

Prospectus  
February 1, 2012

# THE ELITE GROUP OF MUTUAL FUNDS

THE ELITE INCOME FUND  
(TICKER SYMBOL: ELINX)

THE ELITE GROWTH & INCOME FUND  
(TICKER SYMBOL: ELGIX)

Although these securities have been registered with the Securities and Exchange Commission, the Securities and Exchange Commission has not approved or disapproved them or determined if this Prospectus is accurate or complete. Anyone who informs you otherwise is committing a crime.

# Table of Contents

## Risk/Return Summary

The Elite Income Fund.....	3
The Elite Growth & Income Fund .....	10
Information Relevant to Both Funds.....	16
How to Buy Shares.....	16
How to Sell Shares .....	20
Dividends, Distributions and Tax Consequences.....	24
Disclosure of Portfolio Holdings.....	24
Management of the Funds .....	25
Financial Highlights .....	26
Privacy Notice.....	28
Additional Information .....	back cover

# Risk/Return Summary

## The Elite Income Fund

**Investment Objective** The Fund seeks to achieve the highest income return obtainable over the long-term.

### Fees and Expenses

*This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund.*

#### Shareholder Fees (fees paid directly from your investment)

Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of offering price).....	None
Maximum Deferred Sales Charge (Load).....	None
Maximum Sales Charge (Load) Imposed on Reinvested Dividends.....	None
Redemption Fee (for wire redemptions only).....	\$9.00
Exchange Fee.....	None

#### Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)

Management Fees.....	0.70%
Distribution (12b-1) Fees.....	None
Other Expenses.....	<u>0.58%</u>
Total Annual Fund Operating Expenses.....	<u>1.28%</u>

**Example** This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year, you reinvest all dividends and distributions, and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based upon these assumptions your costs would be:

<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>
\$ 130	\$ 406	\$ 702	\$ 1,545

#### Portfolio Turnover

The Fund pays transactions costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in Annual Fund Operating Expenses or in the Example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 82.99% of the average value of its portfolio.

## Principal Investment Strategies

The Fund invests principally in a diversified portfolio of investment grade debt securities that are believed to generate a high level of current income. The Fund normally invests in investment grade debt securities consisting primarily of obligations issued by the U.S. Government, agencies of the U.S. Government, instruments related to U.S. Government securities and U.S. corporate debt securities. The investment manager considers these issues to be the Fund's core holdings. An investment grade security is one which is rated by Moody's Investors Service, Inc. ("Moody's"), Standard & Poor's ("S&P") or Fitch Ratings ("Fitch") in one of their four highest rating categories, or an unrated security that the investment manager believes to be of comparable quality. The Fund may invest in:

- ◆ United States Treasury obligations, including T-bills, notes, bonds, inflation-indexed bonds and other debt obligations issued by the U.S. Treasury, and obligations of U.S. Government Agencies that are backed by the full faith and credit of the U.S. Government. Such U.S. Government Agencies include the Private Export Funding Corporation, Overseas Private Investment Corporation, Small Business Administration, Government National Mortgage Association (GNMA), Department of Housing and Urban Development and U.S. Maritime Administration.
- ◆ Securities issued or guaranteed by agencies and instrumentalities of the U.S. Government, but not explicitly backed by the full faith and credit of the U.S. Government. These include the Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Federal Farm Credit Banks, Tennessee Valley Authority, and Federal Home Loan Bank.
- ◆ Mortgage-Backed and Other Asset-Backed Securities. Mortgage-backed securities are obligations representing an undivided interest in, or collateralized by, pools of mortgages. These obligations, in effect, "pass-through" the monthly interest and principal payments (including prepayments) made by the individual borrowers on the pooled mortgage loans to the holders of the securities. U.S. Government agency mortgage-backed issues include securities issued by GNMA, Fannie Mae and Freddie Mac. GNMA securities are guaranteed as to payment of principal and interest (but not as to price and yield) by the U.S. Government, while Fannie Mae and Freddie Mac securities are guaranteed only by the issuing agency. The Fund may also invest in corporate mortgage-backed securities or other asset-backed securities that have an investment grade rating. Asset-backed securities represent a group of assets that are combined or pooled for sale to investors and may be backed by receivables such as credit card, auto and student loans.
- ◆ U.S. corporate debt securities (obligations of a corporation to pay interest and repay principal). They include commercial paper, notes, bonds and debentures.

The investment manager's primary focus is on individual security selection, rather than attempting to anticipate major interest rate moves. The investment manager uses a value-oriented buy discipline to identify securities that are believed to offer a yield advantage over others of similar quality or to exhibit stable or improving credit quality that may be unrecognized by other investors. Portfolio securities may be sold when price appreciation causes a security to lose its yield advantage, or when credit quality begins to deteriorate. In the event the rating of a debt security held by the Fund is reduced below investment grade, the investment manager is not required to sell the security, but will consider this event in its determination of whether the Fund should continue to hold such security.

To increase the Fund's income potential, the investment manager may invest any amount it deems desirable in each of the various types of debt securities, and adjust the investment ratios from time to time, so long as the Fund remains diversified. There is no set average maturity for the portfolio. The Fund allocates its assets among different types of securities and maturities based upon the investment manager's view of the relative value of each security or maturity. The investment manager may respond to changing market and other conditions by adjusting the type of securities held by the Fund and its average portfolio maturity. The Fund may invest in either fixed rate or variable rate debt securities.

To increase portfolio income and when, in the investment manager's judgment, overall market risk justifies such an investment, the Fund may also invest up to 30% of its total assets in securities other than the Fund's core holdings of investment grade debt securities. Such other securities may include common stocks, preferred stocks and convertible securities issued by U.S. companies, without limitation as to size or capitalization of the issuer. The Fund may also invest in bonds issued by private issuers.

## Principal Risks of Investing in the Fund

### *Don't invest in the Income Fund if you are:*

- ◆ Seeking growth of capital
- ◆ Making short-term investments; or
- ◆ Investing your emergency reserve money.

As with any investment, the Fund carries risk and you could lose all or a portion of the money you invest. The Fund is subject to *Market Risk*, the risk that the value of the Fund's investments and, therefore, your investment, will fluctuate as market prices fluctuate. Because the Fund is actively managed, it is subject to the risk that the investment strategies, techniques and risk analyses employed by the investment manager may not produce the desired results. An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

## Debt Securities Risk

- ◆ **Interest Rate Risk.** When interest rates rise, bond prices fall and when interest rates fall, bond prices rise. Interest rate risk increases as average maturity increases. Interest rate increases can cause the price of a debt security to decline, resulting in a price decline for the Fund. Thus, when the Fund emphasizes securities with longer maturities, you are exposed to greater interest rate risk. All income-oriented securities, even those of highest quality, are subject to some degree of interest rate risk. The table below illustrates the effect of a 1% change in interest rates on three investment grade bonds of varying maturities.

Percent Increase (Decrease) In The Price of a Par Bond Yielding 5%		
Bond Maturity	1% Interest Rate Increase	1% Interest Rate Decrease
2.5 years	-2.29%	+ 2.35%
10 years	-7.43%	+ 8.17%
20 years	-11.55%	+13.67%

- ◆ **Credit Risk.** Credit risk is associated with a borrower's ability to pay interest and principal when due. A borrower's inability to make its payment obligations could result in a significant loss of income, causing the Fund's price to decline. Credit risk increases as overall portfolio

quality decreases. Thus, when the Fund invests in lower-quality securities, you are exposed to increased credit risk.

- ◆ **Call Risk.** Call risk for corporate bonds is the possibility that borrowers will prepay their debt prior to the scheduled maturity date, resulting in the necessity to reinvest the proceeds at lower interest rates. If interest rates decline when the Fund is emphasizing longer maturing securities, you are exposed to greater call risk because issuers of callable bonds are more likely to pay off their bonds before the maturity date. This may cause a reduction of income to the Fund.
- ◆ **Liquidity Risk.** Liquidity risk is the risk that a bond could not be sold at an advantageous time or price due to limited market demand. If a bond is downgraded or drops in price, or if adverse conditions exist within the bond market, the demand for a bond may be limited, making that bond difficult to sell.

