

Market Neutral Fund (JAMNX)

Investment Objective

The James Market Neutral Fund seeks to provide positive returns regardless of the direction of the stock markets.

Investment Strategy & Process

The James Market Neutral Fund seeks to limit market risk (the effects of general market movements on the Fund's performance) by using a market neutral strategy. The Fund invests in common stocks that the Adviser believes are undervalued and more likely to appreciate, and sells short common stocks that the Adviser believes are overvalued and more likely to depreciate. There is no assurance that the Adviser will be able to limit market risk for the Fund.

The Fund will hold short positions in stocks which, in the aggregate, will approximately equal the long positions in the Fund. Due to continuous changes in the prices of the short positions, the market value of the short positions and long positions will not be equal and become unequal to a significant degree. For example, if the Fund is successful, it is likely that the long positions will increase in value while the short positions decrease in value, thus reducing the market neutrality of the Fund. It is the intention of the Adviser to take action to rebalance the long and short position to maintain a market neutral exposure when the imbalance reaches proprietary thresholds, pre-established by the Adviser. This can be done by adding or eliminating short or long positions depending on the rebalancing needs.

Morningstar Rating

Overall Rating ★★
3 Year Rating ★★
5 Year Rating ★★
10 Year Rating ★★

The Morningstar Star Rating™ for the James Market Neutral Fund is based on risk-adjusted returns as of 6/30/10 in the long-short category out of 123 funds overall and in the last 3 years, 67 funds in the last 5 years, and 23 funds in the last 10 years.

The overall Morningstar Star Rating™ for a fund is derived from a weighted average of the performance figures associated with its three, five and ten year Morningstar rating metrics. ©2010 Morningstar, Inc. All Rights Reserved.

Fund Info

Fund Statistics (as of 6/30/10)

Ticker Symbol.....JAMNX
 Cusip.....470259805
 Benchmark Index.....90 Day T-Bill Index
 Assets.....\$29.2 Mil.

Fund Operating Expenses (Expenses that are deducted from Fund assets)

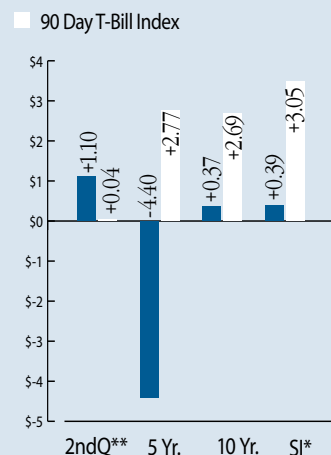
Management Fee.....1.67%
 Distribution (12b-1) Fee.....0.25%
 Acquired Fund Fees and Expenses (AFFE).....0.01%
 Other Expenses
 Dividend expense on securities sold short.....0.32%
 Remainder of other expenses.....0.03%
 Total Annual Fund Operating Expenses.....2.28%

James vs. 90 Day T-Bill Index (Ending 6/30/10)

	2Q**	1Yr	5Yr	10Yr	SI*
James Market Neutral Fund	+1.10%	-8.19%	-4.40%	+0.37%	+0.39%
90 Day T-Bill Index	+0.04%	+0.15%	+2.77%	+2.69%	+3.05%

Investors should consider the investment objectives, risks, and charges and expenses of the James Advantage Funds (the Funds) carefully before investing; this and other information about the Funds is in the prospectus, which can be obtained by calling 1-800-99-JAMES. Read the prospectus carefully before you invest. The performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. The Funds' current performances may be lower or higher than the performance data quoted. Investors may obtain performance information current to the last month-end, within 7 business days, at www.jamesfunds.com. The 90-Day Treasury Bill Index is an unmanaged index generally representative of the average yield of 90-day Treasury bills. *Since Inception 10/2/98. ** 2nd quarter numbers are not annualized. (All other numbers are average annual returns.) ***Indicates total annual fund operating expenses.

James Market Neutral Fund (***)2.28%



Top Five Longs (Market)

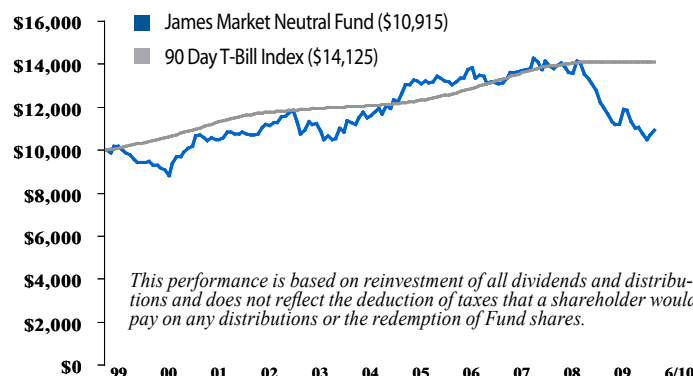
CSX Corp.....6.50%
 Owens Illinois Inc.....6.29%
 Triumph Group Inc.....5.94%
 Tupperware Brands Inc.....4.76%
 American Electric.....4.34%

