term is indefinite and may be terminated only by the Board. Without the expense cap agreement, the total annual fund operating expenses would have been 1.96%.

### Expense Example

This Example will help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. It is based on the net

annual fund operating expenses shown 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 the Fund to start with, that you reinvest dividends and distributions and that you earn a 5% return each year. Finally, for each period, it assumes that you redeem all of your shares at the end of that period. Again, this Example is hypothetical, and your actual expenses may be higher or lower.

| <u>1 Year</u> | <u>3 Years</u> | <u>5 Years</u> | <u>10 Years</u> |
|---------------|----------------|----------------|-----------------|
| \$154         | \$477          | \$824          | \$1,802         |

### **Portfolio Holdings Information**

A description of the Fund's policies and procedures with respect to the disclosure of the Fund's portfolio securities is available in the Fund's Statement of Additional Information ("SAI"). Currently, disclosure of the Fund's 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 complete list of the Fund's portfolio holdings as of each calendar quarter-end is available on the Fund's website at [www.allegiancefund.com](http://www.allegiancefund.com) within five to ten business days after the calendar quarter-end. The calendar quarter-end portfolio holdings for the Fund will remain posted on the website until updated with required regulatory filings with the SEC. The Annual and Semi-Annual Reports are available by contacting the American Trust Allegiance Fund, c/o U.S. Bancorp Fund Services, LLC, P.O. Box 701, Milwaukee, Wisconsin 53201-0701 or calling 1-800-385-7003 and on the SEC's website at [www.sec.gov](http://www.sec.gov).

### **Investment Advisor**

The Fund's investment advisor, American Trust Investment Advisors, LLC, One Court Street, Lebanon, New Hampshire, 03766, is dedicated primarily to providing investment management services to the Fund. The Advisor and its holding company, American Trust Company, provide investment management services to individual and institutional accounts with an aggregate value in excess of \$129 million as of May 31, 2007.

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

of the personnel needed by the Fund. As compensation, the Fund pays the Advisor a monthly management fee based upon its average daily net assets. For the fiscal year ended February 28, 2007, the Advisor received advisory fees of 0.50% of the Fund's average daily net assets, net of waiver.

A discussion regarding the basis of the Trust's Board of Trustees' (the "Board" or "Board of Trustees") approval of the Fund's investment advisory agreement is included in the Fund's Annual Report dated February 28, 2007.

Paul H. Collins and Carey Callaghan are principally responsible for the management of the Fund's portfolio, marketing and compliance and serve as co-portfolio managers. Mr. Collins (who controls the Advisor) has been active in the investment field professionally for 30 years. Mr. Collins is President of the Advisor and its holding company and has been managing portfolios of the clients of the holding company since its founding in 1991. Mr. Callaghan has held the position of Chief Investment Officer at American Trust Company since September 2006. He was previously with Goldman Sachs for eleven years and Lehman Brothers for eight years. He served as both a research analyst and Research Director while at Goldman Sachs and Lehman Brothers and covered numerous industries. He graduated from Dartmouth College in 1983 with a major in economics and environmental studies and received an M.B.A. in 1988 from Columbia University.

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

## **Shareholder Information**

### **Share Price**

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

Purchase and redemption requests are priced at the next NAV calculated after receipt of such requests. The NAV is the value of the

Fund's securities, cash and other assets, minus all expenses and liabilities (assets - liabilities = NAV). NAV per share is determined by dividing NAV by the number of shares outstanding (NAV/ # of shares = NAV per share). The NAV takes into account the expenses and fees of the Fund, including management, shareholder servicing and administration fees, which are accrued daily.

In calculating the NAV, portfolio securities are valued using current market values or official closing prices, if available. Each security owned by the Fund that is listed on a securities exchange is valued at its last sale price on that exchange on the date as of which assets are valued. Where the security is listed on more than one exchange, the Fund will use the price of the exchange that the Fund generally considers to be the principal exchange on which the security is traded. When market quotations are not readily available, a 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 Advisor to believe that a security's last sale price may not reflect its actual market value. The intended effect of using fair value pricing procedures is to ensure that the Fund is accurately priced. The Board will regularly evaluate whether the Fund's fair valuation pricing procedures continue to be appropriate in light of the specific circumstances of the Fund and the quality of prices obtained through their application by the Trust's valuation committee.

