

**Individual filers may need to
consult a tax professional.**

The complexity and diversity of individual state requirements make it impossible for us to provide specific information concerning what must be reported and on which forms. If you have any questions regarding the application of this information to your tax returns, please consult your tax advisor.

FAM Funds
384 North Grand Street PO Box 399
Cobleskill, NY 12043-0399
(800) 932-3271 www.famfunds.com

FAM Funds are distributed by
Fenimore Securities, Inc.

**2011 SUPPLEMENTARY
TAX INFORMATION**



FAM Funds

MANAGED BY FENIMORE ASSET MANAGEMENT, INC.



**VALUE FUND
EQUITY-INCOME FUND**

The general information provided here
may be used to help calculate taxes for
your FAM Funds investment.



FAM Funds

MANAGED BY FENIMORE ASSET MANAGEMENT, INC.

2011 SUPPLEMENTARY TAX INFORMATION

Investor Class Shares

2011 Federal Income Tax Brackets/Rates

| Single Return | Married Filing Joint Return | Federal Tax Rate |
|---------------------|-----------------------------|------------------|
| \$0-\$8,500 | \$0-17,000 | 10% |
| \$8,501-\$34,500 | \$17,001-\$69,000 | 15% |
| \$34,501-\$83,600 | \$69,001-\$139,350 | 25% |
| \$83,601-\$174,400 | \$139,351-\$212,300 | 28% |
| \$174,401-\$379,150 | \$212,301-\$379,150 | 33% |
| Over \$379,150 | Over \$379,650 | 35% |

Composition of Assets as of December 31, 2011

Some states impose an intangibles tax or a personal property tax on the value of certain financial assets (including mutual funds) held as of December 31. The value of your assets attributable to U.S. Treasury obligations may be exempt from these taxes. FAM Funds did not hold any U.S. Treasury obligations for 2011.

| | TOTAL NET ASSET VALUE (NAV) AS OF 12/31/2011 | PERCENTAGE OF NAV PER SHARE IN U.S. TREASURY SECURITIES | PERCENTAGE OF ORDINARY INCOME FROM U.S. TREASURY SECURITIES (1099-DIV Box 1a) | DIVIDENDS RECEIVED DEDUCTION (CORPORATION ONLY) (1099-DIV Box 1a) |
|--------------------|--|---|---|---|
| VALUE FUND | \$45.15 | 0.0% | 0.0% | 100% |
| EQUITY-INCOME FUND | \$19.39 | 0.0% | 0.0% | 100% |

Percentage of Ordinary Income from U.S. Treasury Obligations

In some states, mutual fund dividends derived from certain U.S. Treasury obligations may be exempt from state income taxes. The above table shows the percentage of dividends attributable to U.S. Treasury obligations for each FAM Fund during 2011.

1099-DIV RATE INFORMATION

| | TOTAL ORDINARY DIVIDENDS (Box 1a) | QUALIFIED DIVIDENDS (Box 1b) | TOTAL CAPITAL GAIN DISTRIBUTION (Box 2a) |
|--------------------|-----------------------------------|------------------------------|--|
| VALUE FUND | \$0.00125/share | \$0.00125/share | \$0.00202/share |
| EQUITY-INCOME FUND | \$0.2790/share | \$0.2790/share | \$0.0000/share |

Note: Qualified Dividends are taxed at the same 5%-15% tax rate that applies to net capital gain. See IRS Publication 564 for details of 61 day holding period that applies. www.irs.gov/pub/irs-pdf/p564.pdf. Box 1a includes Income Dividends only.

TAX RATES ON QUALIFIED DIVIDENDS

| | TAX BRACKETS | | | | | |
|------|--------------|------|-----|-----|-----|-----|
| | 10% | 15% | 25% | 28% | 33% | 35% |
| 2011 | None | None | 15% | 15% | 15% | 15% |

TAX RATES ON LONG-TERM CAPITAL GAIN SALES

| | TAX BRACKETS | | | | | |
|------|--------------|------|-----|-----|-----|-----|
| | 10% | 15% | 25% | 28% | 33% | 35% |
| 2011 | None | None | 15% | 15% | 15% | 15% |