

LOWE, BROCKENBROUGH & COMPANY, INC.

INVESTMENT COUNSEL

Jamestown Mutual Funds

Equity Fund

Balanced Fund

Select Fund

Tax Exempt Virginia Fund

Third Quarter 2009

QUARTERLY REVIEW

LOWE, BROCKENBROUGH & COMPANY, INC.

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ECONOMY AND MARKETS

Domestic equity markets appreciated sharply in the third quarter, driven by investors' greater appetite for risk. Lower quality issues led the performance derby, while higher quality companies with more stable profitability lagged. Overall, the S&P 500 Stock Index advanced 15.6%, while the Dow Jones Industrial Index was up 15.8%.

As with last quarter, investors continued to favor more cyclical and oversold sectors. The strongest returns were exhibited by the Financial, Industrial, Material and Consumer Discretionary sectors. More defensive sectors continued to lag, including the Utility, Telecom, Healthcare and Consumer Staple sectors. As a result, value stocks generally outperformed growth stocks across all market capitalizations.

Treasury bond yields declined during the third quarter after rising sharply in the first six months of 2009. At quarter-end, yields on the 2-year and 10-year Treasury Notes were 0.95% and 3.31%, respectively, compared to 0.76% and 2.26% as of December 31, 2008. The credit markets have rebounded strongly with investors embracing riskier assets, causing yield spreads on corporate bonds to narrow dramatically year-to-date.

The contraction in GDP in the second quarter of 2009 marked the first time since records started in 1947 that the U.S. economy has shrunk for 4 consecutive quarters. However, the economy has shown some recovery throughout the summer. Since April, leading indicators have pointed to improvement in economic activity. Consensus expectations are for GDP to show positive growth in the third quarter, though this growth has been aided by the temporary Federal "cash for clunkers" and first time home buyers incentive programs.

Another 263,000 jobs were lost in September – the 21st consecutive month of job losses. Since the recession began in December 2007, 7.2 million jobs have been lost. The unemployment rate has risen to 9.8% - twice the rate at the beginning of the year.

Consumer spending, representing 70% of the economy, is still lethargic. Consumers' increased propensity to save rather than spend reflects uncertainty over future taxes, medical and energy costs, high unemployment, tight lending

requirements and lower home values. While measures of consumer confidence have recovered from their lows, improvement has plateaued.

The manufacturing sector has shown some improvement over the last two months, though the gains have been modest, and regional data has been mixed. Aggressive inventory controls seem to be muting a rapid inventory rebuild.

JAMESTOWN EQUITY FUND

The Jamestown Equity Fund returned 10.18% in the third quarter, lagging the S&P 500 return of 15.60%. Lower quality, higher risk stocks with weaker fundamentals have led the way during the rally. The so-call "risk trade" has dominated, as market momentum players have targeted short term gains, while practically ignoring sound company fundamentals. The Jamestown Equity Fund portfolio remains positioned in the stocks of companies that we believe have relatively strong underlying earnings growth and profitability with attractive valuations.

Earnings have held up much better than we expected throughout this downturn, as margins have held well above previous troughs. Shifts in sector weights favoring higher margin sectors, higher commodity prices, lower tax rates, larger global mix of business (now almost 40% of S&P 500 earnings), and rapid cuts in SG&A costs have all contributed to higher profit margins. Sales will need to increase to support rising earnings expectations. This typically happens 6-9 months after the end of the recession, which appears to have ended this past summer. Equities look reasonably valued with the S&P 500 trading at 15x 2010 earnings estimates. Holdings in the Jamestown Equity Fund are trading at 12.5X next year's earnings estimates.

JAMESTOWN SELECT FUND

The The Jamestown Select Fund third quarter return of 9.74% lagged the S&P 500's 15.60% return, as the portfolio was underweight in many of the more cyclical stocks that led the market in the third quarter. The Jamestown Select Fund portfolio remains positioned in the stocks of companies and funds that we believe have relatively strong underlying earnings growth and profitability with attractive valuations.

