

# EMPIRIC FUNDS

## Empiric Funds, Inc.

### Prospectus

January 28, 2009

### Core Equity Fund

#### Class A and Class C Shares

#### Ticker Symbol

Class A - EMCAX  
Class C - EMCCX

#### Phone Numbers

Existing Accounts  
New Accounts

1-888-839-4769  
1-888-839-7424

**This prospectus tells you what you need to know about the Core Equity Fund (the “Fund”) before you invest. Empiric Advisors, Inc. (the “Advisor”) manages and administers the Fund and will be referred to as “we” or “us” in this prospectus. You should read this prospectus carefully before you invest and keep it for future reference.**

The Securities and Exchange Commission (“SEC”) has not approved or disapproved this security or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

This prospectus is not a solicitation by the Fund for the sale of shares in states in which the offering is not authorized. No one is authorized by the Fund to give information or make representations that are different from any material issued by the Fund or Quasar Distributors, LLC, the Fund’s distributor (the “Distributor”). No one should rely on any other information or representation.

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## **WHAT IS THE CORE EQUITY FUND'S INVESTMENT STRATEGY?**

### **Objective**

To achieve capital appreciation by investing in equity securities and derivatives of domestic and foreign corporations.

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

We will seek to achieve the Fund's objective by purchasing and holding equity securities and derivatives of both foreign and domestic companies. We practice quantitative techniques in the selection of stocks using a computer screening process to assist us in finding investment opportunities.

Qualitative factors are considered in investment selection, but their influence is usually minimal. The Fund is "non-diversified," meaning that it has the ability to invest a larger percentage of its overall assets in any one stock than do "diversified" funds.

We seek capital appreciation by investing in companies that we believe are undervalued, which could include small, medium or large capitalization companies, as well as derivatives of domestic and foreign corporations. The Fund's objective can change without shareholder approval.

The Fund invests at least 80% of its net assets in equity securities or common stocks that we deem to be undervalued and which have characteristics we deem will likely cause those stocks to appreciate in the near future. Such characteristics include the sector or industry the company is in, certain ratios of the company such as return-on-equity or margins, the size of the company, past and future growth of the company, analysts' expectations, earnings surprises and other characteristics we deem may impact the appreciation of stocks. The Fund's policy of investing in equity securities may only be changed upon 60 days' prior notice to shareholders. Additionally, the Fund has historically held little cash and been fully invested in stocks.

In addition to the principal investment strategies discussed above, the Fund may lend its securities to broker-dealers or other institutions to earn income for the Fund. The Fund may lend its portfolio securities, provided: (1) the loan is secured continuously by collateral consisting of U.S. Government securities, cash, or cash equivalents adjusted daily to have market value at least equal to the current market value of the securities loaned; (2) the Fund may at any time call the loan and regain the securities loaned; (3) the Fund will receive any interest or dividends paid on the loaned securities; and (4) the aggregate market value of the Fund's portfolio securities loaned will not at any time exceed one-third of the total assets of the Fund. In addition, it is anticipated that the Fund may share with the borrower some of the income received on the collateral for the loan or that it will be paid a premium for the loan. Before the Fund enters into a loan, we consider all relevant facts and circumstances, including the creditworthiness of the borrower.

The Fund may, from time to time, take temporary defensive positions that are inconsistent with the Fund's principal investment strategies when it attempts to respond to adverse market, economic, political, or other conditions. By taking a temporary defensive position, the Fund may not achieve its investment objective. The Fund may, for temporary defensive purposes, hold cash or invest 100% of its assets in short-term debt instruments such as money market instruments, notes or bonds, or enter into repurchase agreements, all of which will be investment grade as determined by Moody's Investor Service Inc. or Standard & Poor's Corporation. In response to market, economic, political, or other conditions, the Fund may temporarily use a different investment strategy for defensive purposes. If it does so, different factors could affect the Fund's performance and it may not achieve its investment objective.

The Fund may also use various techniques, such as buying and selling futures contracts and exchange traded funds, to increase or decrease the Fund's exposure to changing security prices or other factors that affect security values. If the Fund's strategies do not work as intended, the Fund may not achieve its objective.

### **Suitability**

As you consider an investment in this Fund, you should also take into account your tolerance for the daily fluctuations of the financial markets and whether you can afford to leave your money in the Fund for long periods of time to ride out down periods. The Fund is not intended to be a complete investment program for investors.

You should read "What Risks are Involved?" below, for more information.

## **WHAT RISKS ARE INVOLVED?**

### **General**

Investors should carefully consider their risk tolerance before investing. As with all mutual fund investments, loss of money is a risk of investing. Please read the other risks detailed below that apply to investing in our Fund.

### **Market Risk**

Market risk involves the possibility that the Fund's investments in equity securities will decline because of falls in the stock market, reducing the value of individual company's stocks regardless of the success or failure of an individual company's operations.

### **Smaller Capitalization Company Risk**

Smaller companies may involve certain special risks. They are more likely than larger companies to have limited product lines, markets or financial resources, or to depend on a small, inexperienced management group. Securities of smaller companies may trade less frequently and in lesser volume than more widely held

securities and their values may fluctuate more sharply than other securities. They may also trade in the over-the-counter market or on a regional exchange, or may otherwise have limited liquidity. These securities may therefore be more vulnerable to adverse developments than securities of larger companies, and the Fund may have difficulty establishing or closing out its securities positions in smaller companies at prevailing market prices. Also, there may be less publicly available information about smaller companies or less market interest in their securities as compared to larger companies, and it may take longer for the prices of the securities to reflect the full value of their issuers' earnings potential or assets.

### **Non-Diversification Risk**

As noted, the Fund is "non-diversified." Because the percentage of a non-diversified fund's assets invested in the securities of a single issuer is not limited by the Investment Company Act of 1940, as amended (the "1940 Act"), greater investment in a single issuer makes a fund more susceptible to financial, economic or market events impacting such issuer. (A "diversified" investment company is required by the 1940 Act, generally, with respect to 75% of its total assets, to invest not more than 5% of such assets in the securities of a single issuer.)

### **Foreign Risk**

Investments in foreign securities entail certain risks. There may be a possibility of nationalization or expropriation of assets, confiscatory taxation, political or financial instability, and diplomatic developments that could affect the value of the Fund's investments in certain foreign countries. Since foreign securities normally are denominated and traded in foreign currencies, the value of the Fund's assets may be affected favorably or unfavorably by currency exchange rates, currency exchange control regulations, foreign withholding taxes, and restrictions or prohibitions on the repatriation of foreign currencies. There may be less information publicly available about a foreign issuer than about a U.S. issuer, and foreign issuers are not generally subject to accounting, auditing, and financial reporting standards and practices comparable to those in the United States. The securities of some foreign issuers are less liquid and at times more volatile than securities of comparable U.S. issuers.

In addition to securities traded principally in securities markets outside the United States and securities denominated in foreign currencies, the Fund may invest in American Depository Receipts ("ADRs"). ADRs generally are U.S. dollar-denominated receipts issued by domestic banks representing the deposit with the bank of securities of a foreign issuer, and are traded on exchanges or over-the-counter in the United States. Because an ADR represents an indirect investment in securities of a foreign issuer, investments in ADRs are subject to the risks associated with foreign securities generally, as described above.

