

CM Advisers Family of Funds **Annual Report 2008**

CM Advisers Fund **CM Advisers Fixed Income Fund**

February 29, 2008

This report and the financial statements contained herein are submitted for the general information of the shareholders of the CM Advisers Family of Funds (the "Funds"). This report is not authorized for distribution to prospective investors in the Funds unless preceded or accompanied by an effective prospectus. Mutual fund shares are not deposits or obligations of, or guaranteed by, any depository institution. Shares are not insured by the FDIC, Federal Reserve Board or any other agency, and are subject to investment risks, including possible loss of principal amount invested.

CM Advisers Family of Funds

Letter to Shareholders

April 4, 2008

Dear Shareholders,

The CM Advisers Family of Funds completed its fiscal year on February 29, 2008. During this past fiscal year the CM Advisers Fund (CMAFX) declined 16.43% versus a 4.52% decline for its benchmark, the Russell 3000 Index. This was obviously a great disappointment to us.

During this same period the CM Advisers Fixed Income Fund (CMFIX) delivered a total return of 8.05% versus 7.31% for its benchmark, the Lehman Brothers U.S. Aggregate Bond Index. As a result, CMTIX was the 6th best performing bond fund in its category (multi-sector bond) out of 184 funds (or top 3.26%) for this past fiscal year (Source: Capital IQ). Since its March 24, 2006 inception through February 29, 2008, CMTIX has an annualized return of 10.05% versus 6.78% for the Lehman Brothers U.S. Aggregate Bond Index.

CM Advisers Fund (CMAFX):

The CM Advisers Fund has continued to face some challenges that have hindered its total performance dating back to its inception on May 13, 2003 (4.8 years ago). As of February 28, 2005, the end of the second fiscal year (22 months after inception), CMAFX was still only 17.15% invested in equity securities. While the **"equities only"** (excluding cash and bonds) that were owned by the Fund had an annualized time-weighted return of 44% during that period, the Fund continued to hold approximately 80% of the portfolio in cash. As a result, the Fund's total return of 7.36% under-performed its benchmark for that year (Source: Century Management). As we stated back in the Fund's 2004 and 2005 annual reports, we held a high level of cash because we found it difficult to find equity securities that met our strict value criteria and price discipline.

In the following fiscal year ending February 28, 2006, we identified what we believed to be a number of bargains. As a result, a large portion of the cash proceeds were put to work and by fiscal year end the Fund was 78.24% invested in securities. The **"equities only"** (excluding cash and bonds) that year had a return of 15.56% (Source: Century Management). The combination of being more heavily invested in equity securities and having those securities perform at a high level was enough to allow the CMAFX total return to outperform the Russell 3000 11.31% to 10.44% for that year.

Over the course of the next fiscal year ending on February 28, 2007, the Fund continued to find potential opportunities (stocks that met our value criteria) in which to invest both current and incoming assets (\$60.0 million of net deposits were added to the Fund during that year). By the end of that year the Fund was 96.4% invested in equity securities, its highest level since inception. While the **"equities only"** (excluding cash and bonds) returned 12.11%, the Fund's total return was 9.88% versus 12.03% for the Russell 3000 for that year (Source: Century Management).

One of the main reasons for the under-performance during the fiscal year 2007 was due to the Fund having a significant portion of its assets (27.8% as of the end of the year) invested in small to micro-cap companies. Compared to the giant and large-cap stocks, these smaller companies as a group came under greater pressure during that year. More specifically, as of February 28, 2007, the Fund's 22.5% weighting in consumer discretionary stocks, its 6.9% weighting in the financial sector and zero exposure to the hot energy/oil sector and the other commodity related securities, were the main differences for the Fund's absolute and relative under-performance to its benchmark.

We now enter the fiscal year ending February 29, 2008. The sub-prime loans via the housing bubble began their demise, housing prices on a national basis began their historical percentage price decline, oil and gas prices continued to make record highs, credit markets began to tighten if not turn off their lending spigot altogether, and the deleveraging of the U.S. financial markets began in earnest. These events all seemed to hit at once between July 2007 and February 2008, and consumers began to ease their spending. This tightening of the consumer wallet, as well as many companies slowing down or postponing portions of their corporate spending, not to mention the high level of anxiety and fear amongst the majority of the American public that the U.S. economy is on the verge of financial collapse, has taken its toll on what seems to be all sectors and cap sizes of the market with the exception of those issues related to energy and commodities.

With the Fund more fully invested in equity securities going into this financial storm, a number of stocks that we believe we bought at meaningful discounts to their intrinsic values continued to get cheaper. While the large and giant cap stocks that currently represent 57.94% of the Fund's assets are up 2.73% from their average cost, the 19.14% of the Fund's assets that are invested in small cap stocks are down 43.49% from their average cost. This weighting in small cap stocks has been one of the biggest drags on the Fund's total return over the past 18 months. While we believe over time the value of most of these smaller companies will be recognized, in the short run they have been under significant downward pressure.

In addition to cap size, sector allocation continued to play a major role on the Fund's overall performance. During this fiscal year our allocation to consumer discretionary stocks declined from 22.5% to 19.0%, while our exposure to the financial sector increased from 6.9% to 12.1% via several individual stocks and one exchange traded fund as we deemed this sector to now represent a good value. Furthermore, our exposure to the industrial sector increased from 15.2% to 19.4%, while our exposure to information technology increased from 15.6% to 20.6%. As seen by this fiscal year's performance, many of our existing and newly purchased equities have continued to decline over the past 12 months. At present, 67% of the Fund's equity holdings are below their average cost.

So where do we go from here? With only semantics getting in the way of calling this current market environment a recession based on the text book definition of two consecutive quarters of decline in real GDP, we believe that stocks have more than priced themselves in such a way as to suggest we are in a recession. According to

the National Bureau of Economic Research, the U.S. has had 12 recessions from 1937 through 2007. On average these recessions lasted 10.4 months. (See Recessions Table below)

Recession Defined: *The National Bureau of Economic Research does not define a recession in terms of two consecutive quarters of decline in real GDP. Rather, a recession is a significant decline in economic activity spread across the economy, lasting more than a few months, normally visible in real GDP, real income, employment, industrial production, and wholesale-retail sales.*

Recessions		Months
May 1937	to Jun 1938	13
Feb 1945	to Oct 1945	8
Nov 1948	to Oct 1949	11
Jul 1953	to May 1954	10
Aug 1957	to Apr 1958	8
Apr 1960	to Feb 1961	10
Dec 1969	to Nov 1970	11
Nov 1973	to Mar 1975	16
Jan 1980	to Jul 1980	6
Jul 1981	to Nov 1982	16
Jul 1990	to Mar 1991	8
Mar 2001	to Nov 2001	8

Source: National Bureau of Economic Research
<http://www.nber.org/cycles/cyclesmain.html>
 Bolded dates indicate time of war.

