

**Quarterly Review**  
**March 31, 2008**

**Fund Goal**

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

**Fund Facts**

Symbol: AVALX  
CUSIP: 00761L102  
Net Assets: \$210.7 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.

**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.

**KEY PORTFOLIO ATTRIBUTES\***

**Equity Statistics**

Portfolio Price-to-Book 59.5%  
Portfolio Price-to-Revenue 30.7%  
Weighted Avg. Mkt. Cap \$382.3 Mil

**TOP FIVE HOLDINGS**

**Security**

PMA Capital Corp. Cl. A 5.8%  
Bassett Furniture Industries, Inc. 5.5%  
Callon Petroleum Co. 5.5%  
Tecumseh Products. Cl. B 5.3%  
American Pacific Corp. 4.6%

**% Of Portfolio Value**

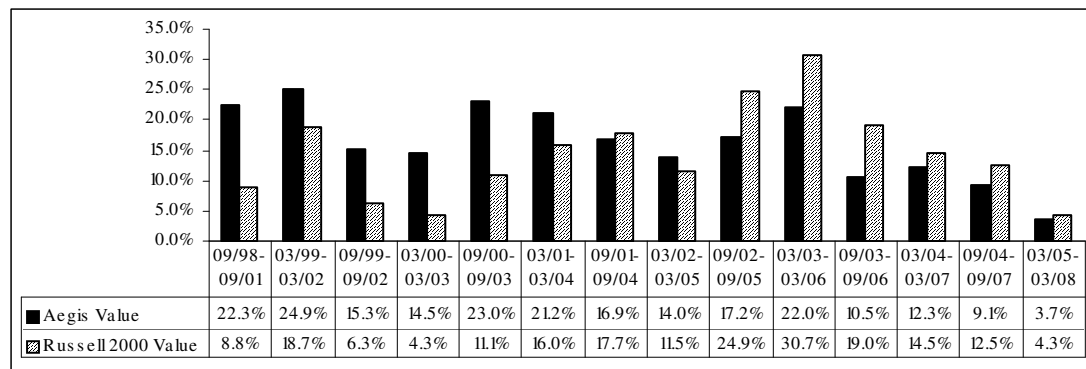
**PERFORMANCE as of 3/31/2008**

Time Period	AVALX	Russell 2000 Value
First Quarter	(2.0%)	(6.5%)
Year to Date	(2.0%)	(6.5%)
One Year	(16.2%)	(16.9%)
Three Year	3.7%	4.3%
Five Year	12.7%	15.5%
Since Inception (05/15/98)	12.0%	7.7%

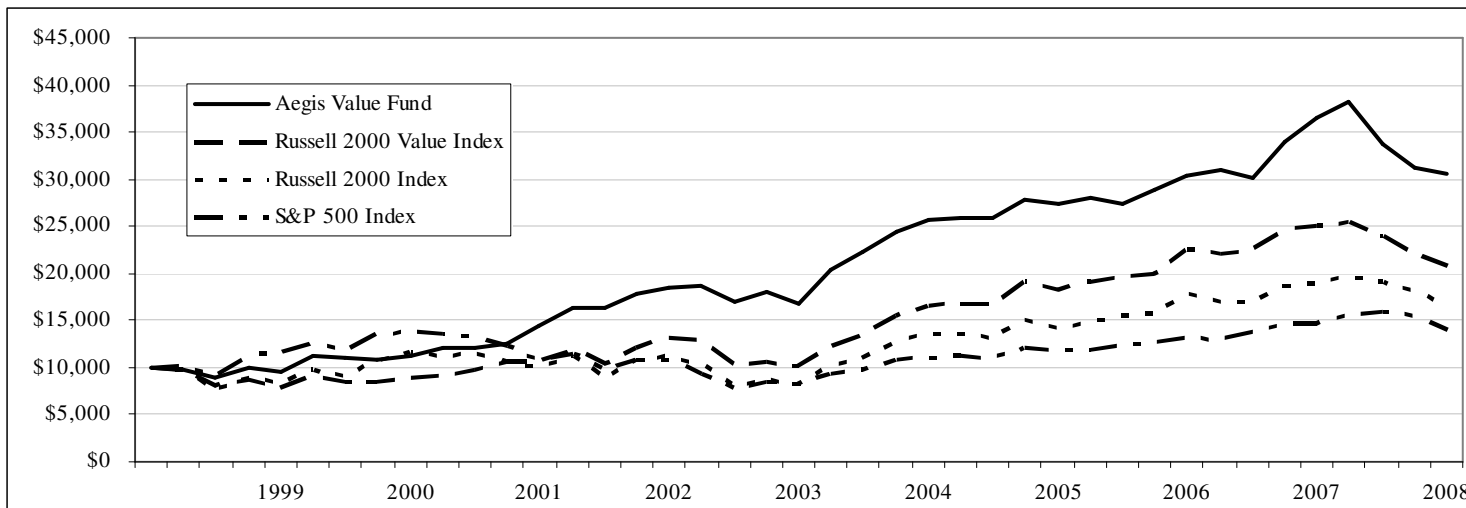
Performance data quoted represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted. The investment return and principal value will fluctuate so that upon redemption, an investor's shares may be worth more or less than 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 two holdings due to their insignificant market values and/or unavailability of current book value data: Integrated Telecom Express Inc. and OCA Inc.