**Listed below is a description of the risks associated with various types of debt securities:**

- ◆ **U.S. Government Obligations.** Some U.S. Government obligations, such as U.S. Government agency bonds, are neither issued nor guaranteed by the U.S. Government. They may be supported by the right of the issuer to borrow from the U.S. Government or only by the credit of the agency issuing the obligation. If the Fund invests in a U.S. Government obligation that is not backed by the U.S. Government, there is no assurance that the U.S. Government would provide support and the Fund's performance could be adversely impacted. All U.S. Government obligations are subject to interest rate risk and, therefore, market price fluctuations.
- ◆ **Mortgage-Backed and Other Asset-Backed Securities.** Mortgage-backed securities are subject to greater call/prepayment risk than many debt securities, especially when interest rates decline. These securities are also subject to extension risk, or the risk of a security lengthening in duration due to the deceleration of prepayments. Extension risk is mainly the result of rising interest rates. As interest rates rise, the likelihood of prepayment decreases and if this occurs, the Fund may be unable to capitalize on other investments that have higher interest rates. Mortgage-backed securities may be subject to risks unique to the housing industry, including mortgage lending practices, defaults and foreclosures, changes in real estate values and housing inventories, mortgage securitization practices and rating assignments by credit rating agencies. The value of other asset-backed securities may be affected by factors concerning the interests in and structure of the issuer or the originator of the receivables, the creditworthiness of the entities that provide any supporting letters of credit, surety bonds or other credit enhancements, or the market's assessment of the quality of the underlying assets.
- ◆ **Corporate Debt Securities.** Investment grade U.S. corporate debt securities are generally considered to carry greater credit and call risk than U.S. Government obligations. The credit risk of corporate debt obligations varies widely among issuers and may be affected by factors such as adverse economic changes and changes in interest rates. The investment manager relies, in part, on the quality ratings assigned by S&P, Moody's, Fitch and other rating services. There is risk associated with such reliance. Rating agencies evaluate the credit risk—the safety of principal and interest payments—but not market value, which is affected by interest rate trends, economic conditions and other factors, including those unique to an issuer or industry.

Rating agencies may fail to move quickly enough to change ratings in response to changing circumstances and a rating may not reflect the fine shadings of risks within a given quality grade. For example, two bonds with the same rating are not likely to be precisely the same in quality. The investment manager performs independent analyses in an attempt to identify issuers within a given quality grade that, because of improving fundamentals or other factors, are likely to result in improving quality, greater market value and lower risk.

## Equity Securities Risk

Because the Fund may invest up to 30% of its assets in equity securities issued by U.S. companies, including common stocks, preferred stocks and convertible securities, the Fund is subject to general stock market risks, including the risk of unpredictable drops in value and periods of lackluster performance. Stock markets are volatile and stock prices can decline significantly in response to adverse company, political, regulatory, market, or economic developments. Many factors can change the value of equity securities, including the issuer's historical and prospective earnings, the value of its assets, general economic, geographic, environmental and political conditions, interest rates, investor perceptions and market liquidity.

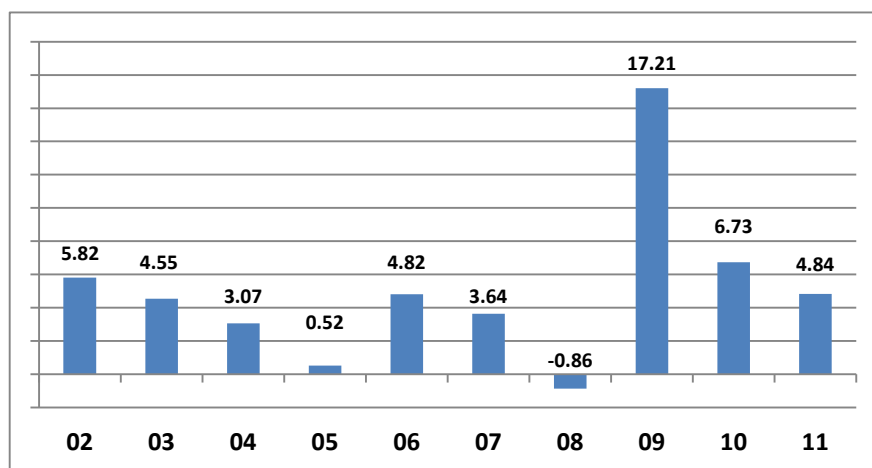
- ◆ **Common and Preferred Stocks:** Common stockholders are subordinate to the issuer's debt holders for any claims against the assets of the issuer or return of capital in a liquidation. Common stock typically carries dividend and other rights or preferences that are inferior to the rights and preferences of preferred stock. Preferred stock has a preference over common stock in liquidation (and generally dividends as well) but is subordinated to the liabilities of the issuer in all respects. As a general rule, the market value of preferred stock with a fixed dividend rate and no conversion element varies inversely with interest rates and perceived credit risk, while the market price of convertible preferred stock generally also reflects some element of conversion value. Because preferred stock is junior to debt securities and other obligations of the issuer, deterioration in the credit quality of the issuer will cause greater changes in the value of a preferred stock than in a more senior debt security with similar stated yield characteristics. Unlike interest payments on debt securities, preferred stock dividends are payable only if declared by the issuer's board of directors. Preferred stock also may be subject to optional or mandatory redemption provisions.
- ◆ **Convertible Securities Risk:** A convertible security is a bond, debenture, note, preferred stock or other security that may be converted into or exchanged for a prescribed amount of common stock or other equity security of the same or a different issuer within a particular period of time at a specified price or formula. Convertible securities consequently often involve attributes of both debt and equity instruments, and investment in such securities require analysis of both credit and stock market risks. Convertible securities rank senior to common stock in a corporations' capital structure but are usually subordinated to comparable nonconvertible securities. Convertible securities may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument and in some instances may be subject to conversion into or an exchange for another security at the option of the issuer.

**Management Risk** Poor security selection and/or investments that have unfavorable portfolio maturities could cause the Fund's return to be lower than anticipated. Current income may be significant or very little, depending upon the investment manager's portfolio selections for the Fund.

## Performance Summary

The bar chart and performance table shown below provide some indication of the risks and variability of investing in the Fund. The bar chart shows changes in the Fund's performance from year to year for each of the past ten calendar years. The performance table shows how the Fund's average annual total returns for 1, 5 and 10 years compare with those of a broad measure of market performance. The performance table also shows how the Fund's performance compares with the returns of the Lipper Short/Intermediate Investment Grade Fund Index, which is included as a secondary index because it is generally representative of the Fund's credit and maturity characteristics. For certain periods performance has been positively impacted by expense reimbursements made by the investment manager. How the Fund has performed in the past is not necessarily an indication of how the Fund will perform in the future. Updated performance information is available on the Fund's website [www.elitefunds.com](http://www.elitefunds.com) or by calling 1-800-423-1068.

### Elite Income Fund - Calendar Year Total Returns



Best Quarter: Q2 2009 +7.20% Worst Quarter: Q3 2008 -2.21%

### Average Annual Total Returns for Periods Ended December 31, 2011:

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 upon 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.

	1 Year	5 Years	10 Years
Return Before Taxes	4.84%	6.14%	4.93%
Return After Taxes on Distributions	3.02%	4.48%	3.23%
Return After Taxes on Distributions and Sale of Fund Shares	3.42%	4.32%	3.23%
Barclays Capital U.S. Government Intermediate Bond Index (reflects no deduction for fees, expenses or taxes)	5.80%	5.88%	5.20%
Lipper Short-Intermediate Investment Grade Debt Fund Index (reflects no deduction for taxes)	3.99%	4.80%	4.29%

## **Management of the Fund**

### **Investment Manager**

McCormick Capital Management, Inc.

### **Portfolio Manager**

Michael Cheung, CFA, Portfolio Manager of the investment manager, is the portfolio manager of the Fund and has acted in this capacity since October 2002.

**For important information about purchase and sale of Fund shares, tax information and financial intermediary compensation, please turn to “Information Relevant to Both Funds” on page 16 of this Prospectus.**

# The Elite Growth & Income Fund

**Investment Objective** The Fund seeks to maximize total return.

## Fees and Expenses

*This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund.*

### Shareholder Fees (fees paid directly from your investment)

Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of offering price).....	None
Maximum Deferred Sales Charge (Load).....	None
Maximum Sales Charge (Load) Imposed on Reinvested Dividends.....	None
Redemption Fee (for wire redemptions only).....	\$9.00
Exchange Fee.....	None

### Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)

Management Fees.....	1.00%
Distribution (12b-1) Fees.....	None
Other Expenses.....	0.52%
Acquired Fund Fees and Expenses.....	0.03%
Total Annual Fund Operating Expenses.....	<u>1.55%</u>

**Example** This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year, you reinvest all dividends and distributions, and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based upon these assumptions your costs would be:

<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>
\$ 158	\$ 490	\$ 845	\$ 1,845

### Portfolio Turnover

The Fund pays transactions costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in Annual Fund Operating Expenses or in the Example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 174.98% of the average value of its portfolio.