While recessions historically have lasted 10.4 months, stocks (as represented by the S&P 500) on the other hand bottom out in approximately the 5th month of the average recession (Source: Bloomberg, L.P.). The reason for this is that stocks are typically forward looking vehicles. In other words, while we may be in the midst of a recession, once there are signs that the economy and the financial system are not going to worsen, many sophisticated individual investors, many professional money managers, and the big institutional money begins to reason that stocks must be cheap at their current deeply discounted prices, especially if an expanding economy is just around the corner. And thus the negative continuity of thought is broken and money begins to flow back into the stock markets thus driving up both the demand for many stocks and their prices, even while a recession is still underway. We believe it is likely that many stocks, including the collective basket of stocks found in CMAFX are likely to find such a bottom during this recession sometime in calendar years 2008/2009.

Once stocks do find their bottom we believe that the future for CMAFX looks bright. While the total annualized return for CMAFX since inception (4.8 years ago) has been a disappointing 3.48%, during this same time the “equities only” return (excluding cash and bonds) has been an annualized time-weighted return of 19.85% (Source: Century Management). Now that the Fund is approximately 96% invested in equity securities that meet our strict value discipline, we believe the Fund’s total performance is more likely to compare favorably to our benchmark over the long-run.

CM Advisers Fixed Income Fund (CMFIX):

For the fiscal year ending February 29, 2008, the CM Advisers Fixed Income Fund (CMFIX) delivered a total return of 8.05% versus 7.31% for its benchmark, the Lehman Brothers U.S. Aggregate Bond Index. As a result, CMFIX was the 6th best performing bond fund in its category out of 184 funds (or top 3.26%) for this past fiscal year (Source: Capital IQ).

Looking back at the fixed income markets on the first day of the fiscal year (March 1, 2007) one could hardly describe the fixed income markets as cheap. The 30-year U.S. Treasury bond was yielding 4.68% and BAA corporate bonds (as measured by the Moody's BAA Corporate Bond Index) were yielding 6.16%. The risk premium for BAA corporate bonds over U.S. Treasury's was 148 basis points¹ (1.48%). The yield on long-term U.S. Treasury bonds, the yield on BAA corporate bonds, and the spread differential were all below the average of the previous three years. In our opinion, most spread sectors were rich compared to U.S. Treasuries and U.S. Treasuries were slightly expensive.

Fortunately, after the market was somewhat disappointed that the Federal Reserve did not lower its policy rate during the first quarter of 2007, the U.S. Treasury bond market began to sell off. By June 2007, long-term government bonds were yielding above 5.25%, a level we believed unsustainable in the near-term. The yield eventually peaked at 5.4% on June 12, 2007. BAA corporate bond yields moved in-line with U.S. Treasuries and were priced to yield a 6.86% or 140 basis points (1.4%) more than U.S. Treasury bonds on June 12, 2007.

In our opinion, U.S. Treasury bonds were cheap on an absolute basis and still cheap on a relative basis when compared to corporate bonds and other sectors of the bond market. We took advantage of this opportunity and lengthened the duration of the Fund by increasing our percentage invested and by swapping out some of our existing U.S. Treasury holdings into those with longer maturities. The economic slowdown and associated credit crunch that began in the fourth quarter of 2007 caused a "flight to safety" rally in the U.S. Treasury bond market which we believe was a key driver in the Fund's 8.05% total return.

On February 29, 2008, the last day of our fiscal year, long-term U.S. Treasury yields were 4.4%, the Moody's BAA Corporate Bond Index was yielding 6.75%, and the spread differential was 235 basis points (2.35%). While we have invested almost exclusively in U.S. Treasury bonds throughout the Fund's history, we are now beginning to see additional opportunities in other sectors of the fixed income market open up. More specifically, there are various corporate bonds that are beginning to look attractive. As always, we will invest where we feel we can get the best values.

Performance for Periods Ended February 29, 2008

	CM Advisers Fund	Russell 3000 Index ADJ
One Year Total Return	-16.43%	-4.52%
Three Year Average Annual Total Return	0.73%	5.71%
Average Annual Total Return Since Inception*	3.48%	10.15%

	CM Advisers Fixed Income Fund	Lehman Brothers U.S. Aggregate Bond Index
One Year Total Return	8.05%	7.31%
Average Annual Total Return Since Inception*	10.05%	6.78%

Performance shown is for the periods ended February 29, 2008. 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 Funds 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. To obtain more current performance data regarding the Funds, including performance data current to the Funds' most recent month end, please call 1-888-859-5856. A 1% redemption fee is charged upon redemption of either Fund's shares occurring within one year of the issuance of such shares. The performance data quoted above does not reflect the deduction of the redemption fee and if reflected, the redemption fee would reduce the performance quoted.

The CM Advisers Fund inception date is May 13, 2003.

The CM Advisers Fixed Income Fund inception date is March 24, 2006.

Russell 3000 Index (ADJ) includes dividends

In closing, we would like to thank all shareholders of the CM Advisers Fund (CMAFX) and the CM Advisers Fixed Income Fund (CMFIX) for your continued trust and confidence.

Sincerely,

CM Fund Advisers

This report is for the information of shareholders of the CM Advisers Fund and the CM Fixed Income Fund, but it also may be used as sales literature when preceded or accompanied by a current prospectus, which gives details about charges, expenses, investment objectives and operating policies of the Funds. The Funds are distributed by Ultimus Fund Distributors, LLC.

¹ A unit that is equal to 1/100th of 1%, and is used to denote the change in a financial instrument. The basis point is commonly used for calculating changes in interest rates, equity indexes and the yield of a fixed-income security. The relationship between percentage changes and basis points can be summarized as follows: 1% change = 100 basis points and 0.01% = 1 basis point. So, a bond whose yield increases from 5% to 5.5% is said to have increased by 50 basis points; or interest rates that have risen 1% are said to have increased by 100 basis points (Reference Century Management).

Statements in this Annual Report that reflect projections or expectations of future financial or economic performance of the CM Advisers Fund or CM Advisers Fixed Income Fund (the "Funds") and of the market in general and statements of the Funds' plans and objectives for future operations are forward-looking statements. No assurance can be given that actual results or events will not differ materially from those projected, estimated, assumed or anticipated in any such forward-looking statements. Important factors that could result in such differences, in addition to the other factors noted with such forward-looking statements, include, without limitation, general economic conditions such as inflation, recession and interest rates. Past performance is not a guarantee of future results.

