OAK VALUE FUND

Investment Adviser's Review – First Quarter 2009

"If you wait for the robins, spring will be over."

- Warren Buffett, October 2008

As the dogwoods begin to bloom and the winds and rain yield to the first few days of warmth and sunshine, spring has arrived in North Carolina. Though the seasons in this part of the country tend to be a bit milder than other areas, spring remains a period of transition. In the few days that it will take to draft, review and finalize this document our local temperatures will range from a low of 37 degrees to a high of 77 degrees. Needless to say, we haven't packed away the overcoats and sweaters just yet.

We are no more prepared to attempt to predict the near term movements of the stock market than we are to try to forecast the weather on a short-term basis. With that said, we are confident that the spring season will soon leave the bite of frost behind and deliver us comfortably to the heat and humidity of summer. Just as it is easier to predict that it will be warmer in August than it was in March, it is similarly easier to predict that business conditions for the companies we own in the Oak Value Fund's (the "Fund") portfolio should improve over time. Unprecedented monetary and fiscal stimulus should encourage a gradual thawing of the economic and financial "hard freeze." Historically low interest rates, lower commodity prices and increasing support for the credit markets by governmental entities will likely lead to a slowly improving economic and employment climate. Unfortunately, we don't know exactly how long this thawing process will take or when the improved financial climate will actually arrive. But when it does, we believe the collection of advantaged businesses that remains the focus of the Fund's portfolio should reflect meaningfully higher valuations consistent with the attractive long-term economics they have produced.

The Fund's portfolio marginally outperformed the negative 11.01 percent return of the S&P 500 Index during the quarter. For the period, two thirds of the Fund's portfolio holdings outperformed the index and a third of the Fund's positions actually posted positive returns. We view these results in the context of our longer term focus on improving our decision-making and broadening our circle of competence from a research and portfolio perspective. The Fund has now outperformed the market in four of the last five, and eight of the last twelve quarters. A careful review of the Fund's portfolio holdings and performance over this three-year period suggests that this out-performance is a result of improved stock selection on behalf of our team. While the overall returns have been negative during this period, we believe our focus on quality businesses has served our clients well during what has certainly been "the coldest winter on record" of bear markets.

As long-term value investors, we remain focused on owning quality businesses that we believe will produce superior economics that have been purchased at attractive valuations. The list of potential or target investments under consideration remains robust as this season of transition remains volatile. But then again, spring is the season for planting.

We thank you for your continued confidence in the Oak Value team.

David R. Carr, Jr. | Larry D. Coats, Jr. | Christy L. Phillips

Attribution

The Fund's return for the quarter was negative 10.74 percent as compared to a decline in the S&P 500 Index of 11.01 percent. Compared to the Russell 1000® Value Index, the Fund substantially outperformed for the period. Though the Fund outperformed for the quarter, the scoreboard just doesn't tell the whole story, in our opinion. A third of the Fund portfolio holdings actually posted positive returns and two thirds of the portfolio holdings outperformed the index.

Leading the way and likely claiming the headlines were Fund investments in Praxair (+14%), MasterCard (+17%) and ratings agency firm Moody's (+14%). Rounding out the list of positive and most significant contributors during the quarter were Chesapeake Energy and Oracle. We specifically address Praxair and Oracle in our discussion of the top five holdings. Chesapeake Energy and MasterCard were new additions to the Fund's portfolio in the prior quarter and our expectations for these companies have not changed. Shares of Moody's advanced during the period as credit markets began to thaw and debt issuance activity recovered from "near dead" to "barely alive."

In brief, the untold "rest of the story" is in the Fund's positions in the shares of AFLAC and its consumer staples holdings - Cadbury PLC, Diageo PLC and Avon Products. In the case of AFLAC, this prior-period top five holding declined by more than 50 percent during the quarter as speculation around the company's investments in worldwide financial institution securities fueled concerns about its capital adequacy. Though we recognize the sensitivity to such issues in the current market environment, we believe their impact was overblown. Even with the disproportionate drag of the AFLAC position, the Fund's portfolio financials holdings, on average, significantly outperformed their sector peer group. In the case of consumer staples holdings, our investment theses remain intact and we continue to believe that they represent attractive economics and brands with global reach and appeal. With more than half of the revenues of these companies being derived from outside the US, the strength of the dollar contributed to the headwind of a slowing global economic environment. Longer term, we believe the Fund's shareholders will be well served by the implicit currency hedge of these and other global companies held in the Fund's portfolio.