## Principal Investment Strategies

The Fund seeks to achieve a combination of capital growth **and** current income. In choosing individual equity and debt securities for the portfolio, the investment manager uses a value-oriented approach. The investment manager makes a fundamental analysis of each issuer's financial condition, industry position and market and economic conditions in selecting the Fund's investments. The investment manager seeks out candidates that offer excellent prospects for capital gains or above-average income for a variety of reasons, and whose potential value may be unrecognized by other investors.

Favorable value-oriented criteria for equities would include:

- ◆ lower than average price-to-earnings ratio;
- ◆ higher than average yield;
- ◆ lower than historic price-to-book value ratio; and
- ◆ current pricing at the low end of a security's historic trading range.

Favorable criteria for debt securities would include:

- ◆ a yield advantage to the marketplace;
- ◆ stable or improving credit quality; and
- ◆ a maturity which compliments existing portfolio structure

Equity securities consist primarily of common stocks, preferred stocks and convertible securities issued by U.S. companies, without limitation as to size or capitalization of the issuer. Debt securities consist primarily of obligations issued by the U.S. Government and its agencies and U.S. corporate debt securities.

The Fund may use an aggressive approach primarily in the equity market and to a lesser degree in the debt market by adjusting the portfolio when it is deemed desirable to achieve the Fund's investment objective. The investment manager allocates the Fund's assets among different market sectors based upon its view of the relative value of the sector. The Fund may invest in natural resource and precious metals stocks when deemed appropriate by the investment manager. The Fund may engage in frequent and active trading to adjust its portfolio allocation among market sectors in a manner that is consistent with the Fund's investment limitations, in order to increase the total return in any given market and economic condition. Portfolio securities are sold when their price appreciation meets the investment manager's expectations or when the investment manager believes they are no longer favorable under the foregoing criteria.

The Fund may purchase put and call options and may sell (write) covered put and call options on securities and security indices to increase total investment returns, to earn additional income (i.e., invest for speculative purposes) or for hedging purposes to protect Fund assets from anticipated adverse market action. An option is a contract that gives the holder the right to buy (call) or sell (put) a certain number of shares of a specific security at a specified price (exercise price) for a limited amount of time. A call option is covered if the Fund owns the shares it would have to deliver if the holder of the call option exercised the option. A put option is covered if, for example, the Fund segregates cash or liquid securities with a value equal to the exercise price of the put option.

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**↳ Don't invest in the Growth & Income Fund if you are:**

- ◆ Seeking either capital growth or high income exclusively;
- ◆ Desiring to avoid even moderate volatility
- ◆ Making short-term investments; or
- ◆ Investing your emergency reserve money.

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

As with any investment, the Fund carries risk and you could lose all or a portion of the money you invest. The Fund is subject to *Market Risk*, the risk that the value of the Fund's investments and, therefore, your investment, will fluctuate as market prices fluctuate. Because the Fund is actively managed, it is subject to the risk that the investment strategies, techniques and risk analyses employed by the investment manager may not produce the desired results. An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

**Equity Securities Risk** Because the Fund may invest all or a majority of its assets in equity securities, including common stocks of U.S. companies, the Fund carries the potential for unpredictable drops in value and periods of lackluster performance. Stock markets are volatile and stock prices can decline significantly in response to adverse company, political, regulatory, market, or economic developments. Stock markets tend to move in cycles, with periods of rising and falling prices. Many factors can change the value of equity securities, including the issuer's historical and prospective earnings, the value of its assets, general economic, geographic, environmental and political conditions, interest rates, investor perceptions and market liquidity. Different parts of the market and different types of equity securities can react differently to these developments. For example, large-cap stocks can react differently from smaller cap stocks, and "growth" stocks can react differently from "value" stocks. The value of stocks that pay higher than average dividends may be subject to some degree of interest rate risk and can be more volatile than the broad stock market during periods when interest rates are changing. In general, the smaller the company's size, the more susceptible it is to rapid decreases in the value of its securities. Smaller companies may be more unstable or inexperienced than larger companies and these investments may have limited product lines or financial resources and may involve greater investment risks. Moreover, the value of securities of mid-cap (medium size), less well-known issuers may be more volatile than those of large-cap companies, and securities of smaller companies ("small-cap" or "micro-cap") may be more volatile than those of mid-cap companies.

- ◆ **Common and Preferred Stocks:** Common stockholders are subordinate to the issuer's debt holders for any claims against the assets of the issuer or return of capital in a liquidation. Common stock typically carries dividend and other rights or preferences that are inferior to the rights and preferences of preferred stock.

Preferred stock has a preference over common stock in liquidation (and generally dividends as well) but is subordinated to the liabilities of the issuer in all respects. As a general rule, the market value of preferred stock with a fixed dividend rate and no conversion element varies inversely with interest rates and perceived credit risk, while the market price of convertible preferred stock generally also reflects some element of conversion value. Because preferred stock is junior to debt securities and other obligations of the issuer, deterioration in the credit quality of the issuer will cause greater changes in the value of a preferred stock than in a more senior debt security with similar stated yield characteristics. Unlike interest payments on debt securities, preferred stock dividends are payable only if declared by the issuer's board of directors. Preferred stock also may be subject to optional or mandatory redemption provisions.

- ◆ **Sector Risk:** Based upon market conditions and trends perceived by the investment manager, the Fund's investment portfolio may emphasize one or more market sectors at any given time. Individual market sectors may be subject to greater fluctuation than the market as a whole. Thus, there is a risk that the value of your shares may rise and fall faster than the shares of other mutual funds with similar investment objectives that do not emphasize one or more market sectors.
- ◆ **Natural Resource/Precious Metals Risk:** The price of natural resource, precious metals and related securities is affected by factors such as supply and demand, real and perceived inflationary trends, unpredictable monetary policies, energy conservation, exploration projects and economic and political conditions around the world. The price of natural resources and precious metals may fluctuate substantially over short periods of time, so there is a risk that the Fund's share price may be subject to greater fluctuation than a fund that does not invest in such securities.

**Management Style Risk:** The risk of poor security selection could cause the Fund to lose money and underperform stock market indices or other funds with similar investment objectives. The Fund's style of investing may go out of favor with investors.

**Convertible Securities Risk:** A convertible security is a bond, debenture, note, preferred stock or other security that may be converted into or exchanged for a prescribed amount of common stock or other equity security of the same or a different issuer within a particular period of time at a specified price or formula. Convertible securities consequently often involve attributes of both debt and equity instruments, and investment in such securities require analysis of both credit and stock market risks. A convertible security entitles the holder to receive interest paid or accrued on debt or the dividend paid on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Before conversion, convertible securities have characteristics similar to nonconvertible income securities in that they ordinarily provide a stable stream of income with generally higher yields than those of common stocks of the same or similar issuers. After conversion, convertible securities have characteristics and risks similar to general characteristics and risks of equity securities. Convertible securities rank senior to common stock in a corporations' capital structure but are usually subordinated to comparable nonconvertible securities. Convertible securities may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument and in some instances may be subject to conversion into or an exchange for another security at the option of the issuer. Although the Fund will only purchase convertible securities that the investment manager considers to have adequate protection parameters, including an adequate capacity to pay interest and repay principal in a timely manner, the Fund may invest in such securities without regard to corporate bond ratings.