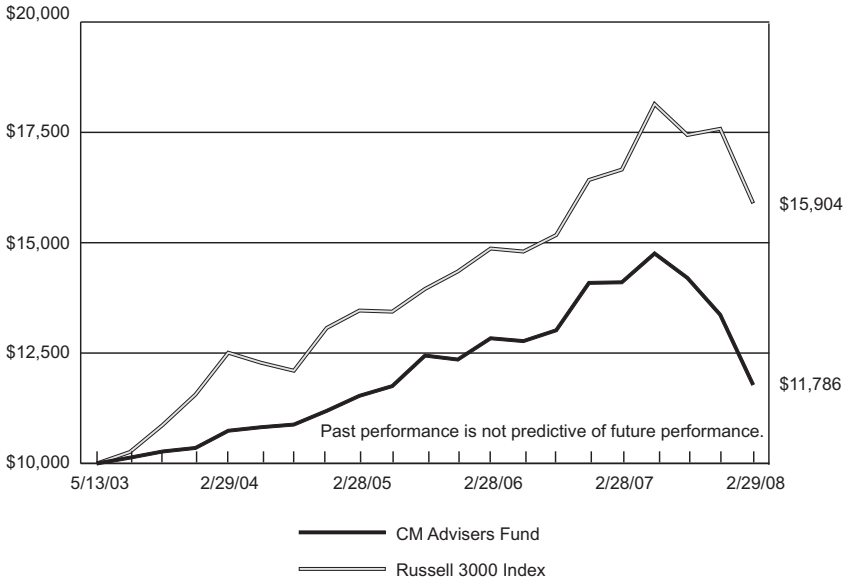
All investments carry risks, and investment in the Funds' is no exception. No investment strategy works all the time, and past performance is not necessarily indicative of future performance. You may lose money on your investment in the Funds'. Investments in the Funds' are also subject to the following risks: market risk, interest rate risk, management style risk, business and sector risk, small company risk, non-diversified fund risk, foreign securities risk, junk bonds or lower rated securities risk, income risk, mortgage risk, maturity risk, concentration risk, emerging countries risk and credit risk. More information about these risks and other risks can be found in the Funds' prospectus.

An investor should consider the investment objectives, risks, and charges and expenses of the Funds carefully before investing. The prospectus contains this and other information about the Funds'. A copy of the prospectus is available at www.centman.com or by calling Shareholder Services at 1-888-859-5856. The prospectus should be read carefully before investing.

CM Advisers Fund

Performance Information (Unaudited)

Comparison of the Change in Value of a \$10,000 Investment in the CM Advisers Fund versus the Russell 3000 Index



Average Annual Total Returns (for periods ended February 29, 2008)		
	1 Year	Since Inception*
CM Advisers Fund	(16.43%)	3.48%
Russell 3000 Index	(4.52%)	10.15%

* Commencement of operations was May 13, 2003.

This graph depicts the performance of the CM Advisers Fund (the "Fund") versus the Russell 3000 Index. The graph assumes an initial \$10,000 investment at May 13, 2003 (commencement of operations) and that any dividends or capital gain distributions are reinvested in shares of the Fund. The Fund charges a redemption fee of 1% of the amount redeemed on redemptions of Fund shares occurring within one year following the issuance of such shares. It is important to note that the Fund is a professionally managed mutual fund while indices are not available for investment and are unmanaged. The comparison is shown for illustrative purposes only.

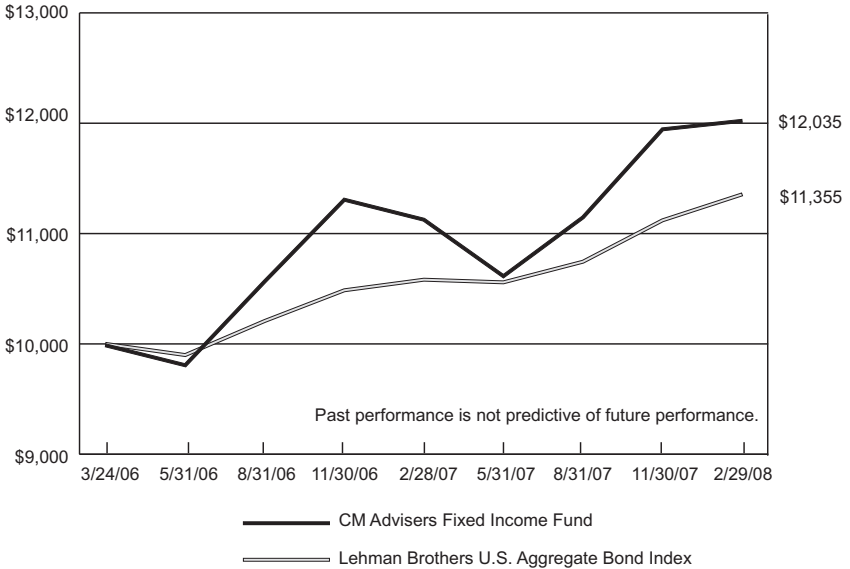
Performance quoted above represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. An investor may obtain performance data, current to the most recent month-end, by calling shareholder services at 1-888-859-5856.

The graph and table do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Average annual total returns are historical in nature and assume reinvestment of dividends.

CM Advisers Fixed Income Fund

Performance Information (Unaudited)

Comparison of the Change in Value of a \$10,000 Investment in the CM Advisers Fixed Income Fund versus the Lehman Brothers U.S. Aggregate Bond Index



Average Annual Total Returns (for periods ended February 29, 2008)

	1 Year	Since Inception*
CM Advisers Fixed Income Fund	8.05%	10.05%
Lehman Brothers U.S. Aggregate Bond Index	7.31%	6.78%

* Commencement of operations was March 24, 2006.

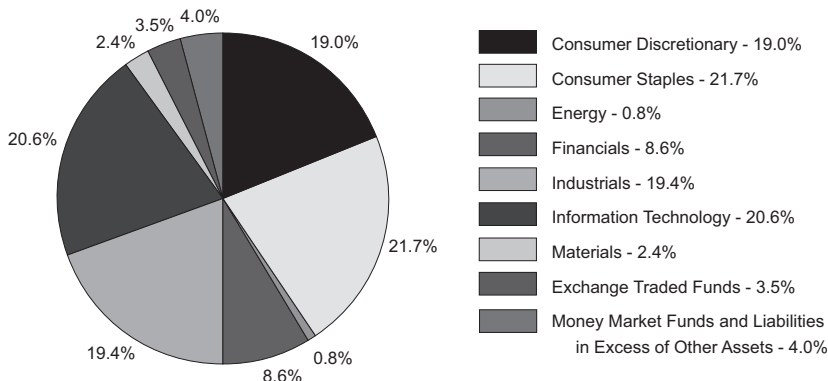
This graph depicts the performance of the CM Advisers Fixed Income Fund (the "Fund") versus the Lehman Brothers U.S. Aggregate Bond Index. The graph assumes an initial \$10,000 investment at March 24, 2006 (commencement of operations) and that any dividends or capital gain distributions are reinvested in shares of the Fund. The Fund charges a redemption fee of 1% of the amount redeemed on redemptions of Fund shares occurring within one year following the issuance of such shares. It is important to note that the Fund is a professionally managed mutual fund while indices are not available for investment and are unmanaged. The comparison is shown for illustrative purposes only.