## **Derivatives Risk**

The Fund may buy or sell a variety of “derivative” instruments (for example, options, futures, or indices) in order to gain exposure to particular securities or markets, in connection with hedging transactions, and to increase total return. The Fund’s use of derivative instruments involves the risk that such instruments may not work as intended due to unanticipated developments in market conditions or other causes. Derivatives often involve the risk that the counterparty to the transaction will be unable to close out the position at any particular time or at an acceptable price. When a Fund uses certain types of derivative instruments for investment purposes, it could lose more than the original cost of the investment and its potential loss could be unlimited. Also, suitable derivative transactions may not be available in all circumstances, and there can be no assurance that the Fund will engage in these transactions when that would be beneficial.

## **Securities Lending Risk**

The risks in lending portfolio securities, as with other extensions of credit, consist of possible delay in recovery of the securities or possible loss of rights in the collateral should the borrower fail financially. Although voting rights or rights to consent with respect to the loaned securities pass to the borrower, the Fund retains the right to call the loans at any time on reasonable notice, and it will do so in order that the securities may be voted by the Fund if the holders of such securities are asked to vote upon or consent to matters materially affecting the investment. The Fund will not lend portfolio securities to borrowers affiliated with the Fund.

## **Portfolio Turnover Risk**

The Fund may make changes in its portfolio consistent with the Fund’s policies when we believe doing so is in the best interest of the Fund. We anticipate Fund turnover to be considerably higher than that of comparable funds. High turnover may increase transaction costs, increase taxable gains and negatively affect performance. A high rate of portfolio turnover is 100% or more.

We consider the effects of higher turnover when evaluating short-term investments. We will invest the Fund primarily in common equities listed on the major U.S. Stock exchanges, including ADRs, or securities convertible into common stocks. Up to 33% of the Fund’s investment portfolio may include companies traded on foreign exchanges.

## **Recent Market Events**

In recent months, U.S. and international markets have experienced dramatic volatility. The securities markets have experienced substantially lower valuations, reduced liquidity, price volatility, credit downgrades, increased likelihood of default and valuation difficulties. As a result, many of the above risks may be increased. The U.S. government has taken numerous steps to alleviate these mar-

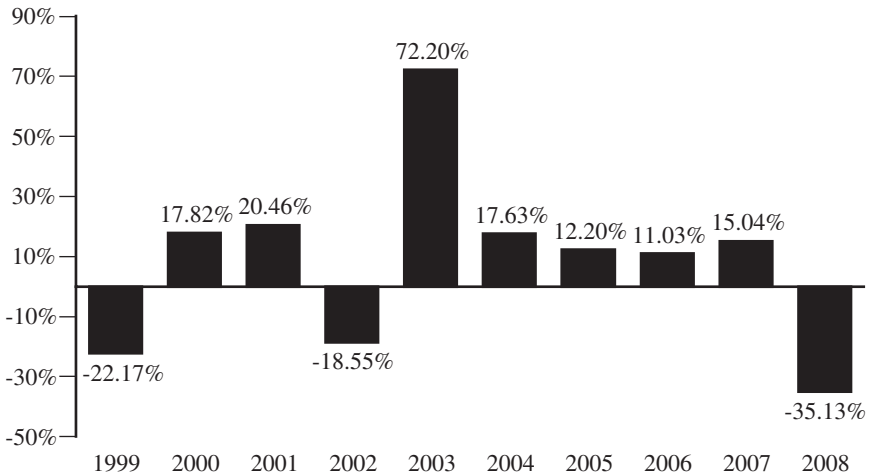
ket conditions. However, there is no assurance that such actions will be successful. Continuing market problems may have adverse effects on the Fund.

### How Has the Fund Performed?

The bar chart and table below illustrate the variability of the Fund's returns and the risks of investing. The bar chart shows how performance of the Fund's Class A shares (the Class with the longest period of annual returns) has varied from year to year and does not reflect the deduction of any applicable sales charges. If sales charges had been reflected, the returns for Class A shares would be less than those shown below. The performance of Class C shares will differ due to differences in expenses. The table compares the Fund's performance to that of three broad-based market indexes. Indexes are unmanaged and are not available for direct investment. This information is based on past performance. The Fund's performance, before and after taxes, is not a prediction of future results.

#### Calendar Year Total Returns

##### Class A



During the period of time shown in the bar chart, the Fund's best and worst quarters are shown below:

Best Quarter: (second quarter, 2003) 35.41%

Worst Quarter: (third quarter, 2008) -21.83%

**Average Annual Total Returns**  
**For the periods ended December 31, 2008**

	<b>One Year</b>	<b>Five Years</b>	<b>Ten Years</b>	<b>Since Inception<sup>(3)</sup></b>
<b>Class A</b>				
Return Before Taxes	-38.86%	0.60%	4.79%	N/A
Return After Taxes on Distributions <sup>(1)</sup>	-38.91%	-0.09%	4.43%	N/A
Return After Taxes on Distributions and on Sale of Fund Shares <sup>(1),(2)</sup>	-25.20%	0.83%	4.36%	N/A
<b>Class C</b>				
Return Before Taxes	-36.28%	N/A	N/A	-5.26%
<b>MSCI World Index<sup>(4)</sup></b>	-40.71%	-0.51%	-0.64%	-5.95%
<b>S&amp;P 500 Index<sup>(5)</sup></b>	-37.00%	-2.19%	-1.38%	-6.42%
<b>Russell 2000 Index<sup>(6)</sup></b>	-33.79%	-0.93%	3.02%	-6.36%

(1) After-tax returns are calculated using the highest historical individual Federal marginal income tax rates and do not reflect the impact of state and local taxes.

(2) Actual after-tax returns depend on an investor's tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts. The Fund's performance presented in the table reflects the effects of the maximum applicable sales charge and the Fund's operating expenses. After tax returns are shown only for the Fund's Class A shares and after-tax returns for Class C shares will vary.

(3) The Fund's Class C shares commenced operations on October 7, 2005. The returns for the indices in this column have been calculated since the inception date of the Fund's Class C shares.

(4) The MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. The MSCI World Index consists of the following 23 developed market country indices: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom, and the United States. The figures above reflect all reinvested dividends but do not reflect any deductions for fees, expenses or taxes. A direct investment in an index is not possible. The Fund is discontinuing the use of the Russell 2000 Index as the primary index and replacing it with the MSCI World Index in future prospectuses. The Fund believes that use of the MSCI World Index provides a better comparative benchmark than the Russell 2000 Index because of the Fund's investments in domestic and foreign corporations.

(5) The S&P 500 Index is an unmanaged market value weighted index of 500 stocks designed to represent the broad domestic economy. The figures above reflect all reinvested dividends but do not reflect any deductions for fees, expenses or taxes. A direct investment in an index is not possible.

(6) The Russell 2000 Index is an unmanaged equity index comprising smaller U.S. companies and includes reinvested dividends. The figures above reflect all reinvested dividends but do not reflect any deductions for fees, expenses or taxes. A direct investment in an index is not possible.

## WHAT FEES AND EXPENSES DO I PAY?

As an investor in the Fund, you may pay the following fees and expenses. Shareholder transaction fees are paid from your account. Annual Fund operating expenses are paid out of Fund assets and are reflected in the share price.