**Options Risk:** The use of options requires special skills and knowledge of investment techniques that are different than those normally required for purchasing and selling common stock and there are risks associated with the use of options, including the risk that the prices of the option instruments may not rise or fall at the same rate as the underlying assets (sometimes called "correlation risk"). Successful use of options depends upon the investment manager's ability to predict certain market movements, which cannot be assured. The use of options may require the Fund to purchase or sell securities at prices that are not advantageous to the Fund, may cause the Fund to hold a security it might otherwise sell because the market for the option has become illiquid, and may limit the amount of appreciation that might otherwise have been realized on a security. If the Fund purchases a put or call option that expires without value, the Fund will have

incurred an expense in the amount of the cost of the option. Although the Fund uses options to enhance and protect the value of Fund shares, there is a risk of greater loss than if options were not used. By purchasing a call option on a stock index, the Fund would attempt to participate in potential price increases of the underlying index. At the same time, the Fund would suffer a loss if the price of the index does not rise sufficiently to offset the cost of the option.

**Hedging Risk:** The techniques used by the investment manager to hedge the Fund's portfolio are generally considered to be conservative strategies, but involve certain risks. For example, a hedge might not actually correlate well to the price movements of the Fund's stock investments and may have unexpected or undesired results, such as a loss or a reduction in gains. When options are owned by the Fund, it is possible that they may lose value over time, even if the securities underlying such options are unchanged.

**Frequent Trading Risk:** If the Fund engages in active and frequent trading to achieve its investment objective, it could result in higher brokerage commissions and higher taxable distributions to shareholders.

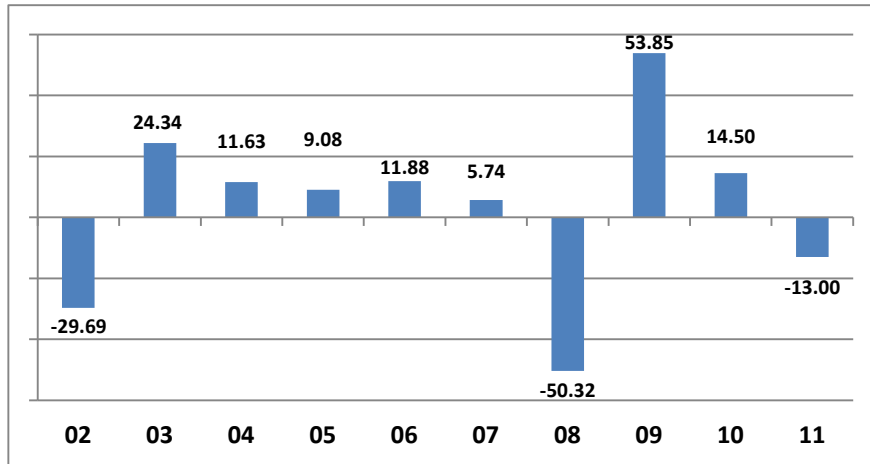
**Fixed-Income Risk:** The Fund's investments in debt obligations and other income-oriented securities carry certain risks to which you may be exposed: interest rate risk, credit risk, call risk and liquidity risk. When interest rates rise, bond prices fall and when interest rates fall, bond prices rise. Interest rate risk increases as average maturity increases. Credit risk is associated with a borrower's ability to pay interest and principal when due. Lower-quality debt securities often involve greater risk of default or price changes due to changes in the credit quality of the issuer. The value of lower-quality debt securities and other types of debt securities often fluctuates in response to company, political, or economic developments and can decline significantly over short periods of time or during periods of general or regional economic difficulty. Call risk for corporate bonds is the possibility that borrowers will prepay their debt prior to the scheduled maturity date, resulting in the necessity to reinvest the proceeds at a lower interest rate. Liquidity risk is the risk that a bond may be difficult to sell at an advantageous time or price due to limited market demand (resulting from a bond downgrade, a decline in price, or adverse conditions within the bond market).

Some U.S. Government obligations may not be backed by the "full faith and credit" of the U.S. Government, meaning their interest and principal payments are not guaranteed by the U.S. Government. They may be supported by the right of the issuer to borrow from the U.S. Government or only by the credit of the agency issuing the obligation. If the Fund invests in a U.S. Government obligation that is not backed by the U.S. Government, there is no assurance that the U.S. Government would provide support and the Fund's performance could be adversely impacted.

## **PERFORMANCE SUMMARY**

The bar chart and performance table shown below provide some indication of the risks and variability of investing in the Fund. The bar chart shows changes in the Fund's performance from year to year for each of the past ten calendar years. The performance table shows how the Fund's average annual total returns for 1, 5 and 10 years compare with those of a broad measure of market performance. How the Fund has performed in the past is not necessarily an indication of how the Fund will perform in the future. Updated performance information is available on the Fund's website [www.elitefunds.com](http://www.elitefunds.com) or by calling 1-800-423-1068.

**Elite Growth & Income Fund  
Calendar Year Total Returns**



**Best Quarter: Q2 2009 +50.24% Worst Quarter: Q4 2008 -33.32%**

**Average Annual Total Returns for Periods Ended December 31, 2011:**

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 upon 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.

	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Return Before Taxes	-13.00%	-4.24%	-0.42%
Return After Taxes on Distributions	-13.04%	-5.26%	-1.44%
Return After Taxes on Distributions and Sale of Fund Shares	-8.38%	-3.76%	-0.49%
S&P 500 Index (reflects no deduction for fees, expenses or taxes)	2.11%	-0.25%	2.92%

**Management of the Fund**

**Investment Manager**

McCormick Capital Management, Inc.

**Portfolio Manager**

Richard S. McCormick, President and Chief Executive Officer of the investment manager, is the portfolio manager of the Fund and has acted in this capacity since 1987.

**For important information about purchase and sale of Fund shares, tax information and financial intermediary compensation, please turn to "Information Relevant to Both Funds" on page 16 of this Prospectus.**

## Information Relevant to Both Funds

### Purchase and Sale of Fund Shares

Minimum Initial Investment – \$10,000 (\$1,000 for IRA accounts)

Minimum Subsequent Investment – None, except the minimum for bank wires is \$3,000

You may purchase or redeem (sell) shares of the Funds on each day that the Funds are open for business. Transactions may be initiated by written request, by telephone or through your financial institution.

### Tax Information

Each Fund's distributions are generally taxed as ordinary income or capital gains unless you are investing through a tax-deferred arrangement, such as a 401(k) plan or an individual retirement account ("IRA"), or you are a tax-exempt investor.

### Payments to Broker-Dealers and Other Financial Intermediaries

If you purchase the Funds through a broker-dealer or other financial intermediary (such as a bank), the Funds and their related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or the intermediary and your sales person to recommend the Funds over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

## How to Buy Shares

**Getting Help** You may buy shares by mail or by wire and may use the Automatic Investment Plan, discussed below, to make periodic share purchases. A signed and completed Account Application must be delivered prior to your initial purchase, along with payment in U.S. dollars. Subsequent purchases must include the correct account number. Individual Retirement Accounts and corporate or self-employed retirement plans generally require special or supplemental application forms. You may obtain these forms or obtain assistance opening an account by calling toll-free, 1-800-423-1068, by writing to The Elite Group, 1325 4<sup>th</sup> Avenue, Suite 1744, Seattle, WA 98101, or by visiting our web site [www.elitefunds.com](http://www.elitefunds.com).

**Account Minimums** The minimum initial investment in each Fund is \$10,000 (\$1,000 for IRA accounts). Please bear in mind that a Fund may close your account and redeem your shares if your account balance falls below the minimum initial investment (but not if the decline in value is due solely to market action). You would first be given 60 days written notice. If, during the notice period, you restore your account to the required minimum, your account will not be redeemed.

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### **↳ No Load Funds**

Unlike many mutual funds, The Elite Group of Mutual Funds are true *NO LOAD* funds. This means that when you buy shares directly from the Funds, no sales commissions or other distribution charges will be deducted from your investment and 100% of your money will be used to buy Fund shares. If you prefer, you may buy shares through a broker-dealer, which may charge you a fee for its services.

**Purchase by Mail** To open an account, complete and sign the Account Application. Be sure to indicate which Fund(s) you wish to buy shares, and make your check payable to The Elite Group. Mail the Account Application and your check to the transfer agent: BNY Mellon Investment Servicing, P.O. Box 9787, Providence, RI 02940. To add to your account, mail your purchase check to the same address. Be sure to include the Additional Investment Form which is attached to your Fund confirmation statement or include a letter identifying the Fund whose shares you wish to purchase and your account number.

Please note that overnight and express delivery services do not deliver to Post Office boxes. Please follow the above instructions for regular mail orders, but use the following address for overnight and express delivery services: BNY Mellon Investment Servicing, 101 Sabin Street, Pawtucket, RI 02860-1427.

