



**Frank Capital Partners LLC**

**Frank Value Fund**

[www.FrankFunds.com](http://www.FrankFunds.com)

Ph: (440)-922-0066

Toll Free: (800)-869-1679

FRNKX, FNKCX, FNKIX

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**Third Quarter, 2011**

To our fellow shareholders,

The Frank Value Fund Investor Class returned -2.91% YTD as of the end of Q3 2011 versus -8.68% for the S&P 500 Total Return Index. Please refer to the back of this letter for more detailed performance information.

Markets corrected sharply in August and September, with the peak-to-trough decline approaching 20% in early October. As European leaders attempt to resolve a banking crisis stemming from a probable Greek default, market participants are raising cash without regards to valuation. Like the US banking crisis in 2008, the decline in asset prices has been swift and scary. Unlike 2008, a material drop in US GDP is uncertain, corporations are protected with cash war chests and lean work forces, US government bond yields are lower, headline inflation is higher, expected havens like gold and silver are ineffective, and yet in numerous cases company valuations are lower than in the darkest days of '08 – '09. Valuations are telling us the market is pricing in a large global recession, despite conflicting economic indicators. When the fundamentals make sense and sellers are offering “get me out at any cost” pricing, we have been and will continue to be opportunistic and picky long-term buyers.

Our trailing five-year track record includes both the 2008 and 2011 fear-driven markets and is positive while the S&P 500 total return is negative. Though short-term periods may show drops in the stock prices of our companies, we are extremely confident that the businesses behind the stock prices are healthy and producing cash. In fact, portfolio holdings Google, J2 Global Communications, Visa, Mastercard, Berkshire Hathaway and others grew their revenues throughout the “Great Recession” of 2008 to 2009. This is powerful information to have while facing another possible recession and this gives us confidence to buy and hold while the day-to-day prices are dropping. Recessions are a part of capitalism, and we always account for the business cycle while investing. Panics like this tend to overly discount the negatives and ignore any future positives – herein lies the advantage of a longer-term investor, an advantage the Frank Value Fund exploits.

Frank Value Fund holdings continue to accelerate stock buybacks while merger and acquisition activity has slowed. Our management teams have stated they are unable to find better deals on private companies compared to their own public stock prices. Therefore, allocating cash to stock repurchases is the best possible use of capital. In other words, you cannot find a better deal than our portfolio! No private business owner in his right mind would sell their business at less than 10 times after tax earnings or 8 times pre-tax operating income. Sellers of equities today are selling below these aforementioned unreasonable multiples, and while we are in for a bumpy ride in the short-term, the long-term will surely have the pendulum eventually swing to optimism, growth, and more rational multiples. If you believe the pendulum is broken, then take note of the rate of cash production by our portfolio, which is over 12% on enterprise value, and how quickly the entire takeover price of our businesses will be paid back in free cash flow, which is now less than 8 years if you assume 0% growth rates!

Stock market investors certainly have had the lion's share of pain and uncertainty over the last few years. However, our long-term record during this tough period along with the quality bargains currently stacked in the portfolio cements our belief that the next five year period could be a phenomenal one for Frank Value Fund investors. When fundamentals are ignored we buy, and when they are in focus we profit.

Thank you for your continued investments and support!

Very truly yours,

Brian Frank

Frank Value Fund Lead Portfolio Manager

Performance as of 9/30/11	Average Annualized Total Returns					Total Return
	YTD %	1 Year %	3 Year %	5 Year %	Since 7/21/04 %	Since 7/21/04 %
Investor Class (FRNKX)	-2.91	5.14	4.89	2.51	4.49	37.14
Class C (FNKCX)	-3.40	4.39*	4.14*	1.76*	3.74*	
Institutional Class (FNKIX)	-2.82	5.39*	5.14*	2.76*	4.74*	
S&P 500 Total Return	-8.68	1.14	1.23	-1.18	2.41	18.67

\* Represents an estimate based on the performance of the fund's oldest share class, adjusted for fees.

The Investor Class of 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. The Class C Share paid a dividend of \$0.0042 on December 29, 2010. The Institutional Share Class paid a dividend of \$0.0274 on December 29, 2010. 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 1-800-869-1679 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 1-800-869-1679. 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 September 30, 2011, and are subject to change without notice.