	<u>CLASS A</u>	<u>CLASS C</u>
<b>SHAREHOLDER TRANSACTION FEES</b>		
<b>(PAID BY YOU DIRECTLY)<sup>(1)</sup></b>		
Maximum sales charge (load) on purchases (as a % of offering price)	5.75% <sup>(2)</sup>	0.00%
Maximum deferred sales charge (load) as a percentage of the amount redeemed	None <sup>(3)</sup>	1.00% <sup>(4)</sup>
Maximum sales charge (load) imposed on reinvested dividends and other distributions	None	None
Fee for redemption by wire	\$15	\$15
Maximum account maintenance fee <sup>(5)</sup>	\$15	\$15
<b>ANNUAL FUND OPERATING EXPENSES</b>		
<b>(PAID FROM FUND ASSETS)</b>		
Management fee	1.00%	1.00%
Distribution (12b-1) and service fees	0.25%	1.00%
Other expenses <sup>(6)</sup>	<u>0.43%</u>	<u>0.43%</u>
<b>Total Annual Fund Operating Expenses</b>	<u><b>1.68%</b></u>	<u><b>2.43%</b></u>

- (1) 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 this fee is subject to change.
- (2) Lower sales charges are available depending upon the amount invested. See "Sales Charges – Class A Shares."
- (3) A deferred sales charge of 1.00% may be applied to redemptions within one year of purchase of Class A Shares in the case of accounts with an aggregate value of \$1 million or more, where no sales charge applies (not including shares purchased with reinvested dividends and/or distributions).
- (4) Applied to redemptions within one year of purchase.
- (5) Applies only to investors whose total eligible investments with the Fund are less than \$5,000. If you hold shares of the Fund in an Empiric account (i.e., not a financial intermediary or retirement plan account), we may charge you a \$15 annual account maintenance fee if the value of those shares is less than \$5,000. We will determine the amount of your total eligible investments twice per year, generally the last Friday in October and April. If the value of those investments is less than \$5,000 at that time, we will automatically redeem shares in one of your accounts to pay the \$15 fee. Please note that you may incur Federal, state and/or local tax liability as a result of the redemption. In determining your total eligible investment amount, we will include your investments in all personal accounts (individual accounts, joint accounts, UGMA/UTMA accounts, personal trusts, Coverdell education savings accounts, IRAs (including traditional, Roth, Rollover, SEP-, SARSEP- and Simple-IRAs), and certain other retirement accounts) registered under your Social Security number.
- (6) "Other Expenses" include operating expenses other than the management fee and distribution fee. "Other expenses" also include the fees and expenses incurred by the Fund in connection with its

investments in other investment companies, which are referred to as “acquired fund fees and expenses.” Acquired fund fees and expenses incurred by the Fund were less than the annual rate of 0.01% of its average daily net assets for the fiscal year ended September 30, 2008. Please note that the amount of Total Annual Fund Operating Expenses shown in the above table may differ from the Ratio of Expenses to Average Net Assets included in the “Financial Highlights” section of the Prospectus because the Ratio of Operating Expenses to Average Net Assets reflects the operating expenses of the Fund and does not include indirect expenses such as acquired fund fees and expenses.

### Example

Use this table to compare fees and expenses with those of other mutual funds. It illustrates the amount of fees and expenses (including indirect fees and expenses from investing in other mutual funds) you would pay, assuming the following:

- \$10,000 investment
- 5% annual return
- no changes in the Fund’s operating expenses
- dividends and distributions are reinvested
- redemption at the end of each period (unless noted otherwise)

Because this example is hypothetical and for comparison purposes only, your actual costs are likely to be different.

	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
Class A	\$736	\$1,074	\$1,435	\$2,448
Class C	\$349	\$758	\$1,296	\$2,766

### WHO RUNS THE FUND?

Mark A. Coffelt, CFA

Founder, President, Chairman of the Board of Directors and

Portfolio Manager of the Fund

Chief Investment Officer of the Advisor

Mark Coffelt is the founder of the Advisor (1987), where he is Chief Investment Officer. He is also founder, President, Chairman of the Board of Directors and Portfolio Manager of the Fund (1995), located in Austin, Texas. The investment process used by the firm has evolved to a highly Structured, Quantitative and Empirical approach (SQE). The firm believes that its SQE process leads to a greater likelihood of repeatability and reliability in investing. Mr. Coffelt is also one of the Fund’s largest shareholders.

Mr. Coffelt has held the Chartered Financial Analyst (CFA) designation since 1987. He received his B.A. in economics, cum laude from Occidental College, and his MBA from the Wharton School at the University of Pennsylvania.

The Statement of Additional Information (“SAI”) provides additional information about the Portfolio Manager’s compensation, other accounts overseen by the Portfolio Manager and his ownership of securities in the Fund.

## **Investment Advisor**

Empiric Advisors, Inc. is the investment advisor to the Fund, and is registered as an investment advisor with the SEC. The address for Empiric Advisors, Inc. is: 6300 Bridgepoint Parkway, Building 2, Suite 105 Austin, TX 78730

Mark Coffelt is the President and Chief Investment Officer of the Advisor, and Chairman of the Board of Directors and President of the Fund. He founded the Advisor in 1987. The Advisor manages discretionary accounts other than the Fund, including individual and institutional accounts. The Advisor provides day-to-day investment management services to the Fund, and also is responsible for Fund administration.

## **Advisory Agreement**

Under the advisory agreement, the Advisor furnishes investment advice to the Fund and continuously reviews and recommends to the Fund when and to what extent securities should be purchased or disposed of. The advisory agreement can be terminated at any time, without the payment of any penalty, by the Board of Directors or by vote of a majority of the outstanding voting securities of the Fund on 60 days' prior written notice to the Advisor. Ultimate decisions regarding investment policy are made not by the Advisor but by the Fund's Officers and Directors. Under its advisory agreement with the Fund, the Advisor also furnishes the Fund with office space and certain administrative services and provides most of the personnel needed to fulfill its obligations. For its services, the Fund pays the Advisor a monthly management fee that is calculated at the annual rate of 1.00% on the Fund's average daily net assets. During the fiscal year ended September 30, 2008, the Fund paid the Advisor 1.00% of its average daily net assets.

A discussion regarding the basis of the Board of Directors' approval of the advisory agreement is available in the Fund's Annual Report to shareholders for the year ended September 30, 2008.

## **Multiple Class Information**

The Fund offers two classes shares: Class A shares and Class C shares.

The Class A shares have different fees and expenses from the Class C shares. The difference in the fee structures between the classes is the result of their separate arrangements for shareholder and distribution services and not the result of any difference in amounts charged by the Advisor for core investment advisory services. Accordingly, the core investment advisory expenses do not vary by class. Different fees and expenses will affect performance.

Except as described below, both classes of shares of the Fund have identical voting, dividend, liquidation and other rights, preferences, terms and conditions. The only differences between the classes are (a) each class may be subject to dif-

ferent expenses specific to that class; (b) each class has a different identifying designation or name; (c) each class has exclusive voting rights with respect to matters solely affecting that class; and (d) each class may have different exchange privileges.

## **HOW TO CHOOSE A SHARE CLASS**

Before you can buy shares, you need to decide which class of shares best suits your needs. The Fund offers two classes of shares: Class A shares and Class C shares. Each class is subject to different expenses and sales charges.