**Purchase by Bank Wire** To open an account or add to an existing account by bank wire (the minimum additional investment by bank wire is \$3,000), please call the transfer agent, BNY Mellon Investment Servicing, toll-free at 1-866-521-7208, ***before wiring funds***, to advise it of your forthcoming investment, the dollar amount and the account registration. The transfer agent will provide you with an account number for your account if you are opening your account by wire. This will insure prompt and accurate handling of your investment. Following your call to the transfer agent, instruct your bank to use the following wiring instructions:

Wire to: Bank of New York Mellon  
ABA # 011001234  
Credit: 0000734209, BNY Mellon Investment Servicing (US) Inc. as Agent for  
The Elite Group  
Further Credit: [Insert Shareholder name, name of Elite Fund and Shareholder account #]

It is important that the bank wire contain all the information and that the transfer agent receives prior telephone notification to ensure proper credit. The Funds and their transfer agent are not responsible for the consequences of delays resulting from the banking or Federal Reserve wire system, or from incomplete wiring instructions. Your financial institution may charge you a fee for this service.

Shares of the Funds may be purchased through brokerage firms or financial institutions that are authorized to accept purchase orders on behalf of the Funds. These organizations may charge you transaction fees on purchases of Fund shares and may impose other charges or restrictions or account options that differ from those applicable to shareholders who purchase shares directly through the Funds or the transfer agent. These organizations may be the shareholders of record of your shares. The Funds are not responsible for ensuring that the organizations carry out their obligations to their customers. Shareholders investing in this manner should look to the organization through which they invest for specific instructions on how to purchase and redeem shares.

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## ↳ *Pricing of Shares*

The value of Fund shares fluctuates. The price you pay when you buy Fund shares is determined at the next calculation of net asset value (NAV) after your purchase order is received by the transfer agent in proper form as described under "How to Buy Shares." NAV is determined on each day that the New York Stock Exchange is open for trading, as of the close of the Exchange (currently 4:00 p.m., Eastern time). The New York Stock Exchange is currently open for business every Monday through Friday, except for the following holidays: New Year's Day, Martin Luther King, Jr. Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas. To calculate NAV, a Fund's assets are valued and totaled, liabilities are subtracted, and the balance is divided by the number of shares outstanding. The Funds value their portfolio securities at their current market values determined on the basis of market quotations, or, if market quotations are not readily available or the investment manager believes they are unreliable, at their fair values as determined by the investment manager under the ultimate supervision of the Funds' Board of Trustees, pursuant to procedures adopted by the Board. When fair value pricing is employed because the investment manager believes market quotations are unreliable, the prices of the securities used by the Funds to calculate their NAVs may differ from quoted or published prices for the same securities.

Your purchase request will not be effective until it is actually received in proper form by the transfer agent. A purchase request is considered to be in proper form if it contains all of the necessary information to process the order, is accompanied by full payment of the purchase amount and is delivered in an approved manner as set forth herein. The U.S. Postal Service and other independent delivery services are not agents of the Funds. Therefore, a deposit in the mail or with such services, or receipt at the transfer agent's post office box, does not constitute receipt by the transfer agent.

**Automatic Investment Plan** The Automatic Investment Plan allows you to automatically purchase additional shares each month by an electronic transfer of funds from your bank checking account, money market account, NOW account or savings account. You choose the amount (minimum \$100) to be automatically deducted from your bank account each month, and that amount will be used to purchase additional shares in the Fund of your choice. You may join the Automatic Investment Plan by completing an Automatic Investment Plan Application which you may obtain from the Funds or the transfer agent. At any time you may cancel your participation in the Plan, change the amount of purchase or change the day each month on which the shares are purchased by calling 1-866-521-7208 or by writing to the transfer agent, BNY Mellon Investment Servicing, P.O. Box 9787, Providence, RI 02940. The change or cancellation will be effective ten business days following receipt of your notification.

It will take about 15 days for the transfer agent to process your Automatic Investment Plan enrollment. The Funds may modify or terminate the Automatic Investment Plan at any time or charge a service fee, although no such fee is currently contemplated.

**Retirement Plans** IRAs and other retirement plans, including the traditional IRA, the Roth nondeductible IRA and the Simplified Employee Pension IRA ("SEP-IRA") are available to enable individuals and employers to set aside tax-deferred investments in the Funds. In addition to the plans mentioned above, Fund accounts may also be opened for other types of tax-deferred retirement plans. For assistance and an application, please call The Elite Group at 1-800-423-1068.

**Account Conditions** The Funds may reject your purchase order under certain circumstances (for example, if you previously tried to purchase shares with a bad check or failed to provide the proper social security or tax identification number) or if your purchase amount is considered to be disadvantageous to shareholders. You will be notified within two business days if your purchase order has been rejected.

A Social Security Number or other Taxpayer Identification Number (TIN) must be supplied and certified on the Account Application before an account can be established (unless you have applied for a TIN and the application so indicates). If you fail to furnish The Elite Group with a correct TIN, The Elite Group is required to withhold taxes on all distributions and redemption proceeds.

Payment for purchases must be made in U.S. dollars and checks must be drawn on U.S. banks. Third party checks will not be accepted. If your payment is not received or you pay with a check or bank wire transfer that does not clear, your purchase will be canceled and you will be responsible for any losses or expenses incurred by a Fund including, if applicable, a returned check fee of \$25. If you are a shareholder, the Fund shall act as your agent to redeem shares from your account at the current NAV in order to reimburse the Fund for such losses or expenses.

Certificates will not be issued for your shares unless you request them. In order to facilitate redemptions and transfers, most shareholders elect not to receive certificates. If you lose a certificate, you may incur delay and expense in replacing it.

**Frequent Purchases and Redemptions of Fund Shares** The Funds are designed as long-term investments and not as frequent or short-term trading (“market timing”) options. Therefore, the Funds do not accommodate frequent trading. The Board of Trustees has adopted policies and procedures in an effort to detect and prevent market timing in the Funds, should it occur. The policies delegate to the investment manager authority to discourage, limit or reject a purchase order, in its sole discretion, should the investor engage in frequent or short-term trading of a Fund’s shares. Any rejections of purchase orders will be made within 24 hours of receipt of your order. The Board of Trustees retains ultimate supervision over the investment manager’s enforcement of the Funds’ policies and procedures with respect to market timing. The investment manager and the Chief Compliance Officer for the Funds monitor shareholder trading activity to ensure it complies with the Funds’ policies. Each of the Funds has also reserved the right to impose a limit on the number of exchanges between the Funds. These actions, in the Board’s opinion, should help reduce the risk of market timing in the Funds. The Funds may also modify any terms or conditions for the purchase of shares of a Fund or withdraw all or any part of the offering made by this Prospectus.

The Funds believe that market timing, while not illegal, is not in the best interest of shareholders. Market timing can be disruptive to the portfolio management process and may adversely impact the ability of the investment manager to implement the Funds’ investment strategies. In addition to being disruptive, the risks to the Funds presented by market timing are higher expenses through increased trading and transaction costs; forced and unplanned portfolio turnover; large asset swings that decrease the Funds’ ability to maximize investment return; and potentially diluting the value of the Funds’ shares. These risks can have an adverse affect on the Funds’ performance.

The Funds rely on their service providers’ reporting of shareholder trading activity to help enforce their market timing policies. The Board has adopted policies and procedures that give the investment manager (under the ultimate supervision of the Board) the right to reject or limit an order placed from an omnibus account if it believes active trading has occurred in the omnibus account. The Funds rely on intermediaries to monitor trades placed through omnibus accounts since omnibus accounts are maintained by intermediaries acting on behalf of multiple investors whose identities are unknown to the Funds. Although the Funds have taken these steps to discourage frequent purchases and redemptions of shares, the Funds cannot guarantee that such trading will not occur.