When fair value pricing is employed, the prices of securities used to calculate the Fund's NAV 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 price of the security quoted or published by others or the value when trading resumes or realized upon its sale. Therefore, if a shareholder purchases or redeems shares in the Fund when it 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.

In the case of foreign securities, the occurrence of certain events after the close of foreign markets, but prior to the time the Fund's NAV is calculated (such as a significant surge or decline in the U.S. or other markets often will result in an adjustment to the trading prices of foreign securities when foreign markets open on the following business day. If such events occur, the Fund will value foreign securities at fair

value, taking into account such events, in calculating the NAV. In such cases, use of fair valuation can reduce an investor's ability to seek to profit by estimating the Fund's NAV in advance of the time the NAV is calculated. The Advisor anticipates that the Fund's portfolio holdings will be fair valued only if market quotations for those holdings are considered unreliable.

### **How to Purchase Shares of the Fund**

There are several ways to purchase shares of the Fund. An account application, which accompanies this Prospectus, is used if you send money directly to the Fund by mail or wire. Payment should be made by check in U.S. dollars and drawn on a U.S. bank, savings and loan, or credit union, or sent by wire transfer. Checks should be made payable to "The American Trust Allegiance Fund."

The Fund will not accept payment in cash or money orders. The Fund also does not accept cashier's checks in amounts less than \$10,000. Also, to prevent check fraud, the Fund will not accept third party checks, U.S. Treasury checks, credit card checks, traveler's checks or starter checks for the purchase of shares. We 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 Fund as a result.

The Fund does not issue share certificates and its shares are not registered for sale outside of the United States. The Fund reserves the right to reject any purchase in whole or in part. If you have questions about how to invest, or about how to complete the account application, please call an account representative at 1-800-385-7003.

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 Fund's Anti-Money Laundering Program. As requested on the application, you should supply your full name, date of birth, social security number and permanent street address. Mailing addresses containing only a P.O. Box will not be accepted. Please contact the Transfer Agent at 1-800-385-7003 if you need assistance when completing your application.

If the Transfer Agent does not have a reasonable belief of the identity of an investor, the account will be rejected or you will not be allowed to

perform a transaction on the account until such information is received. The Fund may also reserve the right to close the account within five business days if clarifying information/documentation is not received.

### **You may Send Money to the Fund by Mail**

If you wish to invest by mail, simply complete the account application and mail it with a check (made payable to “The American Trust Allegiance Fund”) to:

#### **Regular Mail**

The American Trust  
Allegiance Fund  
c/o U.S. Bancorp Fund  
Services, LLC  
P.O. Box 701  
Milwaukee, Wisconsin 53201-0701

#### **Overnight Delivery**

The American Trust  
Allegiance Fund  
c/o U.S. Bancorp Fund  
Services, LLC  
615 East Michigan Street, Third Floor  
Milwaukee, Wisconsin 53202

***Note: The Fund does not consider the U.S. Postal Service or other independent delivery services to be its agents.***

### **You may Wire Money to the Fund**

If you are making your first investment in the 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 has been established, you may instruct your bank to send the wire. Your bank must include both the name of the Fund you are purchasing and your name 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: *The American Trust Allegiance Fund*  
Shareholder Registration  
Shareholder Account Number

Wired funds must be received prior to 4:00 p.m. Eastern time to be eligible for same day pricing. Neither the Fund, 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.

Please contact the Transfer Agent prior to sending a wire in order to ensure proper credit. If you are making a subsequent purchase, your bank should wire funds as indicated above. *It is essential that your bank include complete information about your account in all wire instructions.* If you have questions about how to invest by wire, you may call the Transfer Agent at 1-800-385-7003. Your bank may charge you a fee for sending a wire to the Fund.

### **You may Purchase Shares through an Investment Broker**

You may buy and sell shares of the Fund through certain brokers (and their agents, together “brokers”) that have made arrangements with the Fund. An order placed with such a broker is treated as if it was placed directly with the Fund, and will be executed at the next share price calculated by the Fund. Your shares will be held in the broker’s name, and the broker will maintain your individual ownership information. The Advisor 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 Fund’s Prospectus.