The difference in the fee structures between the classes is primarily the result of their separate arrangements for shareholder and distribution services and is not the result of any difference in the amounts charged by the Advisor for investment advisory services. Accordingly, the investment advisory expenses do not vary by class.

You may choose to buy one class of shares rather than another depending on the amount of the purchase and the expected length of time of investment. Long-term shareholders of Class C shares may pay more than the maximum front-end sales charge allowed by the Financial Industry Regulatory Authority, Inc. (“FINRA”).

### **CLASS A SHARES**

Class A shares may be best for you if you are a long-term investor who is willing to pay the entire sales charge at the time of purchase. In return, you pay a lower distribution fee than class C shares. There is no limit to how much you can invest in this share class.

For any investment below \$1 million, you buy Class A shares at their net asset value (“NAV”) per share plus a sales charge, which is up to 5.75% of the offering price, but subject to breakpoints based on the amount of your purchase (see “Sales Charges – Class A Shares,” below). The term “offering price” includes the front-end sales charge.

Investors in Class A shares pay a distribution fee—up to 0.25% of the average daily net assets—each year they hold the shares. This distribution fee is lower than the fee paid for Class C shares. Lower expenses of Class A shares translate into higher annual return on NAV than Class C shares.

### **CLASS C SHARES**

Class C shares may be best for you if you are willing to pay a higher distribution fee than Class A shares in order to avoid paying a front-end sales charge. With respect to Class C shares:

- You buy the shares at NAV (no initial sales charge).
- You cannot invest more than \$1 million in Class C shares.

If you sell Class C shares within one year of purchase, you must pay a deferred sales charge of one percent. The deferred sales charge for each purchase will be

based on the value of your shares at the time of purchase. Tracking for each purchase will begin as of the first day of the month in which the purchase is made.

Investors in Class C shares pay a distribution fee of 0.75% plus a shareholder servicing fee of 0.25% of the average daily NAV each year they hold the shares. Higher expenses in comparison to Class A shares translate into lower annual return on NAV.

## **DEFERRED SALES CHARGE**

If you purchase shares subject to a contingent deferred sales charge and redeem any of those shares during the applicable holding period for the class of shares you own, the contingent deferred sales charge will be deducted from the redemption proceeds. At redemption, the deferred sales charge will be calculated from the first day of the month in which your purchase occurred.

You will pay a deferred sales charge of 1.00% in the following cases:

Class A Shares (only for shares with an aggregate value of \$1 million and sold within one year of purchase)

- On a complete redemption of shares, the deferred sales charge will be based on the lower of original cost or current market value.
- On a partial redemption of shares, the deferred sales charge will be based on original cost.

Class C Shares (for any shares redeemed within one year of purchase)

- Regardless of whether the redemption is complete or partial, the deferred sales charge will be based on the lower of original cost or current market value.

To keep deferred sales charges as low as possible, we first will sell shares in your account that are not subject to deferred sales charges (if any). We do not impose a deferred sales charge on the amount of your account value represented by an increase in NAV over the initial purchase price, or on shares acquired through dividend reinvestments or capital gains distributions. To determine whether the deferred sales charge applies to a redemption, we redeem shares in the following order:

Class A Shares

- Shares that have been held for more than one year following purchase.
- Shares in your account represented by an increase in NAV over the initial purchase price (appreciation).
- Shares acquired by reinvestment of dividends and capital gain distributions.
- Shares that have been held for less than one year following purchase.

Class C Shares

- Shares acquired by reinvestment of dividends and capital gain distributions.

- Shares in your account represented by an increase in NAV over the initial purchase price (appreciation).
- Shares that are no longer subject to the deferred sales charge
- Shares held the longest, but which are still subject to the deferred sales charge.

## **DISTRIBUTION AND SERVICE PLAN**

The Fund has adopted a plan under Rule 12b-1 that allows the Fund to pay distribution fees for the sale and distribution of its shares. The fees collected under the Rule 12b-1 plan may be used to pay for Fund “supermarket fees.” Supermarket fees are charged by financial institutions so that the Fund may be available for purchase and sale in a mutual fund marketplace. Because the fees are ongoing, the distribution expense may increase the cost of your investment and may cost you more than other types of sales charges. For investors who invest directly with the Fund, the Distributor will be the broker on the account. All Rule 12b-1 fees will accrue daily and be paid quarterly. According to the Rule 12b-1 Plan, the services provided by selected broker-dealers are primarily designed to promote the sale of shares of the Fund and include the furnishing of office space and equipment, telephone facilities, personnel, and assistance to the Fund in servicing shareholders.

### **Class A Shares**

Agents (brokers) of registered broker-dealers will distribute Class A shares, and the Fund will be charged, and your broker will collect, 0.25% of average daily net assets on the amount invested in the Fund.

### **Class C Shares**

The Fund’s Class C shares pay an annual fee of 1.00% of Class C shares average daily net assets — 0.75% for distribution and 0.25% for shareholder servicing. The Distributor, as paying agent for the Fund, pays all or a portion of such fees to the banks, broker-dealers and insurance companies that make Class C shares available.

### **Sales Charges – Class A Shares**

The Fund’s Class A shares are distributed through the broker-dealer community, and are sold at an offering price that includes a sales charge. If you wish to purchase Class A shares, the charge will be levied against the purchase amount, and it will be paid to your broker and the Distributor.

Sales charge as a percentage of assets invested:

<u>Transaction Amount</u>	<u>As a % of the Public Offering Price</u>	<u>As a % of the Net Amount Invested</u>	<u>Dealer discount</u>
Less than \$50,000	5.75%	6.10%	5.00%
\$50,000 but less than \$100,000	4.75%	4.99%	4.00%
\$100,000 but less than \$250,000	3.75%	3.90%	3.00%
\$250,000 but less than \$500,000	2.75%	2.83%	2.25%
\$500,000 but less than \$1 million	2.00%	2.04%	1.75%
\$1 million* and up	0.00%	0.00%	0.00%

\* For single purchases, or purchases aggregating \$1 million or more, you will not pay an initial sales charge. The Advisor will pay the authorized broker 1% of the amount invested. On these purchases, a contingent deferred sales charge of 1% is levied on redemptions occurring within 12 months of the investment and is paid to the Advisor.

## Ways to Reduce or Avoid Paying the Sales Charge

### Aggregation of Accounts

If you fit into one of the following categories, then you may aggregate accounts to qualify for a reduced sales charge on Class A shares:

- an individual, his or her spouse, or their children under 21 purchasing for their own account.
- a trustee or other fiduciary purchasing for a single fiduciary account (including an estate, pension, profit sharing, or employee benefit trust qualified under Section 401 of the Internal Revenue Code of 1986, as amended (the “Code”).
- employee benefit plans of a single employer or affiliated employers.

### Statement of Intention

By signing a Letter of Intent (“LOI”) prior to purchase, you pay a lower sales charge now in exchange for promising to invest an amount over a specified breakpoint within the next 13 months. Reinvested dividends and capital gains do not count as purchases made during this period. We will hold in escrow shares equal to approximately 5% of the amount you say you intend to buy. If you do not invest the amount specified in the LOI before the expiration date, we will redeem enough escrowed shares to pay the difference between the reduced sales load you paid and the sales load you should have paid. Otherwise, we will release the escrowed shares when you have invested the agreed amount.

If you establish an LOI with the Fund you can aggregate your accounts as well as the accounts of your spouse and children under 21 years of age. You will need to provide written instruction with respect to the other accounts whose purchases should be considered in fulfillment of the LOI.