**Anti-Money Laundering Program** Customer identification and verification are part of the Funds' overall obligation to deter money laundering under Federal law. When you open an account, we will ask for your name, address, date of birth, and other information that will allow the Funds to verify your identity. We may also ask to see your driver's license or other identifying documents. The Funds have adopted an Anti-Money Laundering Compliance Program designed to prevent the Funds from being used for money laundering or the financing of terrorist activities. In this regard, the Funds reserve the right, to the extent permitted by law, to (i) refuse, cancel or rescind any purchase order, (ii) freeze any account and/or suspend account services or (iii) involuntarily close your account in cases of threatening conduct or suspected fraudulent or illegal activity. These actions will be taken when, at the sole discretion of Fund management, they are deemed to be in the best interest of a Fund or in cases when a Fund is requested or compelled to do so by governmental or law enforcement authority. Closed accounts will be valued as of the close of the New York Stock Exchange on the day the account is closed, and redemption proceeds may be worth more or less than your original investment. If your account is closed at the request of governmental or law enforcement authority, you may not receive proceeds of the redemption if the Fund is required to withhold such proceeds. In some circumstances, the law may not permit a Fund to inform the shareholder that it has taken the actions described above.

## How to Sell Shares

**Getting Help** You may sell (redeem) Fund shares by mail or telephone. You also may use the Systematic Withdrawal Plan to receive regular monthly or quarterly checks from your Fund account. There is no charge for redeeming shares, except a \$9.00 fee is charged for wire redemptions. A redemption order is considered to be in proper form if it is complete and contains all of the necessary information to process the order and is delivered in an approved manner as set forth herein. If you prefer, you may sell your shares through a broker-dealer, who may charge you a fee for its services. For assistance in redeeming shares, call toll-free, 1-800-423-1068, or write to The Elite Group, 1325 4<sup>th</sup> Avenue, Suite 1744, Seattle, WA 98101.

**Selling Shares by Mail** Send a written redemption request to the transfer agent, BNY Mellon Investment Servicing, P.O. Box 9787, Providence, RI 02940. Your request must include:

- (a) your share certificates, if issued;
- (b) your letter of instruction or a stock assignment specifying the account number, and the number of shares or dollar amount to be redeemed. This request must be signed by all registered shareholders in the exact names in which they are registered; and
- (c) signature guarantees and other documents, when required (see "Signature Guarantees" below).

Please note that if the shares you are redeeming were purchased by check, payment will not be made until the transfer agent can verify that your purchase check has cleared.

You may also redeem your shares through a brokerage firm or financial institution that has been authorized to accept orders on behalf of the Funds. Your redemption will be made at the NAV next determined after your order is received by such organization in proper form before 4:00 p.m., Eastern time, or such earlier time as may be required by such organization. These organizations may be authorized to designate other intermediaries to act in this capacity. Such an organization may charge you transaction fees on redemptions of Fund shares and may impose other charges or restrictions or account options that differ from those applicable to shareholders who redeem shares directly through the transfer agent.

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## ↳ *Price and Timing*

The value of Fund shares fluctuates. Whether your request to sell shares is made by mail or telephone, the price you receive is determined at the NAV next calculated after your sale order is received by the transfer agent in proper form as described under "How to Sell Shares." For information about how and when shares are priced, see the sidebar, "Pricing of Shares," on page 18.

The proceeds of your sale will ordinarily be sent to you within one or two business days, but no later than seven (7) days, after receipt of your request in proper form.

Telephone Redemption Authorization Form to change the person(s), bank, account number and/or address designated to receive your redemption proceeds. Each shareholder must sign the Form and provide a signature guarantee and other required documents (see "Signature Guarantees" below). You may cancel the privilege at any time by telephone or letter.

**Selling Shares By Telephone** Call the transfer agent (toll-free) at 1-866-521-7208. You will be asked to state how many shares (or the dollar amount) you wish to redeem, to whom the proceeds should be sent, and whether the proceeds will be mailed or wired. To protect you and the Funds, your redemption proceeds will only be sent to your address of record or to the bank account or person(s) specified in your Account Application or Telephone Authorization Form currently on file with the transfer agent.

***The Telephone Redemption Privilege Must be Authorized in Advance.*** You must establish the telephone privilege by advance written request in order to use it. Your written request will specify the person(s), bank, account number and/or address to receive your redemption proceeds. You may establish this privilege when completing your initial Account Application. To establish this privilege after your account has been opened, you must use a separate Telephone Redemption Authorization Form (available from the Funds or the transfer agent). You must also use the

***Risks Associated with Telephone Redemptions.*** By establishing the telephone redemption privilege, you authorize the Funds and the transfer agent to act upon any telephone instructions they believe to be genuine, to (1) redeem shares from your account and (2) to mail or wire the redemption proceeds. Redeeming by telephone is a convenient service enjoyed by many shareholders. There are important factors you should consider before establishing this privilege. The transfer agent will follow procedures it has established to confirm your identity. These procedures include requiring you to provide identifying information which is unique to you, such as a password or other form of personal identification. In addition, your call will be recorded and the transfer agent will send a written confirmation of the transaction to your address of record.

The Funds and the transfer agent believe the procedures they have established for telephone redemptions reasonably protect shareholders from fraudulent transactions. You should be aware that provided the Funds follow such procedures, the Funds and their service agents will not be liable for the performance of any acts instructed by shareholders that are reasonably believed to be genuine. The Funds may restrict or cancel telephone redemption privileges, or modify the telephone redemption procedures, for any shareholder or all shareholders, without notice, if it is believed to be in the best interest of the shareholders.

You cannot redeem shares by telephone if you hold stock certificates representing the shares you are redeeming or if you paid for the shares with a personal, corporate, or government check and your check has not cleared (which may take up to 15 days). During drastic economic and market changes, telephone redemption services may be difficult to implement. If you are unable to contact the transfer agent by telephone, you may redeem shares by mailing your request.

**Exchanging Shares** You may, by mail or telephone, exchange shares (in amounts of \$1,000 or more) of one Fund for shares of the other Fund. To exchange by mail, follow the procedures for selling by mail and specify in your letter of instruction that you want the proceeds invested in the other Elite Fund. Telephone exchange privileges must be authorized in writing, in advance, with the transfer agent. Once authorized, simply call the transfer agent at 1-866-521-7208 to make an exchange.

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↳ ***If You Exchange Shares:***

- ◆ The minimum account size requirement, discussed on page 16, applies to each Fund account affected.
- ◆ The account registration for each Fund involved must be identical.
- ◆ The exchange request, once made, may not be changed or cancelled.

Your exchange will be priced as of the next determined NAV of a Fund after receipt of a request in proper form. Such NAV determinations will occur on the same day for both Funds. To discontinue your telephone exchange privilege, call the transfer agent at 1-866-521-7208, or write to the transfer agent at the address shown in this Prospectus. The Elite Group reserves the right to limit the number of exchange requests or to prohibit or restrict a shareholder, or all shareholders, from making exchanges at any time, should the Trustees determine that it would be in the best interest of shareholders to do so. You will be given at least 10 days written notice prior to imposing restrictions or prohibitions on exchange privileges. An exchange, for tax purposes, constitutes the sale of the shares of one Fund and the purchase of those of the other Fund; consequently, the sale will usually involve either a capital gain or loss to the shareholder for Federal income tax purposes. There is currently no service charge for exchanges, but the Funds reserve the right to impose such a charge in the future. Shareholders would first be given 60 days written notice of service charges. During drastic economic and market changes, telephone exchange services may be difficult to implement. The exchange privilege is only available in states where the shares to be exchanged are registered. The Funds reserve the right to limit the number of purchases that can be made through an exchange (see "Frequent Purchases and Redemptions of Fund Shares" on page 19).

**Systematic Withdrawal Plan** You may have regular monthly checks sent to you or someone you designate by authorizing the transfer agent to redeem the necessary number of shares from your Fund account on the 25<sup>th</sup> day of each month to make the payments requested. Payments must be at least \$500 and your Fund account must have a value of at least \$25,000 to begin a Systematic Withdrawal Plan. If the 25<sup>th</sup> day falls on a Saturday, Sunday or holiday, the redemption will take place on the next business day. Your check will usually be mailed within one or two business days of the redemption date, but in no case later than seven days. Checks will be made in the exact name your account is registered with the transfer agent. If you designate someone other than yourself to receive the checks, your signature must be guaranteed on the Plan application (see "Signature Guarantees" below). Shares for which stock certificates have been issued may not be redeemed under this plan. The costs of administering the plan are borne by the Funds. You should be aware that, like all sales of Fund shares, systematic withdrawals will reduce the value of your Fund account and result in realized capital gains or losses. You may terminate your participation in the Plan at any time upon written notice to the Funds or the transfer agent. The Funds or the transfer agent may terminate the Systematic Withdrawal Plan upon 30 days written notice. Applications and further details may be obtained by writing or calling The Elite Group or by visiting our website at [www.elitefunds.com](http://www.elitefunds.com).

