

Quarterly Review
September 30, 2008

Fund Goal

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

Fund Facts

Symbol: AVALX
CUSIP: 00761L102
Net Assets: \$188.5 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 shares of small U.S. companies purchased at low multiples of book value, an accounting measure that reflects the value of assets minus the value of liabilities held on a company's 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	58.6%
Portfolio Price-to-Revenue	30.7%
Weighted Avg. Mkt. Cap	\$376.8 Mil

PERFORMANCE as of 9/30/2008

Time Period	AVALX	Russell 2000 Value
Third Quarter	(8.1%)	5.0%
Year to Date	(6.7%)	(5.4%)
One Year	(13.7%)	(12.3%)
Three Year	2.0%	2.0%
Five Year	5.4%	9.5%
Ten Year	12.6%	10.1%
Since Inception (05/15/98)	10.8%	7.4%

TOP FIVE HOLDINGS

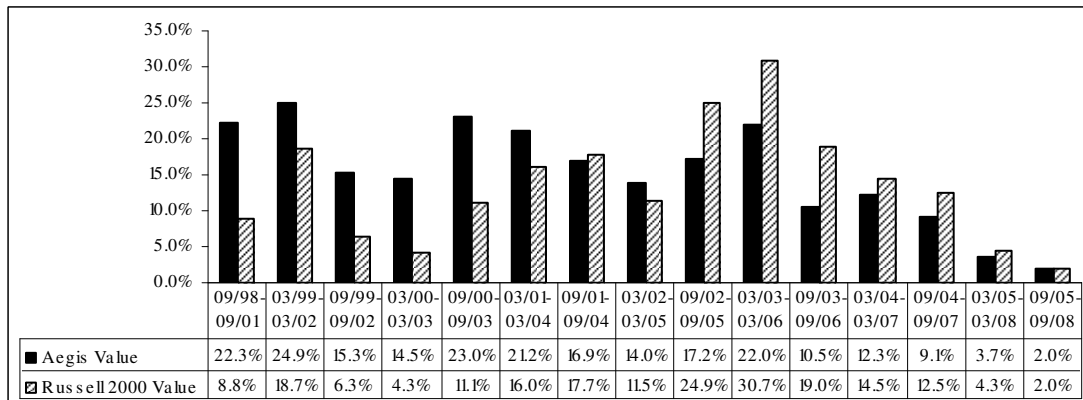
Security

	% Of Portfolio Value
Horsehead Holdings Corp.	5.1%
Tecumseh Products. Cl. B	4.7%
Callon Petroleum Co.	4.4%
Bassett Furniture Industry	4.3%
PMA Capital Corp. Cl. A	4.0%

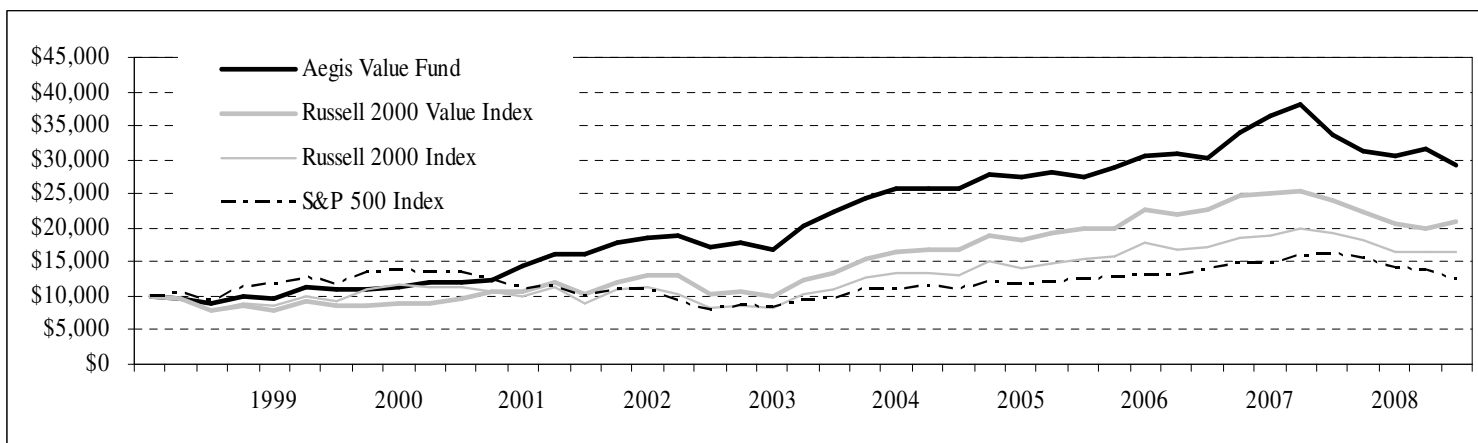
Performance data quoted represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted. The investment return and principal value will fluctuate so that upon redemption, an investor's shares may be worth more or less than 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 1.42%.

* 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: September 30, 2008

1. Horsehead Holding Corp. (5.1%) - Price-to-Book = 0.8

This U.S. based zinc recycler produces zinc, which is used to galvanize steel as well as make tires, chemicals and paints. The company has a strong balance sheet, a leading market position, and a promising cost cutting program. The stock has fallen out of favor as zinc prices have moderated. The company has hedged 70% of expected 2009 production, securing near-term cash flows.

2. Tecumseh Products Company Class B. (4.7%) - Price-to-Book = 0.5

This global manufacturer produces refrigeration and air conditioning compressors for applications worldwide. Recent results have been impacted by rising copper prices, a strong Brazilian currency, and intense foreign competition. Management has cut costs and sold non-core businesses. Additional operational improvements are ongoing.

3. Callon Petroleum Co. (4.4%) - Price-to-Book = 1.3

This exploration and production company produces oil and gas from numerous Gulf of Mexico continental shelf and deep water properties, generating strong current cash flows. Sustained high energy prices and successful development of the Entrada deep-water project provide upside to the valuation.

4. Bassett Furniture Industries, Inc. (4.3%) - Price-to-Book = 0.5

This leading retailer, manufacturer, and importer of branded home furnishings has a sound balance sheet with significant real estate and other investments. 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. The company has been using excess capital to repurchase shares and provide cash dividends to shareholders.

5. PMA Capital Corp. Class A (4.0%) - Price-to-Book = 0.7

This property and casualty insurer offers workers' compensation, primarily 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.

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	91.7%
Foreign Stocks Listed on U.S. Exchange	3.7%
Foreign Stocks Listed on Foreign Exchange	2.9%
Cash	1.7%
	<u>100.0%</u>

VALUATION—PRICE-TO-BOOK

<u>Book Value</u>	<u>% Of Equity Portfolio Value</u>
0% To 50%	15.2%
50% To 100%	65.4%
100% To 150%	15.9%
Greater Than 150%	3.4%
Total	<u>100.0%</u>

MARKET CAPITALIZATION

<u>Market Cap.</u>	<u>% Of Equity Portfolio Value</u>
\$0 To \$50	9.7%
\$50 To \$100	16.5%
\$100 To \$500	58.9%
\$500 To \$1000	9.0%
\$1000 To \$1,500	1.1%
Greater Than \$1,500	4.8%
Total	<u>100.0%</u>

SECTOR BREAKDOWN

<u>Sector</u>	<u>% of Equity Portfolio Value</u>
Consumer Discretionary	30.0%
Financials	28.7%
Industrials	15.4%
Energy	11.2%
Materials	10.9%
Information Technology	3.4%
Consumer Staples	0.3%
Telecommunication Services	0.0%
Total	<u>100.0%</u>