

# Aegis Financial Corporation

## Aegis Value Fund

1100 North Glebe Road Suite #1040

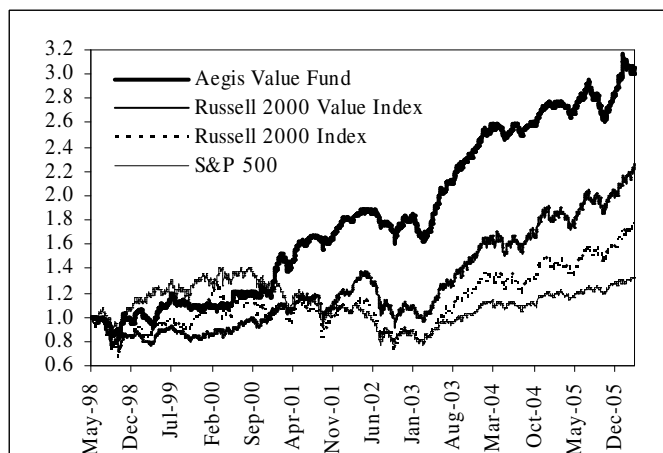
Arlington, Virginia 22201

1-800-528-3780

www.aegisvaluefund.com

### First Quarter 2006 Fact Sheet

The Aegis Value Fund (AVALX) seeks to achieve long-term, above-market returns while minimizing risk of capital loss by investing in well-researched small-cap equities trading at a fraction of their intrinsic worth. We believe markets are inefficient, and are contrarian bottom-up stock selectors. We buy stocks that trade at low price/earnings and price/book value ratios, a segment of the market where academic research has shown returns have historically been significantly higher than the overall market. We look for indications of good capital allocation, strong corporate governance and ethical stewardship. We favor companies that demonstrate management thrift, high insider ownership, share repurchases at low prices, rising dividends, and moderate executive compensation practices. We seek to purchase companies when they are out-of-favor or misunderstood. We hold investments until share prices match or exceed our estimates of intrinsic value.



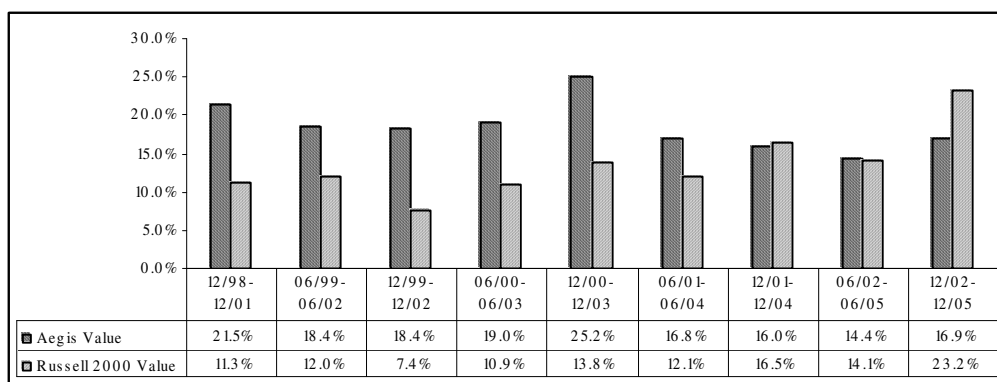
### First Quarter 2006 Update

Since the Aegis Value Fund's inception on May 15, 1998, the Fund has cumulatively returned 204.4 percent, outperforming the S&P 500 by 172.6 percent and the benchmark Russell 2000 and Russell 2000 Value Indexes by 125.4 percent and 78.4 percent respectively. Over the trailing five year period ended March 31, 2006 the Fund returned 16.1 percent annualized, versus 4.0 percent for the S&P 500, 12.6 percent for the Russell 2000, and 16.2 percent for the Russell 2000 Value Index. The following chart provides performance data for rolling three-year periods through the end of the fourth quarter of 2005. For the quarter ended March 31, 2006 the Aegis Value Fund was up 5.7 percent, outperforming the S&P 500 by 1.5 percent but underperforming the Russell 2000 and Russell 2000 Value Index by 8.2 and 7.8 percent respectively.