**Redemptions in Kind** You will generally receive proceeds in cash when you redeem your Fund shares. It is possible, however, that conditions may arise which would, in the opinion of the Trustees, make it undesirable for a Fund to pay for all redemptions in cash. In such case, the Board of Trustees may authorize payment to be made in liquid portfolio securities or other liquid assets of a Fund. Securities delivered in payment of redemptions would be valued in the same manner that is used in

computing the Fund's NAV. Shareholders receiving securities would bear the market risks of holding such securities, including the risk that the value of the securities may decline and would also incur brokerage costs when these securities are sold. The Funds have made an irrevocable commitment to pay redemptions in cash to any shareholder of record during any 90 day period if the redemption request is an amount not exceeding the lesser of (a) \$250,000 or (b) one percent (1%) of a Fund's net assets at the beginning of such period.

**Signature Guarantees** A signature guarantee is a widely accepted way to protect you, the Funds and the transfer agent from fraud, and to be certain that you are the person who has authorized a redemption from, or change to, your account. Signature guarantees are required for (1) all written requests to redeem shares having a value in excess of \$50,000, (2) change of registration requests, and (3) requests to establish or change telephone redemption, exchange, or systematic withdrawal privileges other than through your initial Account Application. The Funds may require a signature guarantee under other circumstances, in their discretion.

When a Fund requires a signature guarantee, a medallion signature guarantee must be provided. A medallion signature guarantee may be obtained from a domestic bank or trust company, broker, dealer, clearing agency, savings association, or other financial institution that is participating in a medallion program recognized by the Securities Transfer Association. The three recognized medallion programs are the Securities Transfer Agents Medallion Program (STAMP), the Stock Exchanges Medallion Program (SEMP) and the New York Stock Exchange, Inc. Medallion Signature Program (MSP). Signature guarantees from financial institutions that do not participate in one of these programs will not be accepted.

The signature guarantee must appear on:

- ◆ your written request;
- ◆ a separate instrument of assignment ("stock power") which should specify the total number of shares to be redeemed; or
- ◆ all stock certificates tendered for redemption and, if you are redeeming shares held for you by the transfer agent, on the letter or stock power.

In addition to requiring signature guarantees for redemptions and certain shareholder services, other supporting legal documents may be required in the case of estates, trusts, guardianships, custodianships, corporations, partnerships, pension or profit sharing plans, and other organizations. For example, a corporation (or partnership) must submit a "Corporate Resolution" (or "Certification of Partnership") indicating the names, titles and required number of signatures authorized to act on its behalf. The Account Application or letter of instruction must be signed by such duly authorized officer(s) and the corporate seal affixed. You may avoid time delays by calling the transfer agent for assistance before sending your request.

## Dividends, Distributions and Tax Consequences

**Dividends and Distributions** You will receive dividends from net investment income, if any, quarterly. You will also receive net realized capital gains distributions, including short-term gains, if any, at least annually. All dividends and distributions will automatically be paid to you in additional shares of the applicable Fund at the then current NAV on the "ex-date," which is normally the day following the record date. You may choose to receive dividend distributions and/or capital gain distributions in cash by checking the appropriate box on the Account Application when you open your account. You may change how you receive dividends and distributions by sending a letter of instruction to the transfer agent. If you elect payment of distributions in cash, you may designate a person or entity other than yourself to receive such distributions. The name and address of the desired recipient should be indicated in the Account Application or in a separate, signed statement accompanying the Account Application.

Dividends and distributions are paid on a per share basis. At the time of such a payment, therefore, the value of each share will be reduced by the amount of the payment. Keep in mind that if you purchase shares shortly before the payment of a dividend or the distribution of capital gains, you will pay the full price for the shares and then receive some portion of the price back as a taxable dividend or distribution, if any.

**Tax Consequences** During the time you hold a Fund's shares, you will generally be subject to federal income tax on the Fund's distributions, whether you receive them in additional shares or cash. Distributions attributable to ordinary income and short-term capital gains are generally taxed as ordinary income, although certain income dividends may be taxed to non-corporate shareholders at long-term capital gains rates. In the case of corporations that hold shares of the Funds, certain income from the Funds may qualify for a 70% dividends-received deduction. Distributions of long-term capital gains are generally taxed as long-term capital gains, regardless of how long you have held your Fund shares. The Income Fund's distributions are expected to consist primarily of ordinary income. Because of its flexible investment strategy, the Growth & Income Fund's distributions are expected to consist of both ordinary income and capital gains, the proportion of which will vary from year to year. Any income to the Funds derived from securities lending practices will be taxed to shareholders as ordinary income rather than as qualified dividend income.

When you sell your shares of a Fund, any gain on the transaction may be subject to federal income tax. This also applies to an exchange, which is considered the sale of shares of one Fund and the purchase of shares of the other Fund.

If you are not subject to tax on your income, you will not be required to pay taxes on the amounts distributed to you or on gains received when you sell or exchange shares. Buying, holding, selling and exchanging Fund shares may also be subject to state tax, depending upon the laws of your home state.

## Disclosure of Portfolio Holdings

A listing of each Fund's portfolio holdings as of the end of the prior month can be found on the Funds' website [www.elitefunds.com](http://www.elitefunds.com). A description of the Funds' policies and procedures with respect to the disclosure of the Funds' portfolio securities is available in the Statement of Additional Information.

## Management of the Funds

**Investment Manager** McCormick Capital Management, Inc., 1325 4<sup>th</sup> Ave., Suite 1744, Seattle, Washington 98101, has been the investment manager for each Fund since the Funds were first offered to the public in 1987. Its duties include ongoing management of each Fund's investment portfolio and business affairs. In addition, the investment manager provides certain executive officers to The Elite Group and supplies, office space and equipment not otherwise provided by the Funds.

During the most recent fiscal year, the investment manager received a management fee from the Growth & Income Fund and the Income Fund equal to 1.00% and 0.70%, respectively, of average daily net assets.

A discussion regarding the basis for the Board of Trustees' most recent approval of each Fund's Management Agreement with the investment manager is available in the Funds' semiannual report for the period ending March 31, 2011.

**Portfolio Managers** The portfolio managers of the Funds are responsible for the day to day investment policy, portfolio management and investment research for the Funds. Their business experience and educational backgrounds are described below. The Statement of Additional Information contains further details about the portfolio managers' compensation, other accounts managed by the portfolio managers, and the portfolio managers' ownership of Fund shares.

Richard S. McCormick, founder of The Elite Group, has served as portfolio manager of the Growth & Income Fund since 1987. Mr. McCormick is the President and Chief Executive Officer of the investment manager. He is also Chairman of the Board of Trustees and President of The Elite Group. His investment management experience dates back to 1969, and includes management of numerous large capital funds – for banks, labor unions, corporations, universities and municipalities. He graduated from the University of Washington with a finance degree and is a Chartered Financial Analyst. Mr. McCormick was also portfolio manager for the Income Fund from 1987 to 1993.

Michael Cheung has served as portfolio manager of the Income Fund since he joined The Elite Group in October 2002. He has over 21 years of investment experience. Mr. Cheung has also served as a Principal, Vice President and Fixed Income Manager for Washington Capital Management, Inc. since 2002. Mr. Cheung's extensive fixed income portfolio management experience includes the direct responsibility for investing \$26 billion for General Electric Financial Assurance and \$8 billion for the State of Alaska. His investment strengths include global economic and capital markets analysis as well as a diverse investment exposure in all sectors of the bond market. Mr. Cheung graduated from University of Wisconsin-Green Bay and holds an MBA from Texas Christian University. He is a Chartered Financial Analyst.

**Codes of Ethics** The Funds and the investment manager have adopted Codes of Ethics designed to recognize the fiduciary relationship between the Funds and the investment manager and its employees. The Codes of Ethics permit directors, trustees, officers and employees of the Funds and the investment manager to buy and sell securities for their personal accounts that may also be held by the Funds, subject to certain restrictions. These personnel cannot buy or sell securities on the same day a Fund is trading in such a security or an equivalent security until that order is executed or withdrawn. Persons with access to certain sensitive information are subject to pre-clearance and other procedures designed to prevent conflicts of interest.