## **Rights of Accumulation**

You may combine your new purchase of the Fund's Class A shares with shares currently owned by yourself, your spouse, and your children under 21 years of age for the purpose of qualifying for the lower initial sales charge rates that apply to larger purchases. The applicable sales charge for the new purchase is based on the total of your current purchase and the current value of Class A shares that you already own (based on the Fund's offering price of all other Class A shares you own).

If you invest in the Fund's Class A shares through a financial intermediary, it is the responsibility of the financial intermediary to ensure that you obtain the proper "breakpoint" discount. It will be necessary at the time of purchase to inform the Distributor and the financial intermediary of the existence of other accounts in which there are holdings eligible to be aggregated to meet sales load breakpoints. You may be required to provide certain records and information, such as account statements, with respect to all of your accounts which hold shares, including accounts with other financial intermediaries and your family members' and other related parties' accounts, in order to verify your eligibility for a reduced sales charge. If the Distributor is not notified that you are eligible for a reduced sales charge on your purchase of Class A shares, the Distributor will be unable to ensure that the reduction is applied to your account.

## **Sales Charge Exemptions**

If you fit into one of the following categories, you are exempt from the sales charge on Class A shares provided that you and/or your representative notify the Fund in writing at the time of purchase that you are eligible. Without notification, the Fund is unable to ensure that the reduction is applicable to your account. You may have to provide information or records to verify eligibility for these exemptions:

- Shareholders buying direct through the Distributor without advice of a registered broker;
- Charter shareholder (shareholders with at least \$10,000 with the Fund before December 31, 1995);
- Shareholders buying through select discount platforms and fund supermarkets where the broker/dealers customarily sell mutual funds without sales charges (check with your discount broker/dealer for availability). Other fees may be charged by the service-provider sponsoring the fund supermarket, and transaction charges may apply to purchases and sales made through a broker/dealer;
- Directors, Officers and Employees of the Fund, the Advisor and their family members and retirement plans (exemption granted to such individuals in order to encourage their investing in the Fund);
- Registered representatives of FINRA buying for their own account;
- Discretionary accounts of bank trust departments;

- Registered investment advisors buying for their clients and themselves; and/or
- Charities and religious organizations as defined by Section 501(c)(3) of the Code.

Please visit our website, [www.empiricfunds.com](http://www.empiricfunds.com), where we provide free of charge a clear and prominent description of the sales loads and breakpoints on the Fund's Class A shares.

### **Other Fees**

Annual IRA maintenance fee (capped at \$30 per social security number) This is applicable to traditional, Roth and Coverdell Education Savings Account (formerly Education IRA) and subject to change.	\$15.00
Refund of excess contributions	\$25.00
IRA distributions to participant	\$25.00
IRA transfer to successor trustee	\$25.00
Wire fee	\$15.00
Return check or ACH and stop payment	\$25.00
Fee for overnight delivery	\$15.00
Fee for conversion to/from a Roth IRA	\$25.00

Other fees may be charged by other advisors, broker-dealers, or financial institutions in connection with purchases or sales of the Fund.

### **HOW DO I PURCHASE SHARES?**

#### **Purchases through a broker**

You may purchase shares in the Fund through any broker-dealer that has signed a sales agreement with the Fund. Broker-dealers may place Fund orders on behalf of shareholders by calling the Distributor. Some financial intermediaries may accept purchase and redemption orders for the Fund and may have a specialized agreement with the Fund for settlement and payment. The broker-dealer is responsible for placing purchase orders promptly with the Distributor and forwarding payment within three business days. Orders will be processed only after receipt in good order.

#### **Direct Purchases**

All completed applications and checks go to:

#### **Sending via U.S. Mail**

Empiric Funds, Inc.  
c/o U.S. Bancorp Fund Services, LLC  
P.O. Box 701  
Milwaukee, WI 53201-0701

### **Sending via overnight courier**

Empiric Funds, Inc.  
c/o U.S. Bancorp Fund Services, LLC  
615 East Michigan Street, 3rd Floor  
Milwaukee, WI 53202-5207

The Fund does not consider the U.S. Postal Service or other independent delivery services to be its 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 application or redemption requests does not constitute receipt by the transfer agent of the Fund.

Whenever you write a check for an additional purchase, make sure you include your account number and the name on your account. You do not need a certified check, but the check must be drawn on a U.S. bank in U.S. dollars. The Fund will not accept payment in cash or money orders. The Fund also does not accept cashier's checks in amounts of less than \$10,000. To prevent check fraud, the Fund will not accept third party checks, 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 condition order or payment. Your purchase will be processed at the public offering price next calculated after your money and completed application are received by the transfer agent of the Fund by the close of the New York Stock Exchange ("NYSE") (currently 4:00 p.m. Eastern time). A fee may be imposed if your check does not clear. The Fund reserves the right to reject all or part of any purchase.

If you are making your first investment in the Fund, before you wire funds, U.S. Bancorp Fund Services, LLC, the Fund's transfer agent (the "Transfer Agent") must have a completed account application that indicates the share class you wish to purchase. You can mail or overnight deliver your account application to the Transfer Agent. Upon receipt of your completed account application, the Transfer Agent will establish an account for you. The account number assigned will be required as part of the instruction that should be given to your bank to send the wire. Your bank must include both the name of the Fund and share class you are purchasing and your name so that monies can be correctly applied. Your bank should transmit funds by wire to:

U.S. Bank, N.A.  
777 E. Wisconsin Ave.  
Milwaukee, WI 53202  
ABA#075000022  
Credit: U.S. Bancorp Fund Services, LLC  
Account Number: 112-952-137  
Further Credit: Core Equity Fund, (Class A Shares or Class C Shares)  
Shareholder name and account number

### **For Subsequent Investments – By wire**

Before sending your wire, please contact the Transfer Agent at 1-888-839-7424 to advise them of your intent to wire funds. This will ensure prompt and accurate credit upon receipt of your wire. Please include your account name and number on each wire.

### **For Subsequent Investments – By telephone**

Investors may purchase additional shares of the Fund by calling 1-888-839-7424. If you elected this option on your account application, and your account has been open for at least 15 days, telephone orders in amounts of \$100 or more will be accepted via electronic funds transfer from your bank account through the Automated Clearing House (“ACH”) network. You must have banking information established on your account prior to making a purchase. If your order is received prior to 4 p.m. Eastern time, your shares will be purchased at the NAV calculated on the day your order is placed.

Telephone trades must be received by or prior to market close. During periods of high market activity, shareholders may encounter higher than usual call waits. Please allow sufficient time to place your telephone transaction.

### **Minimums**

The minimum initial investment you may invest is \$5,000 unless you are using the Automatic Investment Plan described below or unless we, at our discretion, waive the minimum. Subsequent investments are subject to a \$100 minimum. The Fund can raise or lower minimums at its discretion. Your financial intermediary may apply different investment minimums at its discretion.

### **Automatic Investment Plan**

Under the Automatic Investment Plan, your money will be transferred from your bank account to your account with the Fund on the day of each month that you specify on your account application. You can participate in the Automatic Investment Plan by filling out the appropriate section of the account application. Each investment under the Plan must be in the amount of \$100 or more.

