



**Frank Capital Partners LLC**

**Frank Value Fund**

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**Ticker: FRNKX**

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**Fourth Quarter, 2009**

To our fellow shareholders,

The Frank Value Fund returned 49.76% in 2009 versus 26.46% for the S&P 500. Please refer to the back of this letter for more detailed performance information. We did not pay a taxable dividend in 2009. For those shareholders who were invested as of September 30, 2009, please remember to vote your proxies!

2009 will be remembered as a missed opportunity for most, while those who remained invested reaped significant gains. Despite little sign of economic recovery for the majority of the year, stocks rebounded over 50% off their March lows. This shows two important facts: the liquidation environment of 2008 took on a psychological slant, with fear driving prices downward rather than reality, and investors paying attention to fundamentals with an eye on the long-term were heavily rewarded despite a weak economy.

Fear continues to pervade Wall Street conversations. Various technical analysts and pundits continue to call for a correction in stock prices. However, we believe the case for stocks in 2010 and beyond is extremely bright! While we maintain we cannot predict short-term price movements, we are happy to hold our companies at these prices and are prepared to pounce on further opportunities if the market provides them. The valuations in our portfolio are phenomenal while competing assets classes appear to be extremely weak.

For example, there have been net retail outflows from stocks in both 2008 and 2009, meaning there is an extraordinary amount of money outside of the stock market. Money in savings accounts is earning around 1%, which is likely to be less than inflation. Investors eventually will look for higher yields, and stocks still offer exceptional opportunities – if you know where to look. The average operating income yield on our portfolio is over 10% and likely to grow in 2010!

Investors in bond funds will experience price declines if the Fed raises rates in 2010. This will be a crushing blow to anyone who fled stocks for the safety of bonds. This could drive significant inflows to stocks in 2010, and investors will be looking for fundamentally sound and attractively priced businesses. Both the fundamentals and quality of our portfolio remain at historical highs, even after returning 49% in 2009.

The best companies search the globe for the fastest growth opportunities, and several names in our portfolio are finding growth in emerging markets. However, emerging stock markets have had tremendous rallies and can look quite expensive. The best way to benefit from emerging market growth at cheap prices is through multi-national US companies. Numerous positions in the Fund conduct significant business overseas and the prices of these companies are much more attractive than their emerging market-traded counterparts.

We believe this search for higher yields will lead to significant inflows to stocks and to outsized gains in our portfolio. US stocks are providing great prices, quality, and growth opportunities compared to other potential investments. Of course, the timing of this move is impossible to predict, but while we wait we are being paid over 10% on our investments in free cash flow and given the quality of our portfolio, we expect our companies to increase their cash production over time.

Very truly yours,

Brian Frank

Frank Value Fund Portfolio Manager

<b>Time Period</b>	<b>Frank Value Fund</b>	<b>S&amp;P 500 Total Return</b>	<b>FVF Vs. S&amp;P 500</b>
One Year Ended 12/31/2009	49.76%	26.46%	+23.30%
Average Annual Return for the Three Years Ended 12/31/2009	-1.06%	-5.62%	+4.56%
Average Annual Return for the Five Years Ended 12/31/09	2.27%	0.42%	+1.85%
Average Annual Return Since Inception 7/21/2004 (as of 12/31/2009)	4.65%	2.26%	+2.39%
Total Return Since Inception 7/21/2004 (as of 12/31/2009)	28.11%	12.93%	+15.18%

The Frank Value Fund paid a dividend of \$0.29 on December 20, 2005, a dividend of \$0.58 on December 27, 2006, a dividend of \$1.41 on December 27, 2007, and a dividend of \$0.83 on December 29, 2008. Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. You may obtain performance data current to the most recent month-end by calling the Fund at 1-866-706-9790 or visiting our website at [www.frankfunds.com](http://www.frankfunds.com). Returns include reinvestment of any dividends and capital gain distributions.

Non-FDIC insured. May lose value. No bank guarantee. The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The prospectus contains this and other important information about the Fund, and it may be obtained by calling 1-866-706-9790. Please read it carefully before you invest or send money.

This publication does not constitute an offer or solicitation of any transaction in any securities. Any recommendation contained herein may not be suitable for all investors. Information contained in this publication has been obtained from sources we believe to be reliable, but cannot be guaranteed.

The information in this portfolio manager letter represents the opinions of the individual portfolio managers and is not intended to be a forecast of future events, a guarantee of future results or investment advice. Also, please note that any discussion of the Fund's holdings, the Fund's performance, and the portfolio managers' views are as of December 31, 2009, and are subject to change without notice.