Earnings have held up much better than we expected throughout this downturn as margins held well above previous troughs. Shifts in sector weights favoring higher margin sectors, higher commodity prices, lower tax rates, larger global mix of business (now almost 40% of S&P 500 earnings), and rapid cuts in SG&A costs have all contributed to higher profit margins. Sales will need to begin increasing to support rising earnings expectations. This typically happens 6-9 months after the end of the recession, which appears to have ended this past summer. Equities look reasonably valued with the S&P 500 trading at 15x 2010 earnings estimates. Holdings in the Select Fund are trading at 11.6X next year's earnings estimates.

JAMESTOWN TAX EXEMPT VIRGINIA FUND

The municipal bond market continued to benefit from robust demand in the third quarter, with the rally extending the year-to-date price gains. The Jamestown Tax Exempt Virginia Fund earned a total return of 3.58% in the third quarter and 6.24% YTD, compared to 3.75% for the Barclays 5-Year Muni Bond Index for the quarter and 6.81% YTD. Activity in the Fund consisted of adding bonds in the 10 to 15-year maturity range to take advantage of the steepness of the tax-exempt yield curve. The Fund's average stated maturity lengthened about a half year to 6.6 years while average effective duration stayed at 4.7 years. As of September 30, 2009 the Fund had a SEC 30-day yield of 2.16%, which results in a tax equivalent yield of 3.32% for investors in the 35% federal tax bracket.

Credit markets showed further signs of healing during the third quarter of 2009. While economic growth is expected to have turned positive in the third quarter, the Federal Reserve Bank pledged to keep short-term interest rates low – near zero – for an extended period. With yields on money market funds dropping toward zero, investors continued to pour cash into fixed income strategies such as corporate bonds and municipal bonds. Municipal bond yields declined steadily over the summer as strong demand overwhelmed a scarcity of supply, pushing prices higher. Yields dropped 50 basis points in the 5-year maturity range to nearly 80 basis points in the 20-year range. As the appetite for risk increased, lower quality bonds outperformed high quality bonds by a wide margin as credit spreads narrowed sharply. Likewise, safer general obligation bonds lagged the performance of revenue bonds. For the quarter, bonds with the longest maturities outperformed those with short maturities, sustaining the trend of a dramatically flatter yield curve. The new Build America Bonds (taxable to investors) are

effectively decreasing the supply of longer maturity tax-exempt bonds, thus helping support prices in that sector. The shortest maturities (5 years and under) posted the weakest performance of the quarter.

While investors seemed to have insatiable demand for municipal credit, valuations on tax-exempt bonds at quarter-end were expensive relative to other sectors of the credit markets. Some investors may be anticipating an increase in federal income tax rates, which would enhance the value of existing tax-free bonds. Since tax-exempt bond yields have declined year-to-date while Treasury yields have been rising, the relative value of municipals at September 30 is no longer compelling. The tax-exempt / Treasury yield ratio for the 10-year maturity declined to 78% while the 5-year ratio moved to 68%, both at the low end of long-term average ratios.

JAMESTOWN BALANCED FUND

The Jamestown Balanced Fund rose 7.18% in the third quarter compared to an increase of 10.56% for a blend of 60% S&P 500 and 40% Barclays Intermediate Government Credit Index. The equities in the Fund underperformed as more cyclical stocks outperformed stocks with steadier, above-average earnings growth. Equities look reasonably valued with the S&P 500 trading at 15x 2010 earnings estimates. Equity holdings in the Jamestown Balanced Fund are trading at 12.5X next year's earnings estimates. The Fund's allocation to equities increased to 61.6% as of September 30 compared to 57.1% as of June 30, while the fixed income allocation decreased to 36.4% compared to 39.9%.

