

**Quarterly Review**  
**March 31, 2007**

**INVESTMENT PHILOSOPHY**

The Fund invests primarily in small U.S. companies with shares that can be purchased at low multiples of book value. Book value is an accounting measure that reflects the value of assets minus the value of liabilities held on a company balance sheet. The Fund may hold cash or cash equivalents when securities meeting its investment criteria are not available.

**Fund Goal**

The Fund's principal investment goal is to seek long-term capital appreciation.

**Fund Facts**

Symbol: AVALX  
CUSIP: 00761L102  
Net Assets: \$407.7 Million  
Inception: May 15, 1998

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.

The "Results of a \$10,000 Investment" graph compares investment in the Fund with a similar investment in the Russell 2000 Value Index. Returns reflect the reinvestment of income dividends and capital gains, if any, as well as fees and expenses.

**KEY PORTFOLIO ATTRIBUTES\***

**Equity Statistics**

Portfolio Price-to-Book	79.2%
Portfolio Price-to-Revenue	35.2%
Weighted Avg. Mkt. Cap	\$869 Mil

**TOP FIVE HOLDINGS**

**Security**

PMA Capital Corp. Cl. A	5.5%
Audiovox Corporation Class A	3.7%
Superior Industries International Inc.	3.3%
CF Industries Holdings, Inc.	3.0%
Spanson Inc.	3.0%

**Portfolio Value**

**PERFORMANCE as of 3/31/2007**

Time Period	AVALX
First Quarter	7.4%
Year to Date	7.4%
One Year	19.7%
Three Year	12.3%
Five Year	14.6%
Since Inception (05/15/98)	15.7%

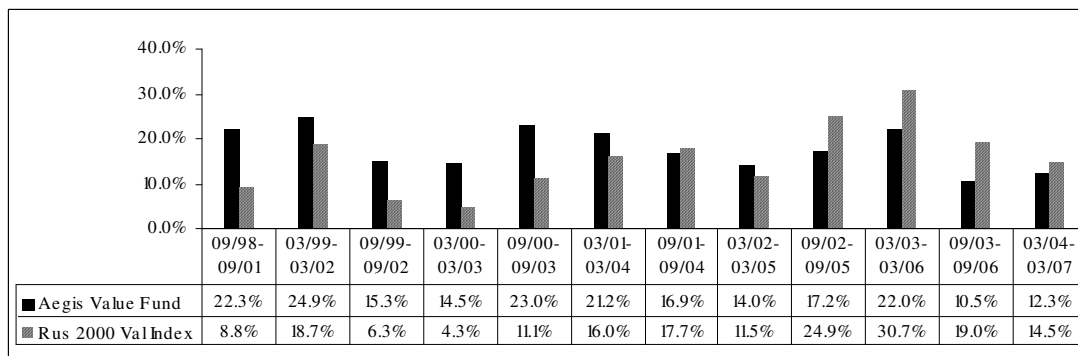
**Russel 2000 Value**

1.5%
1.5%
10.4%
14.5%
13.6%
10.8%

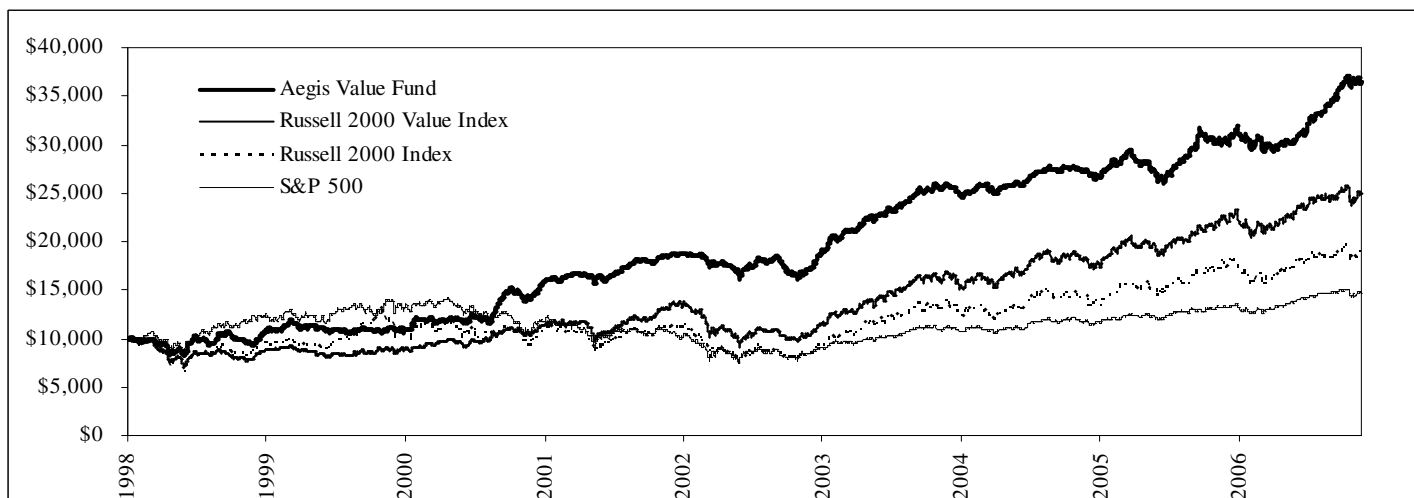
Performance data quoted represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted. The investment return and principal value will fluctuate so that upon redemption, an investor's shares may be worth more or less than 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 1.38%.