In order to participate in the Automatic Investment Plan, your bank must be a member of the ACH network. The Fund is unable to debit mutual fund or pass through accounts. 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 Automatic Investment Plan should be submitted to the Transfer Agent five days prior to effective date.

You may obtain more information by calling the Transfer Agent.

## **Anti-Money Laundering Program**

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 1-888-839-7424 if you need additional assistance when completing your application.

If the Transfer Agent does not have a reasonable belief of the identity of an investor, the transaction will be rejected or the investor 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.

Shares of the Fund have not been registered for sale outside of the United States. The Fund generally does not sell shares to investors residing outside the United States, even if they are United States citizens or lawful permanent residents, except to investors with United States military APO or FPO addresses.

## **HOW DO I SELL SHARES?**

You may redeem all or part of your investment at the closing NAV any day the NYSE is open. For Class A shares, the redemption price is the next NAV per share determined after your request is received in good order. For Class C shares, depending on when you purchased your shares, the redemption price will be the next NAV less the applicable deferred sales charge.

You have three options for receiving redemption proceeds regardless of whether the redemption was made in writing or via telephone. You may have a check sent to the address of record, proceeds may be wired to your bank account of record, or funds may be sent via electronic funds transfer through the ACH network, also to the bank account of record. You will be subject to a \$15 fee for wire redemptions but you will not incur any charge from us when we send proceeds to you via the ACH network.

Things you should know about redeeming your shares:

- Checks will be remitted to the address of record only.
- If you request a wire, another \$15 will be charged as a wire fee. You bear the risk of a loss that may result from unauthorized or fraudulent transactions that the Transfer Agent believes to be genuine.
- All owners of the account must sign redemption documents.
- The Fund may require additional documents in the case of shareholder death, corporate accounts, agent or fiduciary.

- Payment of redemption proceeds will be no later than the 7th day after receipt of signature guarantees and other necessary documents.
- The Fund may suspend the right of redemption in extraordinary circumstances in accordance with the rules set by the SEC.
- If any portion of the shares to be redeemed represents an investment made by check, the Fund may delay the payment of the redemption proceeds until the Transfer Agent is reasonably satisfied that the check has been collected. This may take up to 15 calendar days from the purchase date.
- A redemption may result in your recognition of a gain or loss for Federal income tax purposes.

### **Written request for redemption**

You may redeem your shares directly through the Fund via written request. For any amount over \$100,000 you will need a signature guarantee as discussed below.

### **Telephone redemptions**

You may redeem shares up to \$100,000 over the telephone only if you requested telephone redemption privileges on your account application. If you did not request this, you may do so in writing to the Transfer Agent with an accompanying signature guarantee.

Things you should know about telephone redemptions:

- You cannot redeem over the telephone if you paid by check and the payment has been on the books for less than 15 days.
- If the Transfer Agent is handling a large volume of calls you may have to send a redemption request via overnight mail.
- The Transfer Agent may ask certain questions that are designed to help confirm your identity as the shareholder of record.

### **Situations Involving Redemptions**

For Class A shares, if you redeem shares and then within 60 days change your mind, you may reinvest the redemption amount at the current price, without paying the sales charge. In order to take advantage of this option, please submit your check, in an amount no greater than the redemption amount, with a letter indicating that you wish to reinvest the amount using this privilege. This exemption is not used up if your intent is to reinvest the redemption amount in an IRA or pension. If you realized any taxable gains on your redemption, this privilege will not alter your tax liabilities with respect to such gains. If you realized a loss, depending on the timing and amounts of the reinvestment, you may not be allowed to take the loss for tax purposes, but the loss will instead be reflected in an upward adjustment to the basis of the shares you acquire as a result of your reinvestment. Please consult your personal tax advisor before making these decisions.

If your account, because of redemptions, falls below \$2,000 and is not a retirement account or a UGMA/UTMA account, then the Fund may redeem shares in your account. This does not apply if your account falls below \$2,000 because of a drop in NAV. If the Fund determines to make an involuntary redemption, you will be notified that your account is less than \$2,000 and you will have 30 days to bring your account value up to \$2,000 by investing more money before the Fund takes any action.

### **Signature Guarantees**

To protect you and the Fund from fraud, 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;
- When establishing or modifying certain services on an account;
- If a change of address was received by the Transfer Agent within the last 15 days; and/or
- For all redemptions in excess of \$100,000 from any shareholder account.

The Fund may waive any of the above requirements in certain instances or may require a guarantee in other instances as necessary.

### **Where To Get a Signature Guarantee**

- Participants in good standing of the Securities Transfer Agents Medallion Program (“STAMP”);
- Commercial banks that are members of the Federal Deposit Insurance Corporation (“FDIC”);
- Trust companies;
- Firms that are members of a domestic stock exchange;
- Eligible guarantor institutions qualifying under Rule 17Ad-15 of the Securities Exchange Act of 1934 that are authorized by charter to provide signature guarantees; and/or
- Foreign branches of any of the above.

The Transfer Agent cannot honor guarantees from notaries public.

### **Market Timing Policy**

#### **Tools to Combat Frequent Transactions**

The Board of Directors 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 prac-

tices 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 compliance with Rule 22c-2 of the 1940 Act, as amended, the Empiric Funds, Inc., on behalf of the Fund, has entered into written agreements with each of the Fund's financial intermediaries, under which the intermediary must, upon request, provide the Fund with certain shareholder and identity trading information so that the Fund can enforce its frequent trading policies.

**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 of Directors 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 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 of Directors and are reviewed annually by the Board of Directors. 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. 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 the Fund's NAV 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 Fund may value non-U.S. securities at fair value, taking into account such events, when it calculates its NAV. Other types of securities that the Fund 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 detailed information regarding fair value pricing can be found under the heading titled, "WHAT ELSE MUST I KNOW BEFORE INVESTING? – Net Asset Value (Pricing)."

### **Transfer Agent and Accounting Services**

The Fund has contracted with U.S. Bancorp Fund Services, LLC for transfer agent and accounting services. You should call the Transfer Agent with questions about setting up or maintaining your account.

All shares are held in non-certificated form registered on the books of the Fund and the Transfer Agent for the account of the shareholder.

### **Distributor**

The Fund's Underwriter and Distributor is Quasar Distributors, LLC, a member of FINRA. Quasar Distributors, LLC is located at 615 East Michigan Street, Milwaukee, WI 53202.

### **Revenue Sharing**

The Advisor may pay compensation, out of its own funds and not as an expense of the Fund, to certain unaffiliated brokers, dealers or other financial intermediaries ("Intermediaries") in connection with the sale or retention of Fund shares and/or shareholder servicing. For example, the Advisor may pay additional compensation for the purpose of promoting the sale of Fund shares, maintaining share balances and/or for sub-accounting, administrative or shareholder processing services. Such payments are in addition to any distribution fees, service fees and/or transfer agency fees that may be payable by the Fund. The additional payments may be based on factors, including level of sales (based on gross or net sales or some specified minimum sales or some other similar criteria related to

sales of the Fund), amount of assets invested by the intermediary's customers (which could include current or aged assets of the Fund), the Fund's advisory fees, some other agreed upon amount, or other measures as determined from time to time by the Advisor. The amount of these payments, as determined from time to time by the Advisor, may be different for different Intermediaries.

