



Frank Value Fund

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NAV:12.32

Frank Capital Partners LLC

Fourth Quarter, 2006

To our fellow shareholders,

The Frank Value Fund ended 2006 up 16.18% for the year, versus 15.79% for the S&P 500. The Fund has returned 32.35% since its inception on July 21, 2004 (with dividends reinvested). That compares to 33.36% for the S&P 500. The Fund paid a dividend on December 27, 2006, consisting of a \$0.4349 long-term per share gain and \$0.1453 short-term per share gain. You will receive 1099 statements in the mail shortly for your 2006 tax return.

The stock market advanced strongly in the fourth quarter and the Fund posted satisfactory gains. Some of the large, blue-chip companies we purchased during the past year started to benefit from a shift in market sentiment. Among these were Berkshire Hathaway, Microsoft, and American Express. Despite the strong gains, we believe these shares are still quite undervalued and the performance of these businesses remains excellent. Additionally, we found many new investment opportunities.

We are expanding the Fund and adding new capabilities. In December, NASDAQ started quoting the Fund's net asset value per share (NAV) under the ticker symbol FRNKX. You can check the Fund's most recent NAV anywhere you can get NASDAQ stock quotes. Of course, we continue to post our performance information on our website, www.frankfunds.com.

Our performance this year was significant because of the headwinds we endured. The best performing sectors of the S&P 500 index were telecommunications services, up over 32% this year and energy was up over 22%. As portfolio managers, we could not find any companies that met our criteria for cheapness and safety in these areas, so we concentrated our efforts on other sectors. Despite skipping the party in oil and telecom, the Fund performed quite well on an absolute basis and relative to our benchmark. We believe our cheap stocks will benefit as investors move money to these companies.

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