Top Five Shorts (Cost)

BPZ Resources Inc.....1.51%
 AMAG Pharmaceuticals.....1.47%
 Marshall & Ilsley Co.....1.41%
 Regions Financial Co.....1.40%
 MDS Inc.....1.37%

(As of 4/30/10)

Growth of \$10,000



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 MAY LOSE VALUE
 NO BANK GUARANTEE

Quarterly Total Returns %

	2007		2008				2009				2010	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	1Q	2Q
James Market Neutral Fund	0.74	2.09	-1.14	0.90	-3.98	-0.85	-5.81	-9.17	-4.70	0.84	-5.51	1.10
90 Day T-Bill Index	1.32	1.26	1.25	1.27	1.34	1.05	0.05	0.05	0.07	0.04	0.01	0.04

(Ending 6/30/10)

Portfolio Managers

Dr. Frank James, Ph.D

37 Years

Founder and Chairman of
James Investment Research**Barry R. James, CFA, CIC**

24 Years

President/CEO and Portfolio Manager
with James Investment Research
President of the James Advantage Funds**Ann M. Shaw, CFP**

31 Years

Chief Operating Officer
and Portfolio Manager**David W. James, CFA**

29 Years

Senior Vice President
and Portfolio Manager**Thomas L. Mangan, MBA, CMFC**

15 Years

Senior Vice President
and Portfolio Manager
VP & CCO of James Advantage Funds**R. Brian Culpepper, MBA, CMFC**

14 Years

Portfolio Manager

Brian Shepardson, CFA, CIC

12 Years

Portfolio Manager

Portfolio Commentary

During a quarter where the major stock indices were down, it was refreshing to see the James Market Neutral Fund post a positive return. The spring months were especially troublesome for the S&P 500 and NASDAQ, which lost 11.4 and 11.8 percent respectively. Over the same time frame, your James Market Neutral Fund earned a positive 1.10 percent. As the stock market began its slide, the short positions in the Fund proved their worth. The unique positioning of the Market Neutral Fund allows those shorts to make money for the Fund, as their stock prices decrease in value.

With the troubles in Europe, high US unemployment, and the overall uncertainty as to the recovery, the outlook for our economy and stock market remain murky. This is why we continue to work diligently with our Market Neutral style. We strive to have an investment that can provide positive results regardless of the direction of the markets.

Short selling incurs significant additional risk; theoretically, stocks sold short have unlimited upside risk potential. In addition, this strategy depends on the Adviser's ability to correctly identify undervalued and overvalued stocks, and that the stock markets are reasonable and efficient. Periods of extreme volatility may harm the performance of this product.

For each fund with at least three-year history, Morningstar calculates a Morningstar RatingTM based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of the funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, and the next 22.5% receive 2 stars and the bottom 10% receive 1 star. (Each share class is counted as a fraction of one fund with the scale and rated separately, which may cause slight variations in the distribution percentages.)

As of 6/30/10, James Market Neutral Fund was rated against the following numbers of U.S. domiciled Long-Short funds over the following time periods: 123 funds in the last three years, 67 in the last five years, and 23 in the last 10 years. With respect to these Long-Short funds, the James Market Neutral Fund received a Morningstar RatingTM of 2 stars for the three year period, 2 stars for the five year period, and 2 stars for the ten year period.

Ratings are based on risk-adjusted return. The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its 3, 5 and 10-year (if applicable) Morningstar Rating metrics. (Overall and 3-years 123 funds)

The 90 Day T-Bill returns are from the unmanaged Lehman T-Bill Index. Treasury Bills differ from stocks in many ways, especially in that they are considered to be a risk-free asset since they are guaranteed by the U.S. Treasury and they have no correlation to the stock market. For these reasons, we believe they are an appropriate benchmark for a market neutral style.

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Fund holdings and sector weightings are subject to change without notice. The average annual total returns assume reinvestment of income, dividends and capital gains distributions and reflect changes in net asset value. The principal value and investment return will vary with market conditions so that an investor's shares, when redeemed, may be worth more or less than their original cost. You should note that the James Advantage Funds are professionally managed mutual funds while the indices are unmanaged, do not incur expenses and are not available for investment. The James Advantage Funds are distributed by Unified Financial Securities, Inc. 2960 N. Meridian St., Ste. 300, Indianapolis, IN 46208.



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