The prospect of receiving, or the receipt of, additional compensation, as described above, may provide the Intermediaries and/or financial advisors and other salespersons with an incentive to favor sales of shares of the Fund over other investment options with respect to which the Intermediary does not receive additional compensation (or receives lower levels of additional compensation). These payment arrangements, however, will not change the price that an investor pays for shares of the Fund. Investors may wish to take such payment arrangements into account when considering and evaluating any recommendations relating to Fund shares. You should review carefully any disclosure by such brokers, dealers or other Intermediaries as to their compensation.

## **HOW DO FUND DISTRIBUTIONS AND FEDERAL INCOME TAXES WORK?**

The Fund will distribute almost all of the investment income and realized capital gains that it accumulates through its investments. The portion of any distribution attributable to long-term capital gains in the Fund's investments and designated by the Fund as a "capital gain dividend" will be passed through to you and will become your Federal income tax responsibility as a shareholder as long-term capital gains regardless of the amount of time you have owned your shares of the Fund.

The portion of any distribution attributable to the Fund's "investment company taxable income" (which includes dividends, interest and net short-term capital gains) will also be passed through to you and will become your Federal income tax responsibility as a shareholder. These amounts will be taxed at your ordinary income tax rate, unless and to the extent these amounts are attributable to "qualified dividend income" and, if applicable, are so designated by the Fund, in which case such amounts will be eligible for the reduced maximum Federal income tax rate for long-term capital gains applicable to individuals (currently 15%), provided certain holding period requirements are met. Distributions will be paid at least annually and if necessary may be authorized more often by the Board of Directors.

You should realize that purchasing shares shortly before a distribution may adversely affect you by reducing the NAV of your shares by the amount of the distribution and leaving you with a Federal income tax liability attributable to the distribution. You should also note that you may be subject to Federal income tax when you sell shares of the Fund or when a distribution is made to you, whether the distribution is made in cash or reinvested in additional shares.

The distributions that the Fund makes will be automatically reinvested with no sales charge, unless you specify on your application forms that you wish to be paid the distribution in cash.

The Fund is required to withhold 28% of reportable payments to shareholders who have not complied with IRS regulations and/or if the Fund receives notification from the IRS requiring back-up withholding. To avoid this withholding, you must provide the following information on or with your application:

Certification as to your taxpayer identification number on a W-9 tax form; and  
Attestation that you are not subject to back-up withholding.

This section is not intended to be a full discussion of Federal tax laws and the effect of such laws on shareholders. There may be other Federal, state or local tax considerations applicable to a shareholder. You are urged to consult your personal tax advisor regarding such Federal, state or local tax considerations.

### **Outstanding Distribution Checks**

If an investor elects to receive distributions in cash and the U.S. Postal Service cannot deliver the check, or if a check remains uncashed for six months, the Fund reserves the right to reinvest the distribution check in the shareholder's account at the Fund's current NAV and to reinvest all subsequent distributions.

### **DOES THE FUND OFFER RETIREMENT ACCOUNTS?**

#### **IRAs**

The company offers the following types of IRAs:

- Traditional IRAs
- Roth IRAs
- Roth Conversion IRAs
- Education IRAs
- SEP IRAs
- Rollover IRAs

The investment minimum for retirement accounts is \$2,000, and each account may be subject to a trustee annual charge of \$15.00 for Traditional and Roth IRAs, as well as for Coverdell Education Savings Accounts.

You should discuss each plan listed above with your personal tax advisor, and you should read the Empiric Funds, Inc.'s Retirement Booklet including important disclosures before opening an account. The Retirement Booklet is available at no charge by calling the Fund at 1-888-839-7424.

### **WHAT ELSE MUST I KNOW BEFORE INVESTING?**

#### **Reports**

The Fund will send annual reports to shareholders containing certified financial statements and semi-annual reports containing unaudited financial statements.

Account Statements:	Provided Quarterly
Financial Reports:	Provided at least semi-annually
Confirmation Reports:	Provided after each transaction that affects the account balance or registration of shareholder, except for the reinvestment of dividends and capital gains.

To reduce expenses, one copy of each report will be mailed to each tax identification number even though you may have more than one account with the Fund.

**Net Asset Value (Pricing)**

The Fund’s NAV will be determined as of the close of the NYSE on each day the exchange is open. The NYSE is closed on national holidays, so the NAV will not be calculated on those days. The NYSE is not open on New Year’s Day, Martin Luther King Jr. Day, President’s Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. Your purchase price will be the Fund’s NAV next determined after the Fund receives your request in proper form.

The NAV for each class of shares of the Fund is calculated by adding the total value of a Fund’s investments and other assets attributable to each class, subtracting the liabilities for that class, and then dividing that figure by the number of outstanding shares of the class:

$$\text{NAV} = \frac{\text{Value of Fund Assets} - \text{Liabilities}}{\text{Number of Outstanding Shares}}$$

The NAV for Class A shares will differ from the NAV for Class C shares due to the difference in their expenses.

Fund securities are valued at the latest available market price including the NAV of the investment companies that the Fund holds in its portfolio. If market quotations are not readily available for some securities held by the Fund, the Fund’s officers will value securities at fair market value in accordance with methods approved by the Board of Directors.

Since the Fund invests primarily in frequently traded, exchange listed securities and calculates its NAV as of the time the exchange typically closes, there should be very limited circumstances in which it will use fair value pricing (*e.g.*, if the exchange on which a portfolio security is principally traded closes early or if trading in a particular portfolio security was halted during the day and did not resume prior to the Fund’s NAV calculation).

In the event that a price is not available for a security for which trading has been halted, the Board of Directors has directed that the Advisor use the last market trade as a base, then combine it with the news available on the stock and any observations the Advisor has made of other securities that have suspended trad-

ing under similar circumstances, in order to determine a fair price. Such determinations by the Advisor, as well as the considerations that factored into them, shall be reported to the Board of Directors at its next meeting. The effect of using fair value pricing is that the Fund's NAV may be subject to the judgment of the Directors' designees instead of being determined by market prices.

The Fund's securities may be listed on foreign exchanges that trade on days when the Fund does not calculate NAV. As a result, the market value of the Fund's investments may change on days when you cannot purchase or sell Fund shares.

### **Auditors**

Tait, Weller & Baker, LLP, of Philadelphia, Pennsylvania serves as the independent registered public accounting firm of the Fund. Tait, Weller & Baker LLP audits the financial statements of many mutual funds in the country. The firm has no direct or indirect interest in the Fund or the Advisor.

### **Disclosure of Portfolio Holdings**

A description of the Fund's policies and procedures regarding the disclosure of portfolio holdings is available in the SAI.

### **FINANCIAL HIGHLIGHTS**

The financial highlights tables are intended to help you understand the Fund's financial performance for the past five years with respect to Class A shares and since inception with respect to Class C shares. 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 Fund (assuming reinvestment of all dividends and distributions). This information has been audited by Tait, Weller & Baker, LLP, whose report, along with the Fund's financial statements, are included in the annual report, and incorporated by reference in the Fund's SAI, both of which are available upon request.