### **Minimum Investments**

The minimum initial investment in the Fund is \$2,500. The minimum subsequent investment is \$250. However, if you are investing in an Individual Retirement Account (“IRA”), or you are starting an Automatic Investment Plan (see below), the minimum initial and subsequent investments are \$1,000 and \$100, respectively.

### **Subsequent Investments**

You may purchase additional shares of the Fund by sending a check, with the stub from an account statement, to the Fund at the address above. 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 invest additional money by wire, it is important for you to first call the Fund at 1-800-385-7003.

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

If received by an authorized agent or Transfer Agent before 4:00 p.m., Eastern time, any money received for investment in the Fund, whether sent by check or by wire, is invested at the net asset value per share of the Fund which is next calculated after the money is received (assuming the check or wire correctly identifies the Fund and account). The net asset value per share is calculated at the close of regular trading on the NYSE, normally 4:00 p.m., Eastern time. A check or wire received after the NYSE closes is invested as of the next calculation of the Fund's net asset value per share.

## **What is the Price of the Fund?**

The Fund's net asset value per share, or price per share, is calculated by dividing the value of the Fund's total assets, less its liabilities, by the number of its shares outstanding. The Fund's assets are the market value of securities held in its portfolio, plus any cash and other assets. The Fund's liabilities are fees and expenses it owes. The number of Fund shares outstanding is the amount of shares which have been issued to shareholders. The price you will pay to buy Fund shares or the amount you will receive when you sell your Fund shares is based on the net asset value per share next calculated after your order is received and accepted.

## **Retirement Plans**

You may obtain prototype IRA plans from the Fund. Shares of the Fund are also eligible investments for other types of retirement plans.

## **Automatic Investment Plan**

You may make regular monthly investments in the Fund using the Automatic Investment Plan. In order to participate in the Automatic Investment Plan, your financial institution must be an Automated Clearing House ("ACH") member. An ACH debit is drawn electronically against your account at a financial institution of your choice. Upon receipt of the withdrawn funds, the Fund automatically invests the money in additional shares of the Fund at the next calculated net asset value per share. There is no charge by the Fund for this service. The Fund may terminate or modify this privilege at any time. You may terminate or modify your participation by notifying the Transfer Agent five days prior to the effective date. Once the initial minimum investment of \$1,000 is made, the minimum monthly investment amount

is \$100. A request to change bank information may require a signature guarantee. Additionally, the Transfer Agent will charge a \$25 fee for any payment returned as unpaid. To establish the Automatic Investment Plan, an investor must complete the appropriate sections of the account application form. For additional information on the Automatic Investment Plan, please call the Transfer Agent at 1-800-385-7003.

### **How to Redeem Your Shares**

You have the right to redeem all or any portion of your shares of the Fund at their next calculated net asset value per share on each day the NYSE is open for trading. A redemption may result in recognition of a gain or loss for federal income tax purposes.

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 be subject to withholding. IRA redemption requests must be made in writing.

### **Redemptions in Writing**

You may redeem your shares by simply sending a written request to the Fund. 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 in the account registration. You should send your redemption request to:

#### **Regular Mail**

The American Trust  
Allegiance Fund  
c/o U.S. Bancorp Fund  
Services, LLC  
P.O. Box 701  
Milwaukee, Wisconsin 53201-0701

#### **Overnight Delivery**

The American Trust  
Allegiance Fund  
c/o U.S. Bancorp Fund  
Services, LLC  
615 East Michigan Street, Third Floor  
Milwaukee, Wisconsin 53202

### **Redemptions by Telephone**

If you complete the Redemption by Telephone portion of the Fund's account application, you may redeem shares on any business day the NYSE is open by calling the Transfer Agent at 1-800-385-7003 before the close of trading on the NYSE. Redemption proceeds will be sent on the next business day to the address that appears on the Transfer Agent's records. If you request, redemption proceeds will be wired on the next

business day to your designated bank account, or via electronic funds transfer through the ACH network to your predetermined bank account. The minimum amount that may be wired is \$1,000. Wire charges, currently \$15, will be deducted from redemption proceeds. In the case of a partial redemption or a certain dollar redemption, the fee will be deducted above and beyond the requested redemption amount. There is no charge to have proceeds sent by electronic funds transfer and credit is typically available in two to three business days. Telephone redemptions cannot be made if you notify the Transfer Agent of a change of address within 15 days before the redemption request. Telephone redemptions cannot be made for retirement plan accounts. Once a telephone transaction has been placed, it cannot be canceled or modified.