## Financial Highlights

The financial highlights tables are intended to help you understand the Funds' financial performance for the past 5 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 or lost on an investment in the Funds (assuming reinvestment of all dividends and distributions). This information has been audited by BBD, LLP, whose report, along with the Funds' financial statements, is included in the annual report, which is available without charge upon request.

### THE ELITE INCOME FUND

#### For a Share Outstanding Throughout Each Year

	Year Ended September 30,				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Net asset value, beginning of year</b>	\$10.79	\$10.33	\$9.20	\$9.73	\$9.77
<b>Income (loss) from investment operations</b>					
Net investment income	0.28	0.33	0.39	0.42	0.43
Net gain/(loss) on securities (both realized and unrealized)	(0.09)	0.55	1.09	(0.50)	(0.00)**
Total from investment operations	0.19	0.88	1.48	(0.08)	0.43
<b>Less Distributions</b>					
Dividends from net investment income	(0.46)	(0.38)	(0.35)	(0.45)	(0.47)
Distributions from net realized gains	(0.25)	(0.04)	-	-	-
Total distributions	(0.71)	(0.42)	(0.35)	(0.45)	(0.47)
<b>Net asset value, end of year</b>	\$10.27	\$10.79	\$ 10.33	\$ 9.20	\$ 9.73
<b>Total Return</b>	1.87%	8.74%	16.53%	(0.90)%	4.48%
<b>Ratios/Supplemental Data</b>					
Net asset value, end of year (in 000's)	\$21,242	\$21,320	\$17,199	\$ 15,211	\$ 18,000
Ratio of expenses to average net assets	1.28%	1.33%	1.56%*	1.24%*	1.31%*
Ratio of net investment income to average net assets	2.51%	3.20%	4.11%	4.30%	4.44%
<b>Portfolio Turnover</b>	82.99%	75.49%	100.35%	105.66%	117.52%

\* Ratio reflects expenses prior to reimbursement from the manager. Expense ratios after reimbursement were 1.48%, 1.05% and 1.20% for 2009, 2008 and 2007, respectively.

\*\* Less than \$0.01 per share

## THE ELITE GROWTH & INCOME FUND

For a Share Outstanding Throughout Each Year

	Year Ended September 30,				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Net asset value, beginning of year</b>	\$14.27	\$14.37	\$13.38	\$18.78	\$19.13
<b>Income (loss) from investment operations</b>					
Net investment income (loss)	(0.04)	0.03	0.16	0.14	(0.03)
Net gain/(loss) on securities (both realized and unrealized)	(1.45)	0.06	0.93	(5.48)	4.01
Total from investment operations	(1.49)	0.09	1.09	(5.34)	3.98
<b>Less Distributions</b>					
Dividends from net investment income	-	(0.17)	(0.10)	(0.06)	(0.03)
Distribution from net realized gains	-	-	-	-	(4.20)
Distribution from return of capital	-	(0.02)	-	-	(0.10)
Total distributions	-	(0.19)	(0.10)	(0.06)	(4.33)
<b>Net asset value, end of year</b>	\$12.78	\$14.27	\$14.37	\$13.38	\$18.78
<b>Total Return</b>	(10.44)%	0.71%	8.64%	(28.52)%	21.03%
<b>Ratios/Supplemental Data</b>					
Net asset value, end of year (in 000's)	\$36,032	\$43,062	\$46,075	\$ 47,191	\$ 67,834
Ratio of expenses to average net assets	1.52%	1.56%	1.79%	1.42%	1.35%
Ratio of net investment income (loss) to average net assets	(0.23)%	0.10%	1.54%	0.79%	(0.16)%
<b>Portfolio Turnover</b>	174.98%	239.54%	233.44%	277.14%	213.35%

**PRIVACY NOTICE**

<b>FACTS</b>	<b>WHAT DO THE ELITE GROUP OF FUNDS DO WITH YOUR PERSONAL INFORMATION?</b>	
<b>Why?</b>	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.	
<b>What?</b>	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>• Social Security number</li> <li>• Assets</li> <li>• Retirement Assets</li> <li>• Transaction History</li> <li>• Checking Account Information</li> <li>• Purchase History</li> <li>• Account Balances</li> <li>• Account Transactions</li> <li>• Wire Transfer Instructions</li> </ul> <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p>	
<b>How?</b>	All financial companies need to share your personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers’ personal information; the reasons The Elite Group of Funds choose to share; and whether you can limit this sharing.	
<b>Reasons we can share your personal information</b>	<b>Do The Elite Group of Funds share?</b>	<b>Can you limit this sharing?</b>
<b>For our everyday business purposes-</b> Such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes –</b> to offer our products and services to you	No	We don’t share
<b>For joint marketing with other financial companies</b>	No	We don’t share
<b>For our affiliates’ everyday business purposes -</b> information about your creditworthiness	No	We don’t share
<b>For nonaffiliates to market to you</b>	No	We don’t share
<b>Questions?</b>	Call 1-800-423-1068	

<b>Who is providing this notice?</b> The Elite Group of Mutual Funds BNY Mellon Investment Servicing (Transfer Agent)	
<b>What we do</b>	
<b>How do The Elite Group of Funds protect my personal information?</b>	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. Our service providers are held accountable for adhering to strict policies and procedures to prevent any misuse of your nonpublic personal information.
<b>How do The Elite Group of Funds collect my personal information?</b>	We collect your personal information, for example, when you <ul style="list-style-type: none"> <li>• Provide account information</li> <li>• Give us your contact information</li> <li>• Make deposits or withdrawals from your account</li> <li>• Make a wire transfer</li> <li>• Tell us where to send the money</li> <li>• Tell us who receives the money</li> <li>• Show your government-issued ID</li> <li>• Show your driver's license</li> </ul> We also collect your personal information from other companies.
<b>Why can't I limit all sharing?</b>	Federal law gives you the right to limit only <ul style="list-style-type: none"> <li>• Sharing for affiliates' everyday business purposes—information about your creditworthiness</li> <li>• Affiliates from using your information to market to you</li> <li>• Sharing for nonaffiliates to market to you</li> </ul> State laws and individual companies may give you additional rights to limit sharing.
<b>Definitions</b>	
<b>Affiliates</b>	Companies related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>• McCormick Capital Management, Inc., the investment manager for The Elite Group of Funds, could be deemed to be an affiliate.</li> </ul>
<b>Nonaffiliates</b>	Companies not related by common ownership or control. They can be financial and nonfinancial companies <ul style="list-style-type: none"> <li>• The Elite Group of Funds do not share with nonaffiliates so they can market to you.</li> </ul>
<b>Joint marketing</b>	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. <ul style="list-style-type: none"> <li>• The Elite Group of Funds do not jointly market.</li> </ul>

# THE ELITE GROUP OF MUTUAL FUNDS

## Additional Information

Additional information about The Elite Income Fund and The Elite Growth & Income Fund is included in the Statement of Additional Information (SAI), which is hereby incorporated by reference in its entirety. Additional information about each Fund's investments is available in the annual and semiannual reports to shareholders. In the annual report, you will find a discussion of the market conditions and strategies that significantly affected the Funds' performance during the last fiscal year.

**Call or Write The Elite Group toll-free 1-800-423-1068** to obtain a free copy of the SAI, the annual and semiannual reports or other information about the Funds. During business hours, friendly, experienced personnel will answer your questions, provide investment forms and applications, assist with shareholder needs and provide current share prices. After hours, current prices are provided electronically and you may leave messages for our service personnel to be addressed the next business day. You may also write to The Elite Group at 1325 4<sup>th</sup> Avenue, Suite 1744, Seattle, WA 98101, or visit our web site, [www.elitefunds.com](http://www.elitefunds.com) for copies of the Funds' SAI and annual and semiannual reports.

**Contact the Securities and Exchange Commission.** Information about The Elite Group, including the Funds' SAI, can be reviewed and copied at the Securities and Exchange Commission's Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling the Commission at 1-202-551-8090. Reports and other information about The Elite Group of Funds are also available on the EDGAR Database on the Commission's Internet site at [www.sec.gov](http://www.sec.gov). Copies of this information may be obtained, after paying a duplicating fee: by electronic request at the following e-mail address, [publicinfo@sec.gov](mailto:publicinfo@sec.gov), or by writing the Commission's Public Reference Section, Washington, D.C. 20549-1520.