Quarter-End Performance For Periods Ended March 31, 2009

	3 Month	1 Year	5 Year [1]	10 Year [1]	Since Inception 01/18/93[1]
Oak Value Fund	-10.74%	-35.53%	-5.99%	-1.65%	6.59%
S&P 500 Index	-11.01%	-38.09%	-4.76%	-3.00%	5.81%

1) Annualized.

The performance information quoted above represents past performance and past performance does not guarantee future results. 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. Performance data, current to the most recent month end, may be found at the Oak Value Fund ("Fund")'s website www.oakvaluefund.com. An investor should consider the Fund's investment objectives, risks, and charges and expenses carefully before investing. The Fund's prospectus contains this and other important information. ***The Fund's annualized gross expense ratio as of fiscal year-end (06/30/08) was 1.37%.***

The Fund imposes a 2% redemption fee on shares redeemed within 90 days of their purchase date. See the Fund's current Prospectus for more information on the Fund's redemption fee. Please keep in mind the performance information above does not reflect the imposition of a 2% redemption fee. You may obtain a copy of the Fund's prospectus at www.oakvaluefund.com or by calling 1-800-622-2474. Please read the prospectus carefully before you invest or send money.

Update on Largest Holdings…

Berkshire Hathaway – In the face of a steady stream of negative headlines that resulted in significant short-term price volatility, shares of Berkshire Hathaway outperformed both the overall financial sector and the broader market during the quarter. Readers may find these results somewhat surprising as the headlines were dominated by pundit prognostications of the company's challenges. Meanwhile, Berkshire's management continues to execute an advantaged business model toward the long-term objective of shareholder value creation. In our opinion, sourcing capital at low or negative cost and investing that capital at positive, ideally high, rates of return remains the key driver to Berkshire's long-term intrinsic value.

The Fund's continued investment in Berkshire Hathaway is in no way a reflection of our ignorance to many of the "facts" that have been used to support the company's critics. We have simply reached different conclusions in our analysis of this information. For decades, Berkshire Hathaway has been very dependent upon Mr. Buffett to serve in the critical role of controlling capital allocation. In our opinion, the risk of the loss of Mr. Buffett in this role is much less today than it was three years ago. In significantly reducing Berkshire's cash position in recent periods, the cash hoard has been converted into a very attractive cash annuity. With the recent downgrade of the company's credit rating by one of the ratings agencies, Berkshire's cost of debt capital has increased. Fortunately, the company is less dependent upon the capital markets for its sourcing of funds than its peers and counterparts and recently disclosed that its largest source of capital, insurance float, had a negative cost of $2.8 billion last year. It is much easier to make money on other people's money when they pay you to take it.

Praxair – Praxair was busy in the first quarter adding several new projects to their existing backlog as well as bringing online scheduled projects to begin this current fiscal year. During the quarter, Praxair announced three new projects in China in three different industries: pharmaceuticals, electronics and automobiles, and brought online a new air separation plant for Jinlong Copper Co., Ltd. This is business as usual for Praxair as its management remains focused on building its backlog of new contracts that provide long-term revenue and earnings visibility while also producing attractive long-term returns on invested capital. Praxair maintains a diversified end market customer mix along various geographical enclaves. This quarter's new project announcements are further evidence to investors that Praxair has many channels for growth – including but not limited to the energy sector which has dominated investors' view of the business for the last year. The company's recent decoupling from the underlying price of energy commodities, in our view, is now benefiting Praxair shareholders as the shares advanced nearly 15 percent during the quarter while the broader energy sector declined by more than 11 percent. Praxair is now the second largest position in the Fund's portfolio. The company continues to be committed to raising the dividend and buying back shares which, in this environment, illustrates the strength of the franchise.