By establishing telephone redemption privileges, you authorize the Fund and its 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 financial institution account designated on the account application. The Fund and the Transfer Agent will use procedures to confirm that redemption instructions received by telephone are genuine, including 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 Fund 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 Fund may change, modify, or terminate these privileges at any time upon at least 60 days notice to shareholders.

You may request telephone redemption privileges after your account is opened; however, the authorization form will require a separate signature guarantee. Shareholders may experience delays in exercising telephone redemption privileges during periods of abnormal market activity. If this occurs, you may make your redemption request in writing.

### **Signature Guarantees**

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

- If ownership is changed on your account;
- When redemption proceeds are sent to any person, address or bank account not on record;

- Written requests to wire redemption proceeds (if not previously authorized on the account);
- If a change of address requested has been received by the Transfer Agent within the last 15 days;
- For all redemptions in excess of \$100,000 from any shareholder account; or
- When establishing or modifying certain services on an account.

In addition to the situations described above, the Fund and/or the Transfer Agent reserve the right to require a signature guarantee in other instances based on the circumstances relative to the particular situation.

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 ("STAMP"). *A notary public is not a signature guarantor.*

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

No redemption request will become effective until the Transfer Agent has received all documents in proper form. Shareholders should contact the Transfer Agent at 1-800-385-7003 for further information concerning documentation required for redemption of Fund shares.

Redemption payments for telephone redemptions are sent on the day after the telephone call is received. Payments for redemptions requested in writing are normally made promptly, but no later than seven days after the receipt of a valid request. However, the Fund may suspend the right of redemption under certain extraordinary circumstances in accordance with rules of the Securities and Exchange Commission.

If shares were purchased by check and then redeemed shortly after the check is received, the Fund may delay sending the redemption proceeds until it has been notified that the check used to purchase the shares has been collected, a process that may take up to 15 days. This delay can be avoided by investing by wire to make your purchase.

### **Systematic Withdrawals**

The Fund offers a Systematic Withdrawal Plan whereby you may request that a check drawn in a predetermined amount be sent to you

monthly, quarterly or annually. To start this Plan, 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 Plan may be terminated or modified by you or the Fund at any time without charge or penalty. Termination and modification of your systematic withdrawal plan should be provided to the Transfer Agent five days prior to the next withdrawal. A withdrawal under the Systematic Withdrawal Plan involves a redemption of shares of the Fund, and may result in a gain or loss for federal income tax purposes. In addition, if the amount withdrawn exceeds the dividends credited to your account, the account ultimately may be depleted.

### **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 Fund discourages excessive, short-term trading and other abusive trading practices that may disrupt portfolio management strategies and harm the Fund's performance. The Fund takes steps to reduce the frequency and effect of these activities in the Fund. These steps include 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 Fund makes efforts to identify and restrict frequent trading, the Fund receives 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 Fund seeks to exercise its judgment in implementing these tools to the best of its abilities in a manner that the Fund believes is consistent with shareholder interests.

#### *Monitoring Trading Practices*

The Fund monitors selected trades in an effort to detect excessive short-term trading activities. If, as a result of this monitoring, the Fund believes 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 Fund seeks to act in a manner that it believes 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 Fund handles, there can be no assurance that the Fund's efforts will identify all trades

or trading practices that may be considered abusive. In addition, the Fund's ability to monitor trades that are placed by individual shareholders within group or omnibus accounts maintained by financial intermediaries is severely limited because the Fund does not have access to the underlying shareholder account information.

### *Fair Value Pricing*

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

More detailed information regarding fair value pricing can be found on page 11 under the heading titled, "Shareholder Information – Share Price."

### **Other Information about Redemptions**

Due to the relatively high cost of maintaining smaller accounts, 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, due to redemptions you have made, the total value of your account is reduced to less than \$500. If the Fund determines to make such an involuntary 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.

