



Frank Value Fund

www.frankfunds.com

Ph: 973.887.7698

Toll Free: 866.706.9790

NAV:13.61

Frank Capital Partners LLC

Second Quarter, 2007

To our fellow shareholders,

The Frank Value Fund ended the second quarter of 2007 up 10.47% year-to-date, versus a 6.96% gain for the S&P 500. The Fund has returned 46.21% since its inception on July 21, 2004 (with dividends reinvested). That compares to 42.84% for the S&P 500 during the same period.

During the second quarter, we received two private buyout offers of portfolio stocks at significant premiums. We sold Washington Group for an 82% gain, and we sold CDW Corp for a 51% gain. Rather than wait for these transactions to close, which can take months, we elected to sell these stocks into the market. We are in the midst of a private equity buyout boom and we are skeptical that the firms purchasing our companies will be able to raise adequate financing, thus canceling the transaction.

The mood of the market now is one of greed, and predictably, like nerds in the chess club, we are unable to fit in. Reflecting how fast the market's mood can change, we also locked in a gain of 112% on Tempur-Pedic, the makers of the foam beds you may have seen on TV. When we purchased Tempur-Pedic last year, critics doubted the company would ever sell another bed because of new competition. Now, after a few good quarters of solid performance, analysts are predicting astronomical results! Amidst record highs seemingly everyday, other firms are engaged in a buying frenzy, but not your doubtful, grumpy fund managers.

Like a teary-eyed mother handing her son over to his newlywed bride, we have sold quite a few positions. However, we are hopeful for the grandkids on the horizon. Our stockpile of cash enables us to snap up any excellent opportunity with ease. Continuing the bargains we are finding in retail stocks, we purchased shares of Bed Bath & Beyond during the second quarter. Like our Wal-Mart purchase last year, Bed Bath & Beyond is a category killer – the best company in its class and poised for more growth. However, the market is currently quite pessimistic on retail stocks, but any time we can purchase an excellent company for a cheap price, we gladly go against the crowd.

Thank you for your investment. We look forward to continue working with you.

Very truly yours,

Alfred and Brian Frank
Frank Value Fund Portfolio Managers