Performance quoted above represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate so that 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. An investor may obtain performance data, current to the most recent month-end, by calling shareholder services at 1-888-859-5856.

The graph and table do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Total returns are historical in nature and assume reinvestment of dividends.

CM Advisers Fund
Supplementary Portfolio Information
February 29, 2008 (Unaudited)

Asset and Sector Allocation
(% OF NET ASSETS)

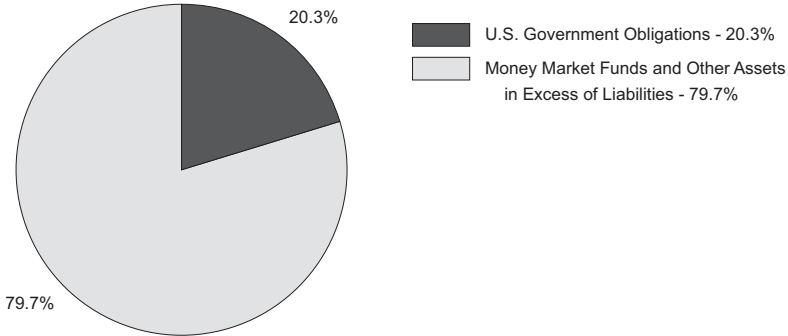


Top 10 Equity Holdings

Security Description	% of Net Assets
Wal-Mart Stores, Inc.	5.8%
Microsoft Corporation	5.7%
Walgreen Company	5.2%
3M Company	4.4%
Leggett & Platt, Inc.	4.3%
Wells Fargo & Company	3.9%
Marsh & McLennan Companies, Inc.	3.6%
Financial Select Sector SPDR Fund	3.5%
Coca-Cola Company (The)	3.4%
Anheuser-Busch Companies, Inc.	3.1%

CM Advisers Fixed Income Fund
Supplementary Portfolio Information
February 29, 2008 (Unaudited)

Asset Allocation
(% OF NET ASSETS)



Top Holdings*

Security Description	% of Net Assets
U.S. Treasury Strip, 7.25%, due 08/15/2022	13.3%
U.S. Treasury Strip, 4.50%, due 02/15/2036	7.0%

* Excludes money market funds.

CM Advisers Fund
Schedule of Investments
February 29, 2008

Shares	COMMON STOCKS — 92.5%	Value
	Air Freight & Logistics — 1.3%	
15,235	FedEx Corporation	\$ 1,342,661
20,380	United Parcel Service, Inc.	1,431,491
		<u>2,774,152</u>
	Beverages — 6.5%	
139,635	Anheuser-Busch Companies, Inc.	6,575,412
121,520	Coca-Cola Company (The)	7,104,059
		<u>13,679,471</u>
	Building Products — 2.8%	
317,475	Masco Corporation	<u>5,933,608</u>
	Capital Markets — 1.1%	
1,139,580	W.P. Stewart & Company Ltd.	<u>2,279,160</u>
	Chemicals — 2.4%	
109,125	E.I. Du Pont de Nemours & Company	<u>5,065,583</u>
	Commercial Banks — 3.9%	
278,100	Wells Fargo & Company	<u>8,128,863</u>
	Commercial Services & Supplies — 3.6%	
115,349	Avery Dennison Corporation	5,919,711
40,272	CDI Corporation	916,188
7,000	Dun & Bradstreet Corporation (The)	611,380
		<u>7,447,279</u>
	Computers & Peripherals — 6.6%	
286,600	Hutchinson Technology, Inc. *	4,814,880
224,400	Imation Corporation	5,060,220
178,330	Seagate Technology	3,846,578
		<u>13,721,678</u>
	Distributors — 0.4%	
686,700	Handleman Company *	<u>899,577</u>
	Diversified Consumer Services — 1.2%	
151,660	CPI Corporation	<u>2,514,523</u>
	Electronic Equipment, Instruments & Components — 4.0%	
578,950	KEMET Corporation *	2,871,592
7,340	Maxwell Technologies, Inc. *	76,409
186,700	Newport Corporation *	1,962,217
106,750	Rogers Corporation *	3,381,840
		<u>8,292,058</u>

CM Advisers Fund

Schedule of Investments (Continued)

Shares	COMMON STOCKS — 92.5% (Continued)	Value
Food & Staples Retailing — 11.0%		
299,215	Walgreen Company	\$ 10,924,340
245,505	Wal-Mart Stores, Inc.	12,174,593
		<u>23,098,933</u>
Food Products — 1.4%		
50,300	General Mills, Inc.	<u>2,816,297</u>
Household Durables — 10.1%		
88,686	Dixie Group, Inc. (The) *	781,324
163,575	Ethan Allen Interiors, Inc.	4,455,783
238,635	La-Z-Boy, Inc.	2,011,693
537,440	Leggett & Platt, Inc.	8,975,248
44,335	Newell Rubbermaid, Inc.	1,006,404
187,200	Toll Brothers, Inc. *	3,970,512
		<u>21,200,964</u>
Household Products — 2.7%		
74,875	Colgate-Palmolive Company	<u>5,697,239</u>
Industrial Conglomerates — 4.9%		
117,305	3M Company	9,196,712
32,065	General Electric Company	1,062,634
		<u>10,259,346</u>
Insurance — 3.6%		
292,637	Marsh & McLennan Companies, Inc.	<u>7,453,464</u>
Leisure Equipment & Products — 0.1%		
7,930	Eastman Kodak Company	<u>134,651</u>
Machinery — 4.7%		
275,200	Briggs & Stratton Corporation	4,917,824
100,425	Illinois Tool Works, Inc.	4,927,855
		<u>9,845,679</u>
Media — 1.2%		
76,700	Walt Disney Company (The)	<u>2,485,847</u>
Multi-line Retail — 1.8%		
71,260	Target Corporation	<u>3,748,989</u>
Oil, Gas, & Consumable Fuels — 0.8%		
270,000	USEC, Inc.	<u>1,722,600</u>

CM Advisers Fund

Schedule of Investments (Continued)

Shares	COMMON STOCKS — 92.5% (Continued)	Value
	Road & Rail — 2.1%	
105,845	Arkansas Best Corporation	\$ 2,827,120
105,930	YRC Worldwide, Inc. *	1,457,597
		<u>4,284,717</u>
	Semiconductors & Semiconductor Equipment — 4.4%	
213,055	Applied Materials, Inc.	4,084,264
41,900	Cymer, Inc.	1,187,027
200,000	Intel Corporation	3,990,000
		<u>9,261,291</u>
	Software — 5.7%	
435,995	Microsoft Corporation	11,867,784
	Specialty Retail — 4.2%	
121,700	Aaron Rents, Inc.	2,387,754
252,052	Cost Plus, Inc. *	882,182
99,000	Pacific Sunwear of California, Inc. *	1,104,840
534,365	Talbots, Inc. (The)	4,371,106
		<u>8,745,882</u>
	Trading Companies & Distributors — 0.0%	
2,700	Lawson Products, Inc.	68,580
	TOTAL COMMON STOCKS (Cost \$226,950,562)	<u>\$ 193,428,215</u>