The Fund has the right to pay redemption proceeds to you in whole or in part by a distribution of securities from the Fund's portfolio. It is not expected that the Fund would do so except in unusual circumstances. 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.

## **Distributions and Taxes**

### **Dividends and Distributions**

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

All distributions will be reinvested in Fund shares unless you choose one of the following options: (1) receive dividends in cash while reinvesting capital gain distributions in additional Fund shares; or (2) receive all distributions in cash.

If you elect to receive any distributions paid in cash, and the U.S. Postal Service cannot deliver the check, or if a check remains outstanding for six months, the Fund reserves the right to reinvest the distribution check in your account, at the Fund's current net asset value per share, and to reinvest all subsequent distributions. If you wish to change your distribution option, notify the Transfer Agent in advance of the payment date for the distribution.

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

### **Taxes**

Distributions made by the Fund will be taxable to shareholders whether received in shares (through reinvestment) or in cash. Distributions derived from net investment income, including net short-term capital gains, are taxable to shareholders as ordinary income or qualified dividend income. Distributions designated as capital gain dividends are taxable as capital gains regardless of the length of time shares of the Fund have been held. You should consult your own advisors concerning federal, state and local taxation of distributions from the Fund.

By law, the Fund must withhold a percentage of your taxable distributions and redemption proceeds if you do not provide your

correct social security or taxpayer identification number and certify that you are not subject to backup withholding, or if the IRS instructs the Fund to do so.

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

The Fund may pay service fees to intermediaries such as banks, broker-dealers, financial advisors or other financial institutions, 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 Fund or its shareholders, may provide additional cash payments or non-cash compensation to intermediaries who sell shares of the Fund. Such payments and compensation are in addition to service fees paid by the Fund. These additional cash payments are generally made to intermediaries that provide shareholder servicing, marketing support and/or access to sales meetings, sales representatives and management representatives of the intermediary. Cash compensation may also be paid to intermediaries for inclusion of the Fund on its sales list, including a preferred or select sales list, in other sales programs or as an expense reimbursement in cases where the intermediary provides shareholder services to the Fund's 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 table is intended to help you understand the Fund's financial performance during past five years. Certain information reflects financial results for a single Fund share. The total returns in the table represent the rate that an investor would have earned on an investment in the Fund (assuming reinvestment of all dividends and distributions). The information has been audited by Tait, Weller & Baker LLP for the fiscal years ended February 29, 2004 through February 28, 2007 and by another independent registered public accounting firm for the prior year. Tait, Weller & Baker LLP's report and the Fund's financial statements are included in the Fund's annual report, which is available upon request.

|  | Year<br>Ended<br><u>2/28/07</u> | Year<br>Ended<br><u>2/28/06</u> | Year<br>Ended<br><u>2/29/05</u> | Year<br>Ended<br><u>2/28/04</u> | Year<br>Ended<br><u>2/28/03</u> |
|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Net asset value,<br>beginning of year . . . . .                  | <u>\$17.37</u>                  | <u>\$16.04</u>                  | <u>\$14.79</u>                  | <u>\$10.94</u>                  | <u>\$14.05</u>                  |
| <b>Income from investment operations:</b>                        |                                 |                                 |                                 |                                 |                                 |
| Net investment income/(loss) . . . . .                           | 0.02                            | 0.01                            | 0.01                            | (0.04)                          | (0.04)                          |
| Net realized and unrealized gain/(loss) on investments . . . . . | <u>1.24</u>                     | <u>1.33</u>                     | <u>1.24</u>                     | <u>3.89</u>                     | <u>(3.07)</u>                   |
| Total from investment operations . . . . .                       | <u>1.26</u>                     | <u>1.34</u>                     | <u>1.25</u>                     | <u>3.85</u>                     | <u>(3.11)</u>                   |
| Less distributions:  |                                 |                                 |                                 |                                 |                                 |
| From net investment income . . . . .                             | <u>(0.01)</u>                   | <u>(0.01)</u>                   | <u>—</u>                        | <u>—</u>                        | <u>—</u>                        |
| Total distributions . . . . .                                    | <u>(0.01)</u>                   | <u>(0.01)</u>                   | <u>—</u>                        | <u>—</u>                        | <u>—</u>                        |
| Net asset value,<br>end of year . . . . .                        | <u>\$18.62</u>                  | <u>\$17.37</u>                  | <u>\$16.04</u>                  | <u>\$14.79</u>                  | <u>\$10.94</u>                  |
| Total return . . . . .   | 7.25%                           | 8.36%                           | 8.45%                           | 35.19%                          | (22.14)%                        |
| <b>Ratios/supplemental data:</b>                                 |                                 |                                 |                                 |                                 |                                 |
| Net assets, end of year (thousands) . . . . .                    | \$20,707                        | \$21,888                        | \$23,556                        | \$23,047                        | \$18,347                        |
| Ratio of expenses to average net assets:                         |                                 |                                 |                                 |                                 |                                 |
| Before expense reimbursement . . . . .                           | 1.90%                           | 1.85%                           | 1.84%                           | 1.79%                           | 1.95%                           |
| After expense reimbursement . . . . .                            | 1.45%                           | 1.45%                           | 1.45%                           | 1.45%                           | 1.45%                           |
| Ratio of net investment income/(loss) to average net assets:     |                                 |                                 |                                 |                                 |                                 |
| Before expense reimbursement . . . . .                           | (0.36)%                         | (0.33)%                         | (0.33)%                         | (0.62)%                         | (0.83)%                         |
| After expense reimbursement . . . . .                            | 0.09%                           | 0.07%                           | 0.06%                           | (0.28)%                         | (0.33)%                         |
| Portfolio turnover rate . . . . .                                | 79.89%                          | 27.09%                          | 35.39%                          | 108.15%                         | 108.19%                         |

