

# FAM



## Dollar-Cost Averaging

*A True Life Example*



*Lucy...*



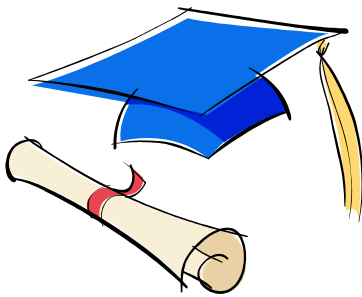
**FAM Funds**

MANAGED BY FENIMORE ASSET MANAGEMENT, INC.

FAM Funds are distributed by  
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# Lucy's Story

The following pages are a report on how dollar-cost averaging is working in my particular circumstances. About two months after I was born on June 22, 2008, my parents opened my FAM Value Fund account with \$2100. Each month thereafter, my parents have added \$100.00 to my account. While my account may not be representative of the experience of other FAM Value Fund investors, it is a good example of investing a fixed amount over a long period of time.



While my investment in the FAM Value Fund is no guarantee of future performance or success, you can see by reviewing my annual statements, systematically investing and reinvesting all my capital gains and dividends has provided me funds for my education needs.

*-Lucy Rankin*

- **Account Started:** 8/18/2008
- **Initial Purchase:** \$2,100
- **Goal:** College Education Fund
- **Discipline:** \$100 Per Month



## Dollar-Cost Averaging

FAM Value Fund and FAM Equity-Income Fund allow investors to utilize their Automatic Investment Plan to participate in dollar-cost averaging. Dollar-cost averaging is the investment technique whereby an investor commits to the purchase of an investment, in this case a FAM Fund, by purchasing a fixed dollar amount of the fund on fixed intervals over a long period of time. When the market price of the fund drops in price, you will buy more shares. When the price increases, you will buy fewer shares of the fund. The basic premise of dollar-cost averaging is that over time, the average cost of your shares may be lower than the average market price of the funds over the time period that you are investing. While this technique does not eliminate the chances of your losing money on an investment, losses can be limited during periods of declining fund share prices and profits may be enhanced during rising fund share prices. **Dollar-cost averaging is a plan of continuous investment in securities regardless of fluctuating prices, an investor must consider his or her financial ability to continue purchases through periods of low price levels. For FAM Funds performance and expenses please refer to the last page of this presentation.**



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# Personalized Account Statement

Please retain for your records

LUCY'S ACCOUNT

**FAM Fund Name:** FAM Value Fund

**Account No:** XXXXX-XX

**Statement Date:** 08/01/2009

## Account Activity

Trade Date	Transaction	Amount of Transaction	Share Price	Share(s) This Transaction	Total Shares Owned
08/18/08	Purchase	\$2,100.00	\$42.11	49.869	49.869
08/29/08	Purchase - AIP	\$100.00	\$42.24	2.367	52.236
09/30/08	Purchase - AIP	\$100.00	\$40.85	2.448	54.684
10/31/08	Purchase - AIP	\$100.00	\$34.21	2.923	57.607
11/28/08	Purchase - AIP	\$100.00	\$31.44	3.181	60.788
12/30/08	Income Dividend Reinvestment (0.1725)	\$10.49	\$31.77	0.330	61.118
12/31/08	Purchase - AIP	\$100.00	\$32.22	3.104	64.222
01/30/09	Purchase - AIP	\$100.00	\$29.72	3.365	67.587
02/27/09	Purchase - AIP	\$100.00	\$26.73	3.741	71.328
03/31/09	Purchase - AIP	\$100.00	\$28.65	3.490	74.818
04/30/09	Purchase - AIP	\$100.00	\$32.02	3.123	77.941
05/29/09	Purchase - AIP	\$100.00	\$32.74	3.054	80.995
06/30/09	Purchase - AIP	\$100.00	\$33.17	3.015	84.010
07/31/09	Purchase - AIP	\$100.00	\$35.50	2.817	86.827



*"Good grief! First year - major bear market!"*

**Value at Age 1**  
**\$3082.36**



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# Personalized Account Statement