#### Annualized Return as of 03/31/06

<u>Time Period</u>	<u>AVALX</u>	<u>Russell 2000 Value</u>
One Year	11.2%	23.8%
Three Year	22.0%	30.7%
Five Year	16.1%	16.2%
Since Inception	15.2%	10.9%

Aegis Value Fund - Historical Performance (Net)  
Rolling Three Year Annualized Returns



The Aegis Value Fund continues to be managed under strict investment parameters as a small-cap value fund. As of March 31, 2006, the Fund was 80.5 percent invested in 60 different domestic equities, 6 foreign stocks listed on U.S. exchanges, 1 domestic preferred stocks, and 1 warrant. The portfolio of equities traded at a price book value of 80.5 percent and price to revenues of 27.6 percent. Of the equities in our portfolio, the dollar weighted average market capitalization was \$653.6 million\*. The Fund is most heavily invested in the Consumer Staple, Financial, Services, and Industrial Cyclical sectors. The cash level of the Fund during the quarter averaged 19.8 percent of total assets due to a lack of compelling new investments. We aim to reduce downside risk in the Fund by investing cash judiciously and in accordance with our investment discipline.

\* The figures do not include the following four holdings due to their insignificant market values: Acceptance Insurance Companies, Integrated Telecom Express Inc., Liquid Audio, and MIIX Group.

Performance data quoted represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted. The investment return and principal value will fluctuate so that upon redemption, an investor's shares may be worth more or less than their original cost. For performance data current to the most recent month end, please call us at 800-528-3780 or visit www.aegisvaluefund.com. The Fund has an annualized expense ratio of 1.41%.

# Aegis Financial Corporation

## Aegis Value Fund

1100 North Glebe Road Suite #1040  
Arlington, Virginia 22201  
1-800-528-3780  
www.aegisvaluefund.com

### Portfolio Statistics As of March 31, 2006

#### Asset Breakdown

<u>Security Type</u>	<u>% Of Portfolio Value</u>
Domestic Common Stock	69.4%
Foreign Stocks Listed on U.S. Exchange	10.9%
Warrants	0.2%
Preferred Stock	0.0%
Cash and U.S. Treasuries	<u>19.5%</u>
	<u>100.0%</u>

#### Valuation—Price-to-Book

<u>Price to Book Value</u>	<u>% Of Equity Portfolio Value</u>
Less Than 50%	7.5%
50% To 100%	51.4%
100% To 150%	25.3%
Greater Than 150%	<u>15.8%</u>
Total	<u>100.0%</u>

#### Sector Breakdown

<u>Sectors</u>	<u>% Of Equity Portfolio Value</u>
Consumer Staple	19.6%
Financial	16.7%
Services	13.2%
Industrial Cyclical	9.9%
Material	9.9%
Consumer Durable	8.0%
Transportation	4.7%
Retail	4.6%
Consumer Cyclical	3.2%
Agriculture	2.9%
Capital Goods	2.2%
Technology	2.1%
Real-Estate	1.4%
Utility	1.3%
Healthcare	0.0%
Total	<u>100.0%</u>

#### Valuation—Price-to-Revenue

<u>Price to Revenue</u>	<u>% Of Equity Portfolio Value</u>
0% To 50%	59.2%
50% To 100%	26.8%
100% To 200%	7.2%
Greater than 200%	<u>6.7%</u>
Total	<u>100.0%</u>

#### Market Capitalization

<u>Market Cap.</u>	<u>% Of Equity Portfolio Value</u>
\$0 To \$50	2.1%
\$50 To \$100	11.0%
\$100 To \$500	60.5%
\$500 To \$1,000	13.0%
\$1000 To \$1,500	1.9%
Greater than \$1,500	<u>11.4%</u>
Total	<u>100.0%</u>

#### Top Five Holdings

<u>Security</u>	<u>% Of Portfolio Value</u>
Alliance One International Inc.	7.2%
Imperial Sugar	6.4%
PMA Capital Corp. Cl. A	6.1%
Sea Containers LTD-CL A	3.4%
Dillards Inc. Class A.	3.4%

**% of Assets in Top Ten Holdings - 40.6%**

*The Aegis Value Fund is offered by prospectus only. The investor should consider the Fund's investment objectives, risks, charges, and expenses. The prospectus contains this and other information about the Fund and should be read carefully before investing. To obtain a copy of the prospectus, please call us at 1-800-528-3780 or visit www.aegisvaluefund.com.*