Shares	EXCHANGE TRADED FUNDS — 3.5%	Value
279,330	Financial Select Sector SPDR Fund (Cost \$8,267,870)	\$ 7,201,127

Shares	MONEY MARKET FUNDS — 4.5%	Value
9,502,432	Evergreen Institutional Treasury Money Market Fund - Institutional Class, 1.83% ^(a) (Cost \$9,502,432)	\$ 9,502,432
	Total Investments at Value — 100.5% (Cost \$244,720,864)	\$ 210,131,774
	Liabilities in Excess of Other Assets — (0.5%)	<u>(1,021,220)</u>
	Net Assets — 100.0%	<u>\$ 209,110,554</u>

* Non-income producing security.

^(a) Variable rate security. The coupon rate shown is the effective interest rate at February 29, 2008.

See accompanying notes to financial statements.

CM Advisers Fixed Income Fund

Schedule of Investments

February 29, 2008

Par Value	U.S. GOVERNMENT OBLIGATIONS — 20.3%	Value
\$ 3,250,000	U.S. Treasury Bond, stripped principal payment, 7.25%, due 08/15/2022	\$ 1,706,081
3,200,000	U.S. Treasury Bond, stripped principal payment, 4.50%, due 02/15/2036	897,639
	TOTAL U.S. GOVERNMENT OBLIGATIONS (Cost \$2,398,247)	<u>\$ 2,603,720</u>

Shares	MONEY MARKET FUNDS — 79.6%	Value
10,202,651	Evergreen Institutional Treasury Money Market Fund - Institutional Class, 1.83% ^(a) (Cost \$10,202,651)	\$ 10,202,651
	Total Investments at Value — 99.9% (Cost \$12,600,898)	\$ 12,806,371
	Other Assets in Excess of Liabilities — 0.1%	18,850
	Net Assets — 100.0%	<u>\$ 12,825,221</u>

^(a) Variable rate security. The coupon rate shown is the effective interest rate at February 29, 2008.

See accompanying notes to financial statements.

CM Advisers Family of Funds
Statements of Assets and Liabilities
February 29, 2008

	CM Advisers Fund	CM Advisers Fixed Income Fund
ASSETS		
Investments in securities:		
At cost.....	\$ 244,720,864	\$ 12,600,898
At value (Note 2)	\$ 210,131,774	\$ 12,806,371
Dividends and interest receivable	467,254	20,574
Receivable for capital shares sold.....	32,066	—
Receivable from Adviser (Note 5)	—	8,469
Other assets	25,198	10,398
TOTAL ASSETS	<u>210,656,292</u>	<u>12,845,812</u>
LIABILITIES		
Payable for investment securities purchased	1,082,768	—
Payable for capital shares redeemed	197,382	—
Payable to Adviser (Note 5).....	190,503	—
Payable to Administrator (Note 5)	20,820	5,300
Other accrued expenses and liabilities	54,265	15,291
TOTAL LIABILITIES	<u>1,545,738</u>	<u>20,591</u>
NET ASSETS	<u>\$ 209,110,554</u>	<u>\$ 12,825,221</u>
Net assets consist of:		
Paid-in capital	\$ 238,598,895	\$ 11,808,187
Accumulated undistributed net realized gains		
from security transactions	5,100,749	811,561
Net unrealized appreciation (depreciation)		
on investments.....	(34,589,090)	205,473
Net assets.....	<u>\$ 209,110,554</u>	<u>\$ 12,825,221</u>
Shares of beneficial interest outstanding (unlimited number of shares authorized, no par value).....	<u>20,400,122</u>	<u>1,165,086</u>
Net asset value, redemption price and offering price per share ^(a)	<u>\$ 10.25</u>	<u>\$ 11.01</u>

^(a) Redemption price may differ from the net asset value per share depending upon the length of time the shares are held (Note 2).

See accompanying notes to financial statements.

CM Advisers Family of Funds
Statements of Operations
For the Year Ended February 29, 2008

	CM Advisers Fund	CM Advisers Fixed Income Fund
INVESTMENT INCOME		
Interest	\$ 819,607	\$ 217,757
Dividend	5,774,280	164,127
TOTAL INVESTMENT INCOME	<u>6,593,887</u>	<u>381,884</u>
EXPENSES		
Investment advisory fees (Note 5)	3,278,599	44,479
Administration fees (Note 5)	209,793	19,500
Professional fees	52,024	23,675
Fund accounting fees (Note 5)	50,221	24,892
Registration fees	43,509	28,507
Trustees' fees and expenses	42,661	19,039
Transfer agent fees (Note 5)	41,161	15,750
Custody fees	29,711	5,986
Postage and supplies	27,339	7,491
Report printing fees	7,342	1,931
Insurance expense.....	6,837	395
Other expenses	17,859	10,322
TOTAL EXPENSES	<u>3,807,056</u>	<u>201,967</u>
Advisory fees waived and expenses reimbursed by Adviser (Note 5)	—	(68,519)
NET EXPENSES	<u>3,807,056</u>	<u>133,448</u>
NET INVESTMENT INCOME	<u>2,786,831</u>	<u>248,436</u>
REALIZED AND UNREALIZED GAINS (LOSSES) ON INVESTMENTS		
Net realized gains from security transactions	10,247,832	1,025,081
Net change in unrealized appreciation/ depreciation on investments	<u>(55,891,840)</u>	<u>(8,723)</u>
NET REALIZED AND UNREALIZED GAINS (LOSSES) ON INVESTMENTS	<u>(45,644,008)</u>	<u>1,016,358</u>
NET INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	<u>\$ (42,857,177)</u>	<u>\$ 1,264,794</u>

See accompanying notes to financial statements.

