



Frank Value Fund

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NAV: 11.10

Frank Capital Partners LLC

Fourth Quarter, 2005

To our shareholders,

Although the Frank Value Fund bounced back from its mid-year lows, we are disappointed to have ended 2005 in the red. For the year ended December 31, 2005, the Frank Value Fund finished down -0.56%. The fund also paid a dividend of \$0.2849 in the fourth quarter which is reflected in the lowered NAV. Since inception, July 2004, the fund has returned 13.85%. There are numerous signs that 2006 and beyond will benefit the shareholders of the Frank Value Fund.

Investors quaked with fear at the end of 2005, and as we mentioned in our previous letter, we strive to be greedy when others are fearful and fearful when others are greedy. Rather than follow the crowd converting to cash and selling out of American stocks, The Frank Value Fund did precisely the opposite.

What makes us so confident in the American market while other advisors are terrified? We shun gut feelings, smoke and mirrors, and investment-gossip-voodoo. Our outlook is dictated by the numbers. We block out the hype and attack each company we analyze with an emotionless statistical and mathematical approach. The end of 2005 marked a time where the numbers signaled "buy" while everyone else screamed "sell." To cite an example, during the end of the year 2002, investors, armed with conventional "wisdom," fled American stocks after a tough year of losses. On the other side of those sell transactions were value-investors, buying issues at the cheapest prices seen in years. The following year, 2003, the market returned over 28%, rewarding those who rely on logic and analysis and punishing those who allow fear to govern their investing strategies.

While we cannot guarantee a snap-back like in 2003, we are confident that our strategy will eventually reap rewards. Sometimes a difficult period like 2005 can continue, in which case we will continue to deploy our cash and invest for the long-term. Once we do experience significant appreciation in our investments, we will sell to those who are greedy and remain fixed on the numbers, patiently waiting for the next buys.

Thank you for your investment, we look forward to continuing to work with you.

Fearlessly,

Alfred and Brian Frank
Frank Value Fund Portfolio Managers