For a capital share outstanding throughout each year/period

**Class A**

	<u>Year Ended September 30,</u>				
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b>NET ASSET VALUE –</b>					
<b>BEGINNING OF YEAR</b>	<u>\$39.64</u>	<u>\$33.46</u>	<u>\$32.91</u>	<u>\$26.30</u>	<u>\$19.93</u>
<b>INCOME FROM</b>					
<b>INVESTMENT</b>					
<b>OPERATIONS:</b>					
Net investment income (loss)	0.08	0.26	(0.10)	(0.03)	(0.11)
Net realized and unrealized gain (loss) on investments	<u>(6.83)</u>	<u>7.40</u>	<u>0.65</u>	<u>6.64</u>	<u>6.48</u>
Total from investment operations	<u>(6.75)</u>	<u>7.66</u>	<u>0.55</u>	<u>6.61</u>	<u>6.37</u>
<b>LESS DISTRIBUTIONS:</b>					
Dividends from net investment income	(0.22)	—	—	—	—
Distributions from net realized gains	<u>(7.42)</u>	<u>(1.48)</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total distributions	<u>(7.64)</u>	<u>(1.48)</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>NET ASSET VALUE –</b>					
<b>END OF YEAR</b>	<u>\$25.25</u>	<u>\$39.64</u>	<u>\$33.46</u>	<u>\$32.91</u>	<u>\$26.30</u>
<b>TOTAL RETURN</b>	(21.9)%	23.6%	1.7%	25.1%	32.0%
<b>RATIOS AND</b>					
<b>SUPPLEMENTAL DATA:</b>					
Net assets, end of period (thousands)	\$49,372	\$70,316	\$78,187	\$77,603	\$40,370
Ratio of operating expenses to average net assets	1.67%	1.65%	1.67%	1.68%	1.78%
Ratio of operating expenses excluding interest expense and dividend payments on short positions to average net assets	1.66%	1.64%	1.62%	1.68%	1.78%
Ratio of net investment income to average net assets	0.36%	0.64%	(0.28)%	(0.13)%	(0.45)%
Portfolio turnover rate	221%	90%	148%	122%	172%

Total return figures include reinvestment of all dividends and distributions and DO NOT reflect the maximum front-end sales charge. Operations commenced on November 6, 1995 for Class A shares of the Fund.

For a capital share outstanding throughout each year/period

**Class C**

	<u>Year Ended September 30, 2008</u>	<u>Year Ended September 30, 2007</u>	<u>October 7, 2005 through September 30, 2006*</u>
<b>NET ASSET VALUE –</b>			
<b>BEGINNING OF PERIOD</b>	\$39.06	\$33.22	\$31.80
<b>INCOME FROM</b>			
<b>INVESTMENT OPERATIONS:</b>			
Net investment income (loss)	(0.10)	(0.04)	(0.21)
Net realized and unrealized gain (loss) on investments	<u>(6.75)</u>	<u>7.36</u>	<u>1.63</u>
Total from investment operations	<u>(6.85)</u>	<u>7.32</u>	<u>1.42</u>
<b>LESS DISTRIBUTIONS:</b>			
Dividends from net investment income	—	—	—
Distributions from net realized gains	<u>(7.42)</u>	<u>(1.48)</u>	<u>—</u>
Total distributions	<u>(7.42)</u>	<u>(1.48)</u>	<u>—</u>
<b>NET ASSET VALUE –</b>			
<b>END OF PERIOD</b>	<u>\$24.79</u>	<u>\$39.06</u>	<u>\$33.22</u>
<b>TOTAL RETURN</b>	(22.5)%	22.7%	4.5% <sup>+</sup>
<b>RATIOS AND</b>			
<b>SUPPLEMENTAL DATA:</b>			
Net assets, end of year (thousands)	\$2,523	\$2,917	\$2,954
Ratio of operating expenses to average net assets	2.42%	2.40%	2.42% <sup>^</sup>
Ratio of operating expenses excluding interest expenses and dividend payments on short positions to average net assets	2.41%	2.39%	2.37% <sup>^</sup>
Ratio of net investment income to average net assets	(0.39)%	(0.11)%	(1.02)% <sup>^</sup>
Portfolio turnover rate	221%	90%	148% <sup>+</sup>

\* Commencement of operations for Class C shares was October 7, 2005.

<sup>+</sup> Not Annualized.

<sup>^</sup> Annualized.

## **PRIVACY POLICY**

We collect non-public personal information about you from the following sources: (i) information we receive from you on applications or other forms; and (ii) information about your transactions with us. Our policies prohibit disclosure of non-public personal information about present or former individual shareholders to anyone, except as permitted or required by law and except as necessary for entities providing services to us, performing functions for us or maintaining records on our behalf, to perform the applicable function.

All services provided to you are through our service providers and all records containing your non-public personal information are maintained at the service providers' places of business. These entities include our transfer agent, administrative service provider and investment advisor.

Contracts with these entities prohibit them from disclosing non-public personal information about you, require them to restrict access to the information to those employees who need to know that information, and require them to maintain physical, electronic, and procedural safeguards that comply with Federal standards to guard your non-public personal information. We restrict access to non-public information about you to the entities described above.

**THIS PAGE IS NOT A PART OF THE PROSPECTUS**

## **HOW DO I REACH THE FUND?**

### **Advisor**

Empiric Advisors, Inc.  
6300 Bridgepoint Parkway, Building 2, Suite 105  
Austin, Texas 78730  
1-800-880-0324

### **Transfer Agent and Accountant**

U.S. Bancorp Fund Services, LLC  
615 East Michigan Street, 3rd Floor  
Milwaukee, Wisconsin 53202  
1-888-839-7424  
Call for questions on your account.

### **Custodian**

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

### **Distributor**

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

### **Mailing Address**

Empiric Funds, Inc.  
c/o U.S. Bancorp Fund Services, LLC  
P.O. Box 701  
Milwaukee, Wisconsin 53201-0701  
Please send all account-related correspondence here.

### **Independent Registered Public Accounting Firm**

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

### **Legal Counsel**

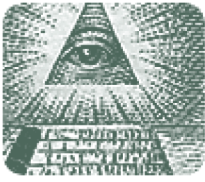
Godfrey & Kahn, S.C.  
780 North Water Street  
Milwaukee, Wisconsin 53202-3590

[www.empiricfunds.com](http://www.empiricfunds.com)

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# EMPIRIC FUNDS

**Core Equity Fund – Class A  
EMCAX**

CUSIP #29215M101

**Core Equity Fund – Class C  
EMCCX**

CUSIP #29215M200

The SAI is incorporated by reference into this Prospectus. More information about the Fund and its investments is available in the SAI and in the Fund's annual and semi-annual reports to shareholders ("Shareholder Reports"). They are available at no cost to you by calling 1-888-839-7424.

The SAI and Shareholder Reports are also available on the Fund's website at [www.empiricfunds.com](http://www.empiricfunds.com).

The Shareholder Reports contain management discussions of the market conditions and investment strategies that significantly affected the Fund's performance during the last fiscal year. You should also obtain and read the Fund's Retirement Booklet that has important disclosures and information relating to IRAs and other Retirement Accounts. To request other information about the Fund or to make shareholder inquiries, call 1-888-839-7424.

Information about the Fund, including the SAI, can be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room is available by calling (202) 942-8090. Reports and other information about the Fund are available on the EDGAR database on the SEC's internet site at <http://www.sec.gov>, and copies of this information may be obtained upon payment of a duplicating fee, by electronic request to: [publicinfo@sec.gov](mailto:publicinfo@sec.gov) or by writing the Public Reference Section of the SEC, Washington, DC 20549-0102.