The fixed income portion of the Fund was helped by an overweight in corporate bonds, which continued to outperform Treasury debt. Strong demand for investment grade corporate bonds drove yield spreads narrower as investors embraced riskier segments of the credit markets. The short duration and high quality of the Fund's bond portfolio were factors in the underperformance during the quarter in which longer duration and low quality strategies generated higher returns. The accommodative monetary policy of the Federal Reserve, together with subdued inflationary pressures, should favor bond returns in the near-term but raises questions over the direction of the next big move in credit markets. Our higher quality, intermediate-term bond strategy should help us retain flexibility in this changing environment.

Performance Periods Ended September 30, 2009

			----- ANNUALIZED -----			
	QTR	1 Year	3 Years	5 Years	10 Years	Since Inception
Jamestown Equity Fund	10.18%	-10.80%	-4.30%	0.51%	-0.57%	5.65%
Lipper Large Cap Core Index	15.27	-5.47	-4.64	1.17	-0.27	6.52
Jamestown Balanced Fund	7.18%	-3.58%	-0.50%	2.19%	1.66%	6.56%
Lipper Balanced Fund Index	12.33	2.34	-0.56	3.17	3.13	7.52
Jamestown Select Fund	9.74	-15.20	--	--	--	-8.50
Lipper Large Cap Core Index	15.27	-5.47	-4.64	1.17	-0.27	-5.83
Jamestown Tax Exempt Virginia Fund	3.58	9.84	4.80	3.64	4.42	4.34
Barclays 5-Year Municipal Bond Index	3.75	11.03	6.13	4.55	5.18	5.03
Lipper Intermediate Muni Fund Index	5.67	11.38	4.30	3.74	4.65	4.56

Current performance may be higher or lower than the performance quoted above. You may obtain performance data current to the most recent month-end by calling our toll free telephone number: 1-800-787-7414. Any performance data quoted represents past performance and the investment return and principal value of an investment in the Funds will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Past performance does not guarantee future results.

Jamestown Equity Fund: Inception 12/1/92. Gross Expense Ratio: 1.16%.

The Lipper Large Cap Core Index is a registered trademark of Lipper, Inc. It is an unmanaged index comprised of 30 funds that are generally similar to the Fund, although some funds in the respective index may have somewhat different investment policies or objectives.

Jamestown Select Fund: Inception 10/31/06. Gross Expense Ratio: 1.40%.

The Lipper Large Cap Core Index is a registered trademark of Lipper, Inc. It is an unmanaged index comprised of 30 funds that are generally similar to the Fund, although some funds in the respective index may have somewhat different investment policies or objectives. The Standard & Poor's 500 Index is a widely recognized, unmanaged index of prices of 500 U.S. common stocks.

Jamestown Balanced Fund: Inception 7/3/89. Gross Expense Ratio: 1.15%

The Lipper Balanced Index are registered trademark of Lipper, Inc. It is an unmanaged index comprised of 30 funds that are generally similar to the Fund, although some funds in the respective indices may have somewhat different investment policies or objectives.

Jamestown Tax Exempt Virginia Fund: Inception 9/1/93. Gross Expense Ratio: 0.78%. Net Expense Ratio: 0.69% (Advisor has voluntarily agreed to cap Total Annual Fund Operating Expenses at 0.69% of average net assets.)

Because the Fund is non-diversified, it may take larger positions in fewer issuers, increasing the overall risk profile of the Fund. Bond Funds are subject to interest rate risk - as interest rates rise, bond prices may fall.

The Barclays 5-Year Municipal Bond Index is an unmanaged index generally representative of 5-year tax-exempt bonds. Because The Jamestown Virginia Tax Exempt Fund is typically classified as an intermediate-term fund (with an average duration of between 2 and 10 years), this Index is believed to be the most appropriate broad-based securities market index against which to compare the Fund's performance.

The Lipper Intermediate Municipal Fund Index is a registered trademark of Lipper, Inc. and is an unmanaged index of 30 funds that are generally similar to the Fund, although some Funds in the index may have somewhat different investment policies or objectives.

The Barclays Aggregate Bond Index is a registered trademark of Barclays Capital and is an unmanaged, fixed income index of investment grade debt issues including government, corporate, asset-backed and mortgage-backed securities with maturities of at least one year.