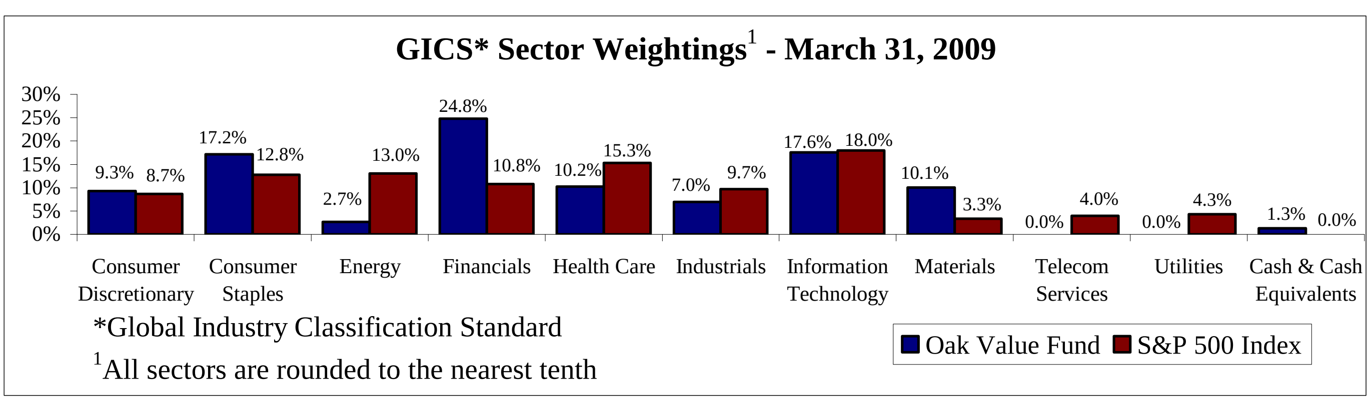
Top Ten Holdings As of March 31, 2009		
Company	**Primary Business**	**S&P Sector**
Aon	Insurance Brokerage	Financials
Avon Products	Cosmetics and Fragrance Manufacturer and Marketer	Consumer Staples
Berkshire Hathaway	Insurance, Reinsurance & Capital Allocation	Financials
Cadbury	Confectioneries	Consumer Staples
Coach	Handbags & Accessories	Consumer Discretionary
Diageo	Global Premium Alcohol Business	Consumer Staples
Moody's	Credit Rating Services	Financials
Microsoft	Computer Software Developer and Manufacturer	Information Technology
Oracle	Database, Middleware, & Application Software	Information Technology
Praxair	Industrial Use Atmospheric & Process Gases	Materials

Avon Products – Avon's worldwide business is not immune to the global economic slowdown. Furthermore, its reported results are sensitive to currency movements that affect both the cost of transactions as well as the translation to earnings for periods of extreme currency volatility. Shares of Avon declined nearly 19 percent during the quarter as investors have clearly taken a wait and see attitude with regard to the company's efforts to navigate this season of global economic uncertainty. Our long history of owning and analyzing Avon on behalf of the Fund's shareholders gives us confidence that the company will once again take advantage of the economic unrest of consumers around the globe and grow both its market share and its shareholder value.

We see one of Avon's strengths as the company's unique ability to quickly adapt its business model to a broad cross-section of markets and operating environments. Historically, Avon has demonstrated an ability to take advantage of tough economic environments and capitalize on recruiting opportunities that would not otherwise be available. This strategy has been especially effective in Latin America, which now accounts for more than half of Avon's operating earnings. We continue to believe that China and other developing economies represent long-term opportunities for the company. Meanwhile, Avon continues to execute against its multi-year restructuring plan to become more efficient and generate savings across its value chain. In the current quarter, they announced an incremental $900 million in savings to be realized. We believe the fruit these measures will bear will become more readily apparent when the investment in recruitment starts to take hold.

Oracle – As we celebrate the three-year anniversary of the addition of Oracle to the Fund's portfolio, our investment thesis continues to be confirmed. Oracle positions appreciated in value into the Fund's top five holdings at the close of the quarter as the company reported yet another outstanding quarter of operating results. With maintenance contract renewal rates running at nearly 90 percent, the recurring revenue business model that distinguishes Oracle from many of its large technology peers remains under-appreciated in our opinion. Operating profit margins of nearly 50 percent are attractive in most any business or industry. They are even more attractive, from a shareholder perspective, in businesses that have significant investment and growth opportunities. We believe such is the case for Oracle. In a period of significant challenge for many of its competitors, Oracle continues to efficiently utilize its scale and resources to effectively invest some $3 billion per year in research and development activities while remaining on the prowl for opportunistic acquisitions. Our view is that Oracle is not only investing in the business for future growth, but also taking share from competitors in the current environment. The company believes it can attain a target of 20 percent earnings growth (in constant currency) due to strong account controls, broader product offerings and the stability of the underlying maintenance revenue. We believe Oracle remains a very good business with good management.

