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Appleseed Fund Determines That "Too-Big-to-Fail" Banks Are Also "Too-Big-to-Own" Banks

CHICAGO, IL--(Marketwire - July 8, 2010) - Appleseed Fund, an equity mutual fund which invests in sustainable, undervalued companies, has amended its sustainability screening criteria to exclude "too-big-to-fail" banks, effective July 1st, 2010. Appleseed, the top performing mid-cap value fund over the three year period ending June 30th, 2010, has generated total returns exceeding the S&P 500 since inception by 12.2% per year. Appleseed is the first mutual fund to create an explicit exclusion for too-big-to-fail banks in its investment selection process.

Highlighted Links

[Appleseed Fund](#)

Adam Strauss, one of the Fund's co-portfolio managers, explained the change: "The cost of bailing out Wall Street since 2008 is over \$3 trillion, or more than \$20,000 per taxpayer, and that cost is increasing daily. The financial burden of that bailout will be felt for a generation and will be paid by children, some not yet born. Instead of an industry structure where the largest banks are serving the economy by lending capital, U.S. policies and regulations favor the largest banks, which have proven themselves incapable of fiscal rectitude.

"The banking system's current industry incentives are misaligned since employees keep a disproportionate amount of the profits while taxpayers subsidize the losses; this unhealthy imbalance is unsustainable and encourages excessive financial speculation. In the financial reform bill which recently passed the House of Representatives, Congress failed to break up or limit the size and scope of the largest banks that have destabilized the financial system and destroyed so much value over the past five years. We were disappointed lawmakers did not stand up to the banking lobby in order to avoid future bailouts. Without meaningful reform, we fear the next crisis will be larger and more devastating than the last.

"Given the failure of regulators to prevent the previous credit crisis and the subsequent failure of legislators to break up the massive and very much interconnected banks that helped to create the crisis, it is incumbent on depositors and investors to vote with their wallets. Until the financial system is truly restructured, the Appleseed Fund will avoid investments in too-big-to-fail banks, choosing instead to invest in regional banks, community banks, and credit unions which lend money to families and businesses that operate in the productive sectors of our economy."

About the Appleseed Fund:

- Appleseed Fund manages \$133 million.
- Appleseed Fund (NASDAQ: APPLX) was ranked by Morningstar as the #1 returning U.S. midcap value fund among 329 funds for the three years ended June 30, 2010, and the #1 returning socially responsible (SRI) domestic equity fund among 194 funds for the same period.
- Morningstar rates Appleseed as a five-star mutual fund as a result of Appleseed's risk-adjusted performance.
- The Fund is managed by Pekin Singer Strauss, a Chicago-based value-oriented investment firm established in 1990. Appleseed Fund's portfolio managers are also Appleseed Fund shareholders.
- More information can be found on the Appleseed Fund website, www.appleseedfund.com.

Required Disclosures:

- **Through 6/30/2010, the Appleseed Fund generated a one-year return of 20.3% and an annualized return of 5.7% since the Fund's inception on 12/08/06.** The Fund's past performance does not guarantee future results. The investment return and principal value of an investment in the Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. The gross expense ratio of the Fund is 2.09%, and the net expense ratio after contractual fee waivers is 1.31%. The advisor has contracted with the Fund to waive fees to maintain a 1.24% expense ratio (excluding indirect expenses) for shareholders of the Fund through January 31, 2011.
- For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating 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 funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, 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 within this scale and rated separately, which may cause slight variations in the distribution percentages.) The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its three-, five- and ten-year (if applicable) Morningstar Rating metrics. Appleseed Fund was rated against the 329 U.S.-domiciled mid-cap value funds over the three years ended May 31st, 2010. With respect to these mid-cap value funds, Appleseed Fund received a Morningstar Rating of five stars. Past performance is no guarantee of future results.
- **You should carefully consider the investment objectives, potential risks, management fees, and charges and expenses of the Fund before investing. The Fund's prospectus contains this and other information about the Fund, and should be read carefully before investing. You may obtain a current copy of the Fund's prospectus or performance data current to the most recent month end by calling 1-800-470-1029. The investment return and principal value of an investment in the Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost.**
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