**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: March 31, 2008

### 1. PMA Capital Corp. Class A (5.8%) - Price-to-Book = 0.7

Property and casualty insurer primarily offering workers' compensation in the eastern United States. Management is seeking improved returns on capital in its primary insurance operations following a successful wind-down of run-off operations.

### 2. Bassett Furniture Industries, Inc. (5.5%) - Price-to-Book = 0.8

A leading retailer, manufacturer, and importer of branded home furnishings. The company has a sound balance sheet with significant real estate and other investments. Recently, management announced a dividend and stock repurchase plan. Furniture operations have been aggressively restructured in response to foreign competition. However, near-term sales are likely to be impacted by a slow economy and housing market.

### 3. Callon Petroleum Co. (5.5%) - Price-to-Book = 1.3

Produces oil and gas from numerous Gulf of Mexico continental shelf and deep water properties, generating strong current cash flows. Successful development of several significant deep water targets provide upside to the valuation.

### 4. Tecumseh Products Company Class A. (5.3%) - Price-to-Book = 0.7

Engages in manufacture and sale of compressor products used in refrigeration and air conditioning applications worldwide. Recent results impacted by rising copper prices, a strong Brazilian currency, and intense foreign competition. Management has cut costs and sold non-core business. The balance sheet is strong.

### 5. American Pacific Corp. (4.6%) - Price-to-Book = 1.6

Produces specialty and fine chemicals used in aerospace and pharmaceutical applications. The company is the exclusive North American producer of Grade I ammonium perchlorate, used in solid rocket fuel. The company also produces ingredients used in anti-viral, oncology, and central nervous system pharmaceuticals. Chemicals are generally sold through long-term contracts under which the company is a sole source or limited source supplier.

*The information contained in 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. The Aegis Value Fund is offered by prospectus only. Investors are advised to consider the Fund's investment objectives, risks, charges and expenses carefully before investing. The prospectus contains this and other information about the Aegis Value Fund. For a prospectus and more complete information, including charges and expenses, please call 800-528-3780 or visit our website at www.aegisfunds.com. The prospectus should be read carefully before investing.*

## PORTFOLIO COMPOSITION

<u>Security Type</u>	<u>% Of Portfolio Value</u>
Domestic Common Stock	90.5%
Foreign Stocks Listed on U.S. Exchange	2.8%
Foreign Stocks Listed on Foreign Exchange	1.1%
Cash	5.7%
	<u>100.0%</u>

## VALUATION—PRICE-TO-BOOK

<u>Book Value</u>	<u>% Of Equity Portfolio Value</u>
0% To 50%	18.0%
50% To 100%	55.6%
100% To 150%	16.8%
Greater Than 150%	9.6%
Total	<u>100.0%</u>

## MARKET CAPITALIZATION

<u>Market Cap.</u>	<u>% Of Equity Portfolio Value</u>
\$0 To \$50	7.5%
\$50 To \$100	10.1%
\$100 To \$500	58.8%
\$500 To \$1000	16.9%
\$1000 To \$1,500	3.6%
Greater Than \$1,500	3.0%
Total	<u>100.0%</u>

## SECTOR BREAKDOWN

<u>Sector</u>	<u>% of Equity Portfolio Value</u>
Consumer Discretionary	33.6%
Financials	22.8%
Industrials	18.4%
Energy	10.6%
Materials	9.1%
Information Technology	4.6%
Consumer Staples	0.7%
Telecommunication Services	0.2%
Health Care	0.0%
	<u>100.00%</u>