Diageo – Diageo has been a consistent top five holding in the Fund over the past few quarters. We continue to believe this collection of brands across the premium spirits, beer and wine categories will generate favorable economics across the economic cycle. We maintain that the company's revenue and earnings outlook will be revalued at a higher multiple once the economy improves and that the recent share price



represents a particularly compelling long-term investment opportunity. The spirits business has not experienced a significant or systemic change in the last year, though the shares of this fine company have declined meaningfully. We primarily attribute this decline to concerns over macroeconomic factors. While consumers in the US are certainly trading down in this environment, we believe this is a cyclical phenomenon — and an early cycle phenomenon at that. We believe consumers will once again treat themselves to their favorite beverages at an early point in the economic recovery, given the relatively small incremental spend such a decision represents. Moreover, markets outside the US such as Africa, Latin America and South America remain in decent shape. The company has maintained and even raised the dividend, while it has also taken measures to be prudent with the capital base in becoming more conservative with share buyback plans. Diageo's management team has distinguished the company among beverage and spirits businesses by focusing on improving return on invested capital. We expect this focus to continue.

Recent Purchases

Becton, Dickinson & Co. – Becton, Dickinson is a global medical technology company that is focused on improving drug delivery, enhancing the diagnosis of infectious diseases and cancers and advancing drug discovery. The company develops, manufactures and sells medical supplies, devices, laboratory instruments, antibodies, reagents and diagnostic products through its three operating segments: Medical, Diagnostics and Biosciences. In our view, Becton, Dickinson is a consumables business in the healthcare value chain. The predictability of the business is enhanced by the company's market-leading positions with a limited number of competitors in each of its three business units. Becton, Dickinson generated more than $7 billion in revenue in 2008 and has more than doubled its cash flow from operations over the last six years. In our view, Becton, Dickinson is conservatively positioned and well prepared to weather a global economic slowdown with its strong balance sheet, healthy cash flow and solid credit ratings. Company management has continued to reiterate its commitment to growing the business organically through its Diagnostics and Biosciences segments, while maintaining steady growth at the Medical segment.

Becton, Dickinson's core strategy is to pursue growth through innovation. Although the company is organized into the three specific operating segments, the company's focus across these businesses is on four very specific opportunities to improve human healthcare. These broad or targeted areas of healthcare are ***reducing the spread of infection*** for healthcare workers and patients; ***advancing global healthcare***, which includes diagnostics for HIV/AIDS and Tuberculosis; ***enhancing therapy***, which involves working with pharma partners in research, production and drug delivery; and ***improving disease management***, which includes cancer, infectious disease, and diabetes.

The Medical segment accounts for approximately 53% of the company revenues. In this segment Becton, Dickinson is focused on being the leading supplier of single-use drug delivery devices. Becton, Dickinson Medical is focused on innovating solutions to reduce the spread of infection through safety-engineered devices and advanced drug delivery through pre-fillable devices. These devices consist of needles, syringes and intravenous catheters. We believe this focus on reducing infection is a key competitive advantage in the marketplace.

The Diagnostics segment accounts for 30% of the overall company revenues. Becton, Dickinson Diagnostics is the leading provider of products for the safe collection and transport of diagnostic specimens. It is also the leader in testing instruments and reagent systems to accurately detect a broad range of cancer and infectious diseases including MRSA, Staph and HIV.

The Biosciences segment, while a smaller percentage of the company revenues at this point, represents a very important platform of future growth potential. The Biosciences segment is a world leader in bringing innovative research and diagnostic tools to life scientists, clinical researchers, laboratory professionals and clinicians who are involved in basic research. Developing world countries have been and will remain an integral part of this segment's growth. In 2008, 61 percent of sales from this Biosciences segment were generated outside of the United States and the majority of those sales were supported by funding from various governments.

Becton, Dickinson is an advantaged business with a stable and recurring revenue base that produces gross margins of nearly 50 percent and operating profit margins in excess of 20 percent. The growth drivers are visible – both from a product and geographical perspective – and the regulatory environment is supportive of such companies that focus on the prevention and spread of infectious diseases. In our opinion, Becton, Dickinson is well positioned to continue to grow the company and to do so in a very capital efficient manner. We believe Becton, Dickinson's profit margins are likely to expand further in the future as the company realizes the benefits from its research and development investments.

We first visited this company more than seven years ago. For seven years, we watched carefully and waited patiently as Becton, Dickinson's management astutely executed its business plan and the shares responded accordingly. Becton, Dickinson exemplifies a company with strong fundamentals, dominant market share positions and disciplined capital deployment that provides for attractive long-term earnings growth. In our opinion, Becton, Dickinson is a classic example of a good business with good management at an attractive price.

Recent Sales

When Scripps Networks Interactive was spun out of E.W. Scripps last year, we sold the Fund's shares of the newspaper and broadcast television businesses (E. W. Scripps) and retained the shares of the cable networks and interactive business (Scripps Networks Interactive). Though our decision to sell the newspaper and television business was based on longer-term strategic and competitive concerns, the timing of the decision proved fortuitous. During the first quarter, we sold the Scripps Networks shares, ending, for now, our lengthy ownership of those assets on behalf of the Fund. While we still admire the business and we respect management, we have chosen to deploy this capital elsewhere.