(This Page Intentionally Left Blank.)

(This Page Intentionally Left Blank.)

**Investment Advisor**

American Trust Investment Advisors, LLC  
One Court Street  
Lebanon, New Hampshire 03766

**Independent Registered Public Accounting Firm**

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

**Distributor**

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

**Custodian**

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

**Transfer Agent**

U.S. Bancorp Fund Services, LLC  
P.O. Box 701  
Milwaukee, Wisconsin 53201-0701  
1-800-385-7003

**Legal Counsel**

Paul, Hastings, Janofsky & Walker LLP  
55 Second Street, 24th Floor  
San Francisco, California 94105

## PRIVACY NOTICE

The Fund collects 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 required by law or in response to inquiries from governmental authorities. We restrict access to your personal and account information to those employees who need to know that information to provide products and services to you. We also may disclose that information to unaffiliated third parties (such as to brokers or custodians) only as permitted by law and only as needed for us to provide agreed services to you. We maintain physical, electronic and procedural safeguards to guard your non-public personal information and request third parties to treat your non-public information with the same degree of confidentiality.**

**In the event that you hold shares of the Fund through a financial intermediary, including, but not limited to, a broker-dealer, bank, or trust company, the privacy policy of your financial intermediary would govern how your non-public personal information would be shared by those entities with unaffiliated third parties.**

**NOT A PART OF THE PROSPECTUS**

**The American Trust Allegiance Fund,  
a series of Advisors Series Trust**

**For More Information**

The Statement of Additional Information (“SAI”) for the Fund includes additional information about the Fund, which is incorporated by reference into this Prospectus.

The Fund’s Annual and Semi-Annual Reports to shareholders (the “Shareholder Reports”) contain additional information about the Fund’s investments. The Annual Report includes a discussion of the market conditions and investment strategies which significantly affected the Fund’s performance during its last fiscal year.

The SAI and shareholder reports are available free of charge upon request or on the Fund’s website at [www.allegiancefund.com](http://www.allegiancefund.com). To request them or other information, or to ask any questions, please call or write:

1-800-385-7003

The American Trust Allegiance Fund  
c/o U.S. Bancorp Fund Services, LLC  
P.O. Box 701  
Milwaukee, Wisconsin 53201-0701

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 the Room’s operations.

Reports and other Fund information are also available on the EDGAR database on the SEC’s internet site at <http://www.sec.gov>. Copies of this information may be obtained, for duplicating fees, by writing to the SEC’s Public Reference Room at SEC Public Reference Section, Washington, D.C. 20549-0102 or by electronic request to the following e-mail address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov).

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