CM Advisers Fund

Statements of Changes in Net Assets

	Year Ended February 29, 2008	Year Ended February 28, 2007
FROM OPERATIONS		
Net investment income	\$ 2,786,831	\$ 3,900,507
Net realized gains from security transactions	10,247,832	7,591,767
Net change in unrealized appreciation/ depreciation on investments	(55,891,840)	10,758,384
Net increase (decrease) in net assets from operations	<u>(42,857,177)</u>	<u>22,250,658</u>
DISTRIBUTIONS TO SHAREHOLDERS		
From net investment income	(3,378,458)	(3,793,796)
From net realized gains from security transactions	(5,854,862)	(7,051,785)
Net decrease in assets from distributions to shareholders ..	<u>(9,233,320)</u>	<u>(10,845,581)</u>
FROM CAPITAL SHARE TRANSACTIONS		
Proceeds from shares sold	53,804,075	81,912,984
Net asset value of shares issued in reinvestment of distributions to shareholders	8,873,195	9,823,036
Proceeds from redemption fees collected (Note 2)	70,246	55,918
Payments for shares redeemed	<u>(70,407,158)</u>	<u>(21,893,439)</u>
Net increase (decrease) in net assets from capital share transactions	<u>(7,659,642)</u>	<u>69,898,499</u>
TOTAL INCREASE (DECREASE) IN NET ASSETS	(59,750,139)	81,303,576
NET ASSETS		
Beginning of year	268,860,693	187,557,117
End of year	<u>\$ 209,110,554</u>	<u>\$ 268,860,693</u>
ACCUMULATED UNDISTRIBUTED NET INVESTMENT INCOME		
	<u>\$ —</u>	<u>\$ 591,627</u>
CAPITAL SHARE ACTIVITY		
Shares sold	4,351,472	6,603,955
Shares reinvested	765,113	765,318
Shares redeemed	<u>(5,810,437)</u>	<u>(1,768,195)</u>
Net increase (decrease) in shares outstanding	<u>(693,852)</u>	<u>5,601,078</u>
Shares outstanding, beginning of year	21,093,974	15,492,896
Shares outstanding, end of year	<u>20,400,122</u>	<u>21,093,974</u>

See accompanying notes to financial statements.

CM Advisers Fixed Income Fund

Statements of Changes in Net Assets

	Year Ended February 29, 2008	Period Ended February 28, 2007 ^(a)
FROM OPERATIONS		
Net investment income	\$ 248,436	\$ 77,211
Net realized gains (losses) from security transactions	1,025,081	(775)
Net change in unrealized appreciation/ depreciation on investments	(8,723)	214,196
Net increase in net assets from operations	<u>1,264,794</u>	<u>290,632</u>
DISTRIBUTIONS TO SHAREHOLDERS		
From net investment income	(248,436)	(77,211)
From net realized gains from security transactions	(212,745)	—
In excess of net investment income	—	(47,267)
Decrease in net assets from distributions to shareholders	<u>(461,181)</u>	<u>(124,478)</u>
FROM CAPITAL SHARE TRANSACTIONS		
Proceeds from shares sold	8,862,326	2,851,782
Net asset value of shares issued in reinvestment of distributions to shareholders	449,106	122,591
Proceeds from redemption fees collected (Note 2)	3,344	140
Payments for shares redeemed	(419,210)	(14,625)
Net increase in net assets from capital share transactions	<u>8,895,566</u>	<u>2,959,888</u>
TOTAL INCREASE IN NET ASSETS	9,699,179	3,126,042
NET ASSETS		
Beginning of period	3,126,042	—
End of period	<u>\$ 12,825,221</u>	<u>\$ 3,126,042</u>
ACCUMULATED UNDISTRIBUTED NET INVESTMENT INCOME		
	<u>\$ —</u>	<u>\$ —</u>
CAPITAL SHARE ACTIVITY		
Shares sold	867,466	282,766
Shares reinvested	43,279	11,811
Shares redeemed	(38,819)	(1,417)
Net increase in shares outstanding.....	871,926	293,160
Shares outstanding, beginning of period	293,160	—
Shares outstanding, end of period	<u>1,165,086</u>	<u>293,160</u>

^(a) Represents the period from the commencement of operations (March 24, 2006) through February 28, 2007.

See accompanying notes to financial statements.

CM Advisers Fund

Financial Highlights

Per share data for a share outstanding throughout each period:

	Years Ended				Period
	February 29, 2008	February 28, 2007	February 28, 2006	February 28, 2005	Ended February 29, 2004 ^(a)
Net asset value at beginning of period	\$ 12.75	\$ 12.11	\$ 11.50	\$ 10.74	\$ 10.00
Income (loss) from investment operations:					
Net investment income (loss)	0.14	0.19	0.17	0.01	(0.01)
Net realized and unrealized gains (losses) on investments	(2.19)	1.00	1.11	0.78	0.75
Total from investment operations.....	(2.05)	1.19	1.28	0.79	0.74
Less distributions:					
Dividends from net investment income	(0.16)	(0.19)	(0.15)	—	—
Distributions from net realized gains	(0.29)	(0.36)	(0.52)	(0.03)	—
Total distributions	(0.45)	(0.55)	(0.67)	(0.03)	—
Proceeds from redemption fees collected (Note 2)	0.00 ^(f)	0.00 ^(f)	0.00 ^(f)	0.00 ^(f)	0.00 ^(f)
Net asset value at end of period	\$ 10.25	\$ 12.75	\$ 12.11	\$ 11.50	\$ 10.74
Total return ^(b)	(16.43%)	9.88%	11.31%	7.36%	7.40% ^(c)
Ratios and supplemental data:					
Net assets at end of period (000's)	\$ 209,111	\$ 268,861	\$ 187,557	\$ 79,992	\$ 36,589
Ratio of gross expenses to average net assets	1.46%	1.50%	1.83%	2.03%	2.84% ^(e)
Ratio of net expenses to average net assets ^(d)	1.46%	1.50%	1.50%	1.50%	1.50% ^(e)
Ratio of net investment income (loss) to average net assets ^(d)	1.07%	1.70%	1.86%	0.10%	(0.30%) ^(e)
Portfolio turnover rate	66%	22%	19%	18%	6% ^(c)

^(a) Represents the period from the commencement of operations (May 13, 2003) through February 29, 2004.

^(b) Total return is a measure of the change in value of an investment in the Fund over the period covered, which assumes any dividends or capital gains distributions are reinvested in shares of the Fund. The returns shown do not reflect the deduction of taxes a shareholder would pay on Fund distributions or the redemption of Fund shares.

^(c) Not annualized.

^(d) Ratio was determined after investment advisory fee waivers and/or expense reimbursements.

^(e) Annualized.

^(f) Amount rounds to less than \$0.01 per share.

See accompanying notes to financial statements.