\* Portfolio Attribute statistics do not include the following five holdings due to their insignificant market values and/or unavailability of current book value data: Acceptance Insurance Companies, Integrated Telecom Express Inc., Liquid Audio, MIIX Group, and Sea Containers Cl.A.

**Rolling Three-Year Annualized Returns, Net of Fees**



**RESULTS OF A \$10,000 INVESTMENT** in the Aegis Value Fund and common benchmark indices



## TOP FIVE HOLDINGS

### 1. PMA Capital Corp. Class A (5.5%) - Price-to-Book = 0.7

Property and casualty insurer primarily offering workers' compensation in the eastern United States. Run-off operations includes prior reinsurance and excess and surplus lines business. Management is seeking improved returns on capital in its primary insurance operations and successful wind-down of run-off operations.

### 2. Audiovox Corp. Class A (3.7%) - Price-to-Book = 0.8

A leading international distributor in the mobile and consumer electronics industries. Markets products under brand names including Audiovox, Jensen, Pursuit, Code-Alarm, Car Link, Movies 2 Go, Mag-nate, Mac Audio, Heco, Acoustic Research, Advent, and Phase Linear as well as private labels. The company sold its low margin cell-phones business and seeks to replace the revenue stream with higher margin electronic products.

### 3. Superior Industries International Inc. (3.3%) - Price-to-Book = 1.0

A leading designer and manufacturer of aluminum road wheels for North American automobile manufacturers. The company serves its customers from its manufacturing base in the United States, Mexico, and Hungary. Superior continues to restructure its operations to provide world-class quality and cost from its Mexican operations. The company has net cash on its balance sheet and limited union exposure.

### 4. CF Industries Holdings, Inc. (3.0%) - Price-to-Book = 2.8

One of the largest manufacturers and distributors of nitrogen and phosphate fertilizer products in North America. The operations are organized into two business segments: the nitrogen fertilizer business and the phosphate fertilizer business. The core market and distribution facilities are concentrated in the midwestern U.S. grain-producing states.

### 5. Spansion Inc. (3.0%) - Price-to-Book = 0.9

One of the largest flash memory providers and the largest company in the world exclusively dedicated to designing, developing, manufacturing, marketing, and selling flash memory solutions. The company has demonstrated success in penetrating cellular phone markets with unique memory solutions

## PORTFOLIO COMPOSITION

<u>Security Type</u>	<u>% Of Portfolio Value</u>
Domestic Common Stock	61.1%
Foreign Stocks Lised on U.S. Exchange	5.1%
Foreign Stocks Lised on Foreign Exchange	2.0%
Warrants	0.6%
Cash and U.S. Treasuries	<u>31.2%</u>
Total	<u>100.0%</u>

## VALUATION—PRICE-TO-BOOK

<u>Price to Book Value</u>	<u>% Of Equity Portfolio Value</u>
0% To 50%	10.2%
50% To 100%	47.1%
100% To 150%	28.0%
Greater than 150%	<u>14.6%</u>
Total	<u>100.0%</u>

## MARKET CAPITALIZATION

<u>Market Cap.</u>	<u>% Of Equity Portfolio Value</u>
\$0 To \$50	5.7%
\$50 To \$100	6.8%
\$100 To \$500	55.8%
\$500 To \$1,000	7.3%
\$1,000 To \$1,500	7.2%
Greater than \$1,500	<u>17.1%</u>
Total	<u>100.0%</u>

## SECTOR BREAKDOWN

<u>Sector</u>	<u>% Of Equity Portfolio Value</u>
Consumer Discretionary	34.7%
Financials	21.2%
Materials	18.2%
Industrials	14.1%
Information Technology	4.5%
Energy	3.1%
Utilities	2.3%
Consumer Staples	1.6%
Telecommunication Services	0.4%
Health Care	<u>0.0%</u>
Total	<u>100.0%</u>

*The information comprised on this Quarterly Review is not, nor is it held out to be, a solicitation of any person to take any form of investment decision. The information does not constitute advice or a recommendation by Aegis Financial Corporation and should not be relied upon in making (or refraining from making) any decision relating to investments or any other matter. You should consult your own independent financial adviser and obtain professional advice before exercising any investment decisions or choices based on information featured in this Quarterly Review.*