IMPORTANT INFORMATION

Authorized for distribution only if preceded or accompanied by a prospectus. Where shown or quoted, recent company returns (for example calendar quarter or trailing twelve months) are stock price changes only, and reflect neither dividends nor any fees as associated with an investment in the Oak Value Fund (the "Fund"). This Investment Adviser's Review seeks to describe the Fund managers' current views of the market and to highlight selected activity in the Fund. Any discussion of specific securities is intended to help shareholders understand the Fund's investment style, and should not be regarded as a recommendation of any security. Displays detailing a summary of holdings (e.g., Top Ten Holdings, GICS Sector Weightings, etc.) are based on the Fund's holdings on March 31, 2009. "Top Ten Holdings" do not include money market investments.

Oak Value Fund Portfolio
Top Ten Holdings as of 03/31/09

Security Description	% of Net Assets
Berkshire Hathaway, Inc. (CL - A)	9.67%
Praxair, Inc.	7.20%
Avon Products, Inc.	6.07%
Oracle Corp.	5.70%
Diageo plc ADR	5.68%
Cadbury plc ADR	5.41%
Coach Inc.	5.19%
Aon Corp.	4.36%
Moody's Corp.	4.35%
Microsoft Corp.	4.18%

We do not attempt to address specifically how individual shareholders have fared, since shareholders also receive account statements showing their holdings and transactions. Information concerning the performance of the Fund and our recommendations over the last year are available upon request. Past performance is no indication of future performance. You should not assume that future recommendations will be as profitable or will equal the performance of past recommendations.

Statements referring to future actions or events, such as the future financial performance or ongoing business strategies of the companies in which the Fund invests, are based on the current expectations and projections about future events provided by various sources, including company management. These statements are not guarantees of future performance, and actual events and results may differ materially from those discussed herein. References to securities purchased or held are only as of the date of this communication to shareholders. Although the Fund's investment adviser (the "Adviser"), focuses on long-term investments, holdings are subject to change.

This Investment Adviser's Review may include statistical and other factual information obtained from third-party sources. We believe those sources to be accurate and reliable; however, we are not responsible for errors by them on which we reasonably rely. In addition, our comments are influenced by our analysis of information from a wide variety of sources and may contain syntheses, synopses, or excerpts of ideas from written or oral viewpoints provided to us by investment, industry, press and other public sources about various economic, political, central bank, and other suspected influences on investment markets.

Although our comments focus on the most recent calendar quarter, we use this perspective only because it reflects industry convention. The Fund and its Adviser do not subscribe to the notion that three-month calendar periods or other short-term periods are either appropriate for making judgments or useful in setting long-term expectations for returns from our, or any other, investment strategy. The Fund and its Adviser do not subscribe to any particular viewpoint about causes and effects of events in the broad capital markets, other than that they are not predictable in advance. Specifically, nothing contained in this Investment Adviser's Review should be construed as a forecast of overall market movements, either in the short or long-term.

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Comparisons to benchmark indices have limitations because benchmark indices have volatility and other material characteristics that may differ from open-end mutual funds. Because of these differences, benchmark indices should not be relied upon as an exact measure of comparison. Indices are unmanaged and do not reflect the payment of advisory fees and other expenses associated with open-end mutual funds. Investors cannot directly invest in an index, though index funds designed to replicate the performance of various indices are available. The S&P 500 Index is weighted by market value, and its performance is thought to be representative of the stock market as a whole. The S&P 500 Index was created in 1957, although it has been extrapolated backwards to several decades earlier for performance comparison purposes. This S&P 500 Index provides a broad snapshot of the overall U.S. equity market; in fact, over 70% of all U.S. Equity is tracked by it. The S&P 500 Index selects its companies based upon their market size, liquidity, and sector. Most of the companies in the S&P 500 Index are mid cap or large cap corporations. The S&P 500 Index referenced include the reinvestment of dividends.

Reference to "GICS Sectors" refers to the Global Industry Classification Standard. Descriptions or graphics related to "GICS Sector Weightings" are presented to illustrate the business and portfolio management operations of the Adviser or examples of representative groupings and securities in which the Fund may invest and are not to be considered recommendations by the Adviser. Categories and groupings in graphs detailing sectors are sourced from Standard & Poor's and Morgan Stanley Capital International "MSCI."

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