CM Advisers Fixed Income Fund

Financial Highlights

Per share data for a share outstanding throughout each period:

	Year Ended February 29, 2008	Period Ended February 28, 2007 ^(a)
Net asset value at beginning of period	\$ 10.66	\$ 10.00
Income from investment operations:		
Net investment income	0.25	0.29
Net realized and unrealized gains on investments	0.57	0.84
Total from investment operations	<u>0.82</u>	<u>1.13</u>
Less distributions:		
Dividends from net investment income.....	(0.25)	(0.29)
Distributions from net realized gains.....	(0.22)	—
In excess of net investment income	—	(0.18)
Total distributions	<u>(0.47)</u>	<u>(0.47)</u>
Proceeds from redemption fees collected (Note 2)	<u>0.00 ^(f)</u>	<u>0.00 ^(f)</u>
Net asset value at end of period	<u>\$ 11.01</u>	<u>\$ 10.66</u>
Total return ^(b)	<u>8.05%</u>	<u>11.39% ^(c)</u>
Ratios and supplemental data:		
Net assets at end of period (000's).....	<u>\$ 12,825</u>	<u>\$ 3,126</u>
Ratio of gross expenses to average net assets	2.28%	7.28% ^(e)
Ratio of net expenses to average net assets ^(d)	1.50%	1.50% ^(e)
Ratio of net investment income to average net assets ^(d) ..	2.79%	3.28% ^(e)
Portfolio turnover rate	188%	0%

^(a) Represents the period from the commencement of operations (March 24, 2006) through February 28, 2007.

^(b) Total return is a measure of the change in value of an investment in the Fund over the period covered, which assumes any dividends or capital gains distributions are reinvested in shares of the Fund. The returns shown do not reflect the deduction of taxes a shareholder would pay on Fund distributions or the redemption of Fund shares.

^(c) Not annualized.

^(d) Ratio was determined after investment advisory fee waivers and/or expense reimbursements.

^(e) Annualized.

^(f) Amount rounds to less than \$0.01 per share.

See accompanying notes to financial statements.

CM Advisers Family of Funds

Notes to Financial Statements

February 29, 2008

1. Organization

The CM Advisers Fund and the CM Advisers Fixed Income Fund (collectively the "Funds" and individually a "Fund") are each no-load series of the CM Advisers Family of Funds (the "Trust"), which was organized as a Delaware statutory trust and is registered under the Investment Company Act of 1940 (the "1940 Act") as an open-end management investment company.

The CM Advisers Fund commenced operations on May 13, 2003. The investment objective of the Fund is long-term growth of capital.

The CM Advisers Fixed Income Fund commenced operations on March 24, 2006. The investment objective of the Fund is to seek to preserve capital and maximize total return using fixed income securities.

2. Significant Accounting Policies

The following is a summary of the Funds' significant accounting policies:

Investment Valuation – The Funds' investments in securities are carried at market value. Securities listed on an exchange or quoted on a national market system are valued at the last sales price as of 4:00 p.m. Eastern Time. Securities which are quoted by NASDAQ are valued at the NASDAQ Official Closing Price. Securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the most recent bid price. It is expected that fixed income securities will ordinarily be traded in the over-the-counter market. Securities and assets for which representative market quotations are not readily available (e.g., if the exchange on which the portfolio security is principally traded closes early or if trading of the particular portfolio security is halted during the day and does not resume prior to the Funds' net asset value calculations) or which cannot be accurately valued using the Funds' normal pricing procedures are valued at fair value as determined in good faith under policies approved by the Trustees. A portfolio security's "fair value" price may differ from the price next available for that portfolio security using the Funds' normal pricing procedures. Instruments with maturities of 60 days or less are valued at amortized cost, which approximates market value.

Share Valuation and Redemption Fees — The net asset value per share of each Fund is calculated daily by dividing the total value of each Fund's assets, less liabilities, by the number of shares outstanding. The offering price and redemption price per share of each Fund is equal to the net asset value per share, except that shares of each Fund are subject to a redemption fee of 1%, payable to the applicable Fund, if redeemed within one year of the date of the purchase. During the periods ended February 29, 2008 and February 28, 2007, proceeds from redemption fees totaled \$70,246 and \$55,918, respectively, for the CM Advisers Fund, and \$3,344 and \$140, respectively, for the CM Advisers Fixed Income Fund.

Investment Transactions and Investment Income – Investment transactions are accounted for on trade date. Dividend income is recorded on the ex-dividend date. Interest income is accrued as earned. Discounts and premiums on fixed income securities purchased are amortized using the interest method. Gains and losses on securities sold are determined on a specific identification basis, which is the same basis used for federal income tax purposes.

CM Advisers Family of Funds

Notes to Financial Statements (Continued)

Expenses – The Funds bear expenses incurred specifically on their behalf as well as a portion of general Trust expenses, which are allocated between the Funds according to methods authorized by the Trustees.

Dividend Distributions – Dividends arising from net investment income, if any, are declared and paid at least annually to shareholders of the CM Advisers Fund and declared and paid quarterly to shareholders of the CM Advisers Fixed Income Fund. Distributions from capital gains (if any) are generally declared and distributed annually. The amount of distributions from net investment income and net realized gains are determined in accordance with federal income tax regulations which may differ from accounting principles generally accepted in the United States of America. These “book/tax” differences are either temporary or permanent in nature. Dividends and distributions are recorded on the ex-dividend date.

The tax character of distributions paid during the periods ended February 29, 2008 and February 28, 2007 was as follows:

	Periods Ended	Ordinary Income	Long-Term Capital Gains	Total Distributions
CM Advisers Fund.....	02/29/08	\$3,378,458	\$ 5,854,862	\$ 9,233,320
	02/28/07	\$4,532,157	\$ 6,313,424	\$ 10,845,581
CM Advisers Fixed Income Fund	02/29/08	\$ 461,181	\$ —	\$ 461,181
	02/28/07	\$ 124,478	\$ —	\$ 124,478

Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

3. Federal Income Tax

It is each Fund’s policy to comply with the special provisions of Subchapter M of the Internal Revenue Code applicable to regulated investment companies. As provided therein, in any fiscal year in which a Fund so qualifies, and distributes at least 90% of its taxable net income, the Fund (but not the shareholders) will be relieved of federal income tax on the income distributed. Accordingly, no provision for income taxes has been made.

In order to avoid imposition of the excise tax applicable to regulated investment companies, it is also each Fund’s intention to declare as dividends in each calendar year at least 98% of its net investment income (earned during the calendar year) and 98% of its net realized capital gains (earned during the twelve months ended October 31) plus undistributed amounts from prior years.

CM Advisers Family of Funds

Notes to Financial Statements (Continued)

The following information is computed on a tax basis for each item as of February 29, 2008:

	CM Advisers Fund	CM Advisers Fixed Income Fund
Tax cost of portfolio investments	\$ 244,720,864	\$ 12,600,898
Gross unrealized appreciation	\$ 9,213,437	\$ 205,473
Gross unrealized depreciation	(43,802,527)	—
Net unrealized appreciation (depreciation)	\$ (34,589,090)	\$ 205,473
Undistributed ordinary income	—	678,868
Undistributed long-term gains	5,100,749	132,693
Accumulated earnings (deficit)	<u>\$ (29,488,341)</u>	<u>\$ 1,017,034</u>

During the year ended February 29, 2008, the CM Advisers Fixed Income Fund utilized a capital loss carryforward of \$775.

