

# DGHM ALLCAP VALUE FUND

Team Leader: Jeff Baker, CFA

June 30, 2010 Update

Ticker: Investor Class: **DGHMX** / Class C: **DGACX**

## INVESTMENT OVERVIEW

DGHM has managed AllCap Value portfolios since 1983. Our disciplined style of investing allows us to take advantage of market opportunities wherever they may occur across the capitalization spectrum. Deviations from certain capitalizations will be based on our assessment of relative valuations among size categories. Currently, we have invested a greater percentage of the portfolio in large and mid cap stocks as we believe there are more attractive opportunities in those market cap ranges. Due to the reconstitution of the Russell 3000 Value Index, we are currently overweight Energy and underweight Healthcare. We will be active in remedying this situation.

## REVIEW FOR THE DGHM ALLCAP VALUE FUND: 6/30/10

The DGHM AllCap Value Fund returned approximately -8.6% for the second quarter of 2010. This return was above that of the Russell 3000 Value Index which returned -11.1%. Looking at the year to date numbers for 2010, we are pleased to report that the DGHM AllCap Value Fund returned approximately -3.4%, versus that of -4.8% for the Russell 3000 Value Index. The best performing sectors were Energy, Basic Materials, and Healthcare. We were not as active during this quarter as the first. We purchased 3 new names and sold out of 4 positions. There were not any significant sector weighting changes during the quarter. However, we are currently overweight Energy and underweight Healthcare due to the reconstitution of the Russell 3000 Value Index. We will be active in remedying this situation. All of our sector weights are within a few hundred basis points of the respective sector weightings in the benchmark. During the second quarter, large cap stocks (Russell 1000 -11.4%) underperformed small cap stocks (Russell 2000 -9.9%). Year to date, small cap stocks have outperformed large cap stocks by approximately 400 basis points. We continue to be overweight in large and mid cap stocks compared to small, as we believe there are more attractive opportunities in those market cap ranges. We would also like to point out, that the credit issues that have been negatively impacting the markets have resulted in a widening of credit spreads. Historically, when credit spreads have widened or been near their normal historic levels, it has been an environment that is favorable for DGHM's style of cash flow based value investing.

## DGHM ALLCAP VALUE FUND FEES & EXPENSES

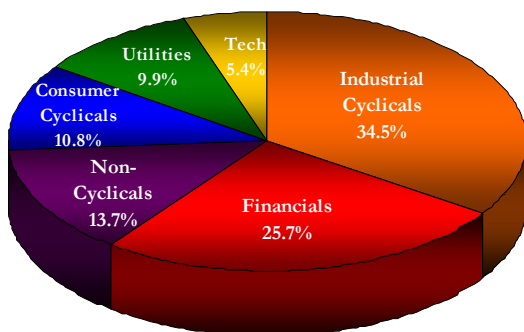
	Investor Class Shares	Class C Shares
Gross Expenses (Current 2010)	1.48%	2.23%
Gross Expenses (Fiscal 2010)	1.71%	2.46%
Maximum Sales Charge (Load) Imposed on Purchases <i>(As a percent of offering Price)</i>	None	None
Maximum Deferred Sales Charge (Load) <i>(As a percent of amount purchased or redeemed, whichever is lower)</i>	None	1%

Expenses presented for Fiscal 2010 are actual audited expenses incurred by the fund for the fiscal year ended February 28, 2010. Expenses presented for Current 2010 are actual expenses incurred by the fund for the current fiscal year-to-date. The Advisor has entered into an Expense Limitation Agreement with the Fund under which it has agreed to waive or reduce its fees and to assume other expenses of the Fund, if necessary, in an amount that will limit the Fund's net annual operating expenses (excluding interest, taxes, brokerage fees and commissions, and extraordinary expenses) to 1.75% and 2.50% for the Investor Class Shares and Class C Shares, respectively, through the fiscal year ending June 30, 2011. It is expected that the Expense Limitation Agreement will continue from year-to-year, provided such continuance is approved by the Fund's Board of Trustees.