Please retain for your records

LUCY'S ACCOUNT

**FAM Fund Name:** FAM Value Fund

**Account No:** XXXXX-XX

**Statement Date:** 08/02/2010

## Account Activity

Trade Date	Transaction	Amount of Transaction	Share Price	Share(s) This Transaction	Total Shares Owned
08/01/09	Beginning Balance	\$3,082.36		86.827	86.827
08/31/09	Purchase - AIP	\$100.00	\$36.60	2.732	89.559
09/30/09	Purchase - AIP	\$100.00	\$37.54	2.664	92.223
10/30/09	Purchase - AIP	\$100.00	\$36.53	2.737	94.960
11/30/09	Purchase - AIP	\$100.00	\$37.90	2.639	97.599
12/29/09	Income Dividend Reinvestment (0.0484)	\$4.72	\$39.80	0.119	97.718
12/31/09	Purchase - AIP	\$100.00	\$39.32	2.543	100.261
01/29/10	Purchase - AIP	\$100.00	\$38.08	2.626	102.887
02/26/10	Purchase - AIP	\$100.00	\$39.43	2.536	105.423
03/31/10	Purchase - AIP	\$100.00	\$42.05	2.378	107.801
04/30/10	Purchase - AIP	\$100.00	\$43.28	2.311	110.112
05/28/10	Purchase - AIP	\$100.00	\$40.61	2.462	112.574
06/30/10	Purchase - AIP	\$100.00	\$39.16	2.554	115.128
07/30/10	Purchase - AIP	\$100.00	\$40.16	2.490	117.618



**Value at Age 2**  
**\$4811.75**

*“You guys digging up any new stock ideas??”*



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# FAM Funds Disclosure



**AVERAGE ANNUAL TOTAL RETURNS AS OF DECEMBER 31, 2010**  
*The performance data quoted represents past performance.*

	SINCE INCEPTION	10 YEAR	5 YEAR	1 YEAR	TOTAL ANNUAL FUND OPERATING EXPENSES*
<b>FAM VALUE FUND</b>					
Investor Shares	10.25% (1/2/87)	6.33%	1.92%	17.02%	1.28*
<b>FAM EQUITY-INCOME FUND</b>					
Investor Shares	7.44% (4/1/96)	5.94%	.78%	17.47%	1.49*

**\*Disclosure:** Expenses are from the most recent prospectus. The actual total annual FAM Value Fund operating expense is **1.26%** as reported in the Fund's audited financial statement. The total annual FAM Equity-Income Fund operating expense is **1.40%** after reimbursements, as reported in the Fund's audited financial statement. The "Total Annual Fund Operating Expenses" includes Acquired Fund Fees and Expenses which are those expenses incurred indirectly by the Funds as a result of investments in shares of one or more investment companies or pooled investment vehicles (referred to as "Acquired Funds") and fee waivers (for the FAM Equity-Income Fund only). The costs associated with investments in the acquired funds are not direct costs paid by Fund shareholders.



*Past performance is not indicative of future results, current performance may be lower or higher than the performance date quoted. Investment returns may fluctuate; the value of your investment upon redemption may be more or less than the initial amount invested. Please consider a fund's investment objectives, risks, charges and expenses carefully before investing. The FAM Funds prospectus contains this and other important information about the FAM Value Fund and FAM Equity-Income Fund and should be read carefully before you invest or send money. The principal risks of investing in the Funds are: stock market risk (stocks fluctuate in response to the activities of individual companies and to general stock market and economic conditions), stock selection risk (Fenimore utilizes a value approach to stock selection and there is risk that the stocks selected may not realize their intrinsic value, or their price may go down over time), and small-cap risk (prices of small-cap companies can fluctuate more than the stocks of larger companies and may not correspond to changes in the stock market in general). For performance data that is current to the most recent month-end for each fund as well as other information on the FAM Value Fund and FAM Equity-Income Fund, please go to [www.famfunds.com](http://www.famfunds.com) or call (800) 932-3271.*

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