On July 13, 2006, the Financial Accounting Standards Board (“FASB”) released Interpretation No. 48 (“FIN 48”) “Accounting for Uncertainty in Income Taxes.” FIN 48 provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. FIN 48 requires the evaluation of tax positions taken in the course of preparing each Fund’s tax returns to determine whether the tax positions are “more-likely-than-not” of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense in the current year. Adoption of FIN 48 is required for fiscal years beginning after December 15, 2006 and is to be applied to all open tax years as of the effective date. Recent SEC guidance allows implementing FIN 48 in each Fund’s net asset value calculations as late as the Fund’s last such calculation in the first required financial statement reporting period. As a result, each Fund incorporated FIN 48 in its semi-annual report on August 31, 2007. Based on management’s analysis, the adoption of FIN 48 did not have a material impact on these financial statements. The statute of limitations on each Fund’s tax returns remains open for the years ended February 28, 2005 through February 28, 2007.

4. Investment Transactions

During the year ended February 29, 2008, cost of purchases and proceeds from sales of investment securities, other than short-term investments, were as follows:

	CM Advisers Fund	CM Advisers Fixed Income Fund
Cost of purchases of investment securities	\$ 161,182,989	\$ 7,884,770
Proceeds from sales of investment securities	<u>\$ 174,514,833</u>	<u>\$ 9,159,011</u>

CM Advisers Family of Funds

Notes to Financial Statements (Continued)

5. Transactions with Affiliates

INVESTMENT ADVISORY AGREEMENT

The Funds pay a monthly advisory fee to the Adviser based upon the average daily net assets of each Fund and calculated at the annual rate of 1.25% for the CM Advisers Fund and 0.50% for the CM Advisers Fixed Income Fund. The Adviser has entered into contractual agreements (the "Expense Limitation Agreements") with the Funds under which it has agreed to waive or reduce its fees and to assume other expenses of the Funds, if necessary, in an amount that limits the Funds' total operating expenses (exclusive of interest, taxes, brokerage fees and commissions, extraordinary expenses, and payments, if any, under a Rule 12b-1 plan) during the fiscal year ended February 29, 2008 to not more than 2.00% and 1.50% of the average daily net assets of the CM Advisers Fund and the CM Advisers Fixed Income Fund, respectively. These limitations will be in effect until February 28, 2009. There can be no assurance that the Expense Limitation Agreements or any voluntary fee waivers will continue beyond February 28, 2009. During the year ended February 29, 2008, the Adviser waived its entire investment advisory fee of \$44,479 with respect to the CM Advisers Fixed Income Fund and reimbursed the Fund for additional expenses in the amount of \$24,040. There were no advisory fee waivers or expense reimbursements with respect to the CM Advisers Fund during the year ended February 29, 2008.

ADMINISTRATION AGREEMENT

Under the terms of an Administration Agreement with the Trust, Ultimus Fund Solutions, LLC ("Ultimus") provides executive and administrative services and internal regulatory compliance services for the Funds. Ultimus supervises the preparation of tax returns, reports to shareholders of the Funds, reports to and filings with the Securities and Exchange Commission ("SEC") and state securities commissions and prepares materials for meetings of the Board of Trustees. For these services, each Fund pays to Ultimus a monthly fee at an annual rate of 0.08% per annum of its average daily net assets up to \$500 million, 0.05% of such assets from \$500 million to \$2 billion, 0.04% of such assets from \$2 billion to \$3 billion and 0.03% of such assets in excess of \$3 billion, provided, however, that the minimum fee is \$2,000 per month with respect to each Fund. Through November 30, 2007, Ultimus discounted the foregoing fee by 20% for the CM Advisers Fixed Income Fund. In addition, the above minimum fee will be discounted 15% from December 1, 2007 through November 30, 2008 with respect to the CM Advisers Fixed Income Fund.

FUND ACCOUNTING AGREEMENT

Under the terms of a Fund Accounting Agreement with the Trust, Ultimus calculates the daily net asset value per share and maintains the financial books and records of the Funds. For these services, each Fund pays to Ultimus a base fee of \$2,000 per month, plus an asset-based fee at the annual rate of 0.01% of the first \$500 million of each Fund's average daily net assets and 0.005% of such assets in excess of \$500 million. In addition, the Funds pay all costs of external pricing services.

TRANSFER AGENT AND SHAREHOLDER SERVICES AGREEMENT

Under the terms of a Transfer Agent and Shareholder Services Agreement with the Trust, Ultimus maintains the records of each shareholder's account, answers shareholders' inquiries concerning their accounts, processes purchases and redemptions of each Fund's shares, acts as dividend and distribution disbursing agent and performs other shareholder service functions. For these services, Ultimus receives from each Fund a fee, payable monthly, at an annual rate of \$17 per account, provided, however, that the minimum fee with respect to each Fund is \$1,000 per month if a Fund

CM Advisers Family of Funds

Notes to Financial Statements (Continued)

has 25 shareholder accounts or less, \$1,250 if a Fund has more than 25 but less than 100 shareholder accounts, and \$1,500 per month if a Fund has more than 100 shareholder accounts. In addition, each Fund pays out-of-pocket expenses, including but not limited to, postage and supplies.

DISTRIBUTION AGREEMENT

Pursuant to the terms of a Distribution Agreement with the Trust, Ultimus Fund Distributors, LLC (the "Distributor") serves as the Funds' principal underwriter. The Distributor receives compensation of \$250 per month from each Fund for such services. The Distributor is a wholly-owned subsidiary of Ultimus.

DISTRIBUTION AND SERVICE FEES

The Trustees, including a majority of the Trustees who are not "interested persons" of the Trust as defined in the 1940 Act (the "Independent Trustees"), have adopted a distribution plan pursuant to Rule 12b-1 under the 1940 Act for each of the Funds (the "Plans"). Rule 12b-1 regulates the manner in which a regulated investment company may assume costs of distributing and promoting the sales of its shares and servicing of its shareholder accounts. The Plans provide that the Funds may incur certain costs, which may not exceed 0.25% per annum of the CM Advisers Fund's average daily net assets and 0.45% per annum of the CM Advisers Fixed Income Fund's average daily net assets, related to activities reasonably intended to result in sales of shares of the Funds or support servicing of shareholder accounts. During the year ended February 29, 2008, the Funds did not incur any expenses under the Plans.

6. Contingencies and Commitments

The Funds indemnify the Trust's officers and Trustees for certain liabilities that might arise from their performance of their duties to the Funds. Additionally, in the normal course of business, the Funds enter into contracts that contain a variety of representations and warranties and which provide general indemnifications. Each Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Funds that have not yet occurred. However, based on experience, the Trust expects the risk of loss to be remote.

7. Accounting Pronouncement

In September 2006, the FASB issued Statement on Financial Accounting Standards ("SFAS") No. 157, "Fair Value Measurements." This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value and requires additional