## DGHM ALLCAP VALUE FUND CHARACTERISTICS

	DGHM AllCap Value
Weighted Average Market Cap (MM)	\$20,201 MM
Enterprise Value/Earnings Before Interest, Taxes, Depreciation & Amortization	7.8x
2010 Estimated Return On Equity	12.2%
Net Debt (Cash) / Total Cap %	22.9%

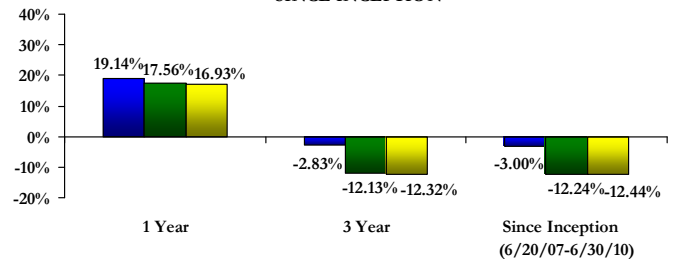
## DGHM ALLCAP VALUE FUND SECTOR ALLOCATION



## DGHM ALLCAP VALUE FUND PERFORMANCE

	Investor Class	Russell 3000 Value
Fund Inception* - 12/31/07	-3.6%	-7.3%
1Q08	-4.3%	-8.6%
2Q08	3.9%	-5.2%
3Q08	-3.0%	-5.3%
4Q08	-19.5%	-22.4%
Year End 2008	-22.4%	-36.3%
1Q09	-12.9%	-17.0%
2Q09	17.4%	16.8%
3Q09	15.6%	18.6%
4Q09	6.7%	4.2%
Year End 2009	26.2%	19.8%
1/31/2010	-3.1%	-2.8%
2/28/2010	3.6%	3.3%
3/31/2010	5.2%	6.7%
1Q10	5.6%	7.1%
4/30/2010	4.9%	3.0%
5/31/2010	-7.1%	-8.2%
6/30/2010	-6.2%	-5.9%
2Q10	-8.6%	-11.1%

## DGHM ALLCAP VALUE FUND ANNUALIZED PERFORMANCE SINCE INCEPTION



Average Annual Total Returns as of June 30, 2010

Performance shown is for the DGHM AllCap Value Fund Investor Class, for the period ended June 30, 2010. The performance data quoted above represents past performance, which is not a guarantee of future results. Investment return and principal value of an investment in the Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance data may be lower or higher than the performance data quoted. To obtain actual performance data regarding the Fund, including performance data current to the Fund's most recent month-end, please call (800) 653-2839.

\*The Fund's inception date is 6/20/07.

\*\*For periods of less than 1 year, the since inception return figures are not annualized and represent aggregate total return.



# DGHM ALLCAP VALUE FUND

## DGHM ALLCAP VALUE FUND STRATEGY

The following are the major characteristics of our strategy:

- We invest with a multi-year investment horizon rather than focusing on the month or quarter end.
- We do not attempt to make macroeconomic calls. (i.e. predict economic growth, interest rates, currency levels, commodity prices etc.)
- We do not predict the direction of the stock market.
- We use a bottom-up selection process to attempt to identify companies that appear to be selling at a discount to our assessment of their potential value.
- We focus on the cash flows, historical profitability, projected future earnings, and financial condition of individual companies in identifying which stocks we may purchase.
- We also consider the following factors in deciding which companies may appear attractive:
  - ▣ Quality of the business franchise
  - ▣ Competitive advantage
  - ▣ Economic or market conditions
  - ▣ Deployment of capital
  - ▣ Reputation, experience, and competence of the company's management
- We believe that stocks purchased at prices below their potential value not only protect capital, but also offer significant price appreciation once the market recognizes a particular stock's potential value.
- Generally, stocks are sold when the characteristics and factors used to select the security change or the stock has appreciated to the point where it is no longer attractive versus other potential opportunities.
- We currently find large cap stocks to be more attractive relative to small and mid caps stocks.
- Currently, we believe that there are limited opportunities to exploit any valuation anomalies within or among sectors. In this type of environment, we feel our stock picking skills focus on cash flow based fundamental analysis and will continue to drive our outperformance.
- For additional information, or to obtain a current prospectus, call (800) 653-2839, or visit:

DGHM SmallCap Value Fund Investor Class & Class C Shares:  
[www.dghm.com/products\\_funds.asp](http://www.dghm.com/products_funds.asp)

## ADVISOR

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## DISTRIBUTOR

**First Dominion Capital, Corp.**  
8730 Stony Point Parkway, Suite 205  
Richmond, VA 23235

For additional information, or to obtain a current prospectus,  
call (800) 653-2839 or visit:

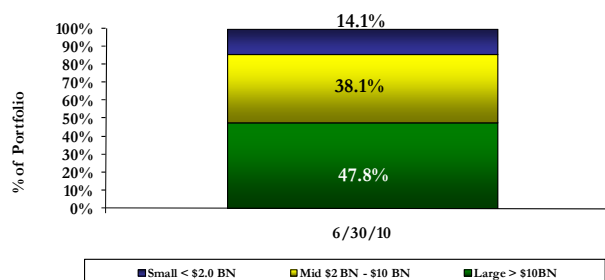
DGHM AllCap Value Fund Investor Class & Class C Shares:  
[www.dghm.com/products\\_funds.asp](http://www.dghm.com/products_funds.asp)

## DGHM ALLCAP VALUE FUND TOP TEN HOLDINGS

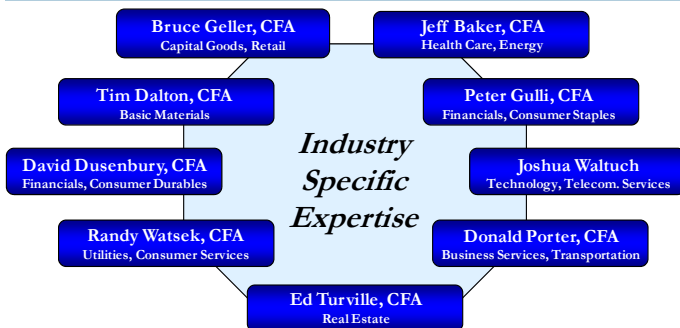
Symbol	Company Name	Weighting
PXD	Pioneer Natural Resources Co.	3.7%
NIHD	NII Holdings Inc.	3.5%
WLL	Whiting Petroleum Corp.	3.5%
DTV	DIRECTV	3.4%
ACE	ACE Ltd.	3.4%
VIA.B	Viacom Inc. (Cl B)	3.3%
EOG	EOG Resources Inc.	3.3%
PPDI	Pharmaceutical Product Development Inc.	3.2%
PNY	Piedmont Natural Gas Co.	3.2%
VVC	Vectren Corp.	3.2%
<b>Total</b>		<b>33.7%</b>

Holdings are expressed as a percentage of total market value of the DGHM AllCap Value Fund as of 6/30/10 and may vary over time. The information is provided for informational purposes only and should not be deemed as a recommendation to buy the specific securities in the top ten holdings list. Top ten holdings may no longer be held in client portfolios. It should not be assumed that investments in any top ten holdings listed were or will prove to be profitable. The holdings of any particular account may vary based on any investment restrictions applicable to the account. There is no guarantee that a particular client's account will hold any, or all, of the securities identified.

## DGHM ALLCAP VALUE FUND ACTIVE SIZE MANAGEMENT



## TEAM STRUCTURE



## RISKS AND DISCLOSURE

NOTES: Results May Vary.

Investment in the Fund is subject to investment risks, including, without limitation, market risk, management style risk, sector risk, issuer risk, and ETF risks. More information about these risks and other risks can be found in the Fund's prospectus.

The Fund's prospectus contains important information about the Fund's investment objectives, potential risks, management fees, charges and expenses, and other information and should be read and considered carefully before investing. You may obtain a current copy of the Fund's prospectus by calling 1-800-653-2839 or visiting [www.dghm.com/products\\_funds.asp](http://www.dghm.com/products_funds.asp). Distributed by First Dominion Capital Corp., Richmond, VA.

Information provided with respect to the Fund's Portfolio Holdings, Sector Weightings, Number of Holdings and Expense Ratios are as of June 30, 2010 and are subject to change at any time.

**P/E Ratio:** Price-Earnings Ratio, a valuation of a company's current share price compared to its per-share earnings. The P/E Ratio is calculated by dividing the market value per share by the earnings per share.

**Russell 3000 Value:** A market capitalization weighted equity index maintained by the Russell Investment Group. This index encompasses the 3,000 largest U.S.-traded stocks.

**Russell 2000:** The 2,000 smallest companies in the Russell 3000 index (the 3,000 largest U.S. companies based on total market capitalization).

**Russell 1000:** An index, weighted for market capitalization, of 1,000 large cap, publicly-traded companies. Companies tracked on the Russell 1000 account for upwards of 90% of the market capitalization of companies traded in the US.

**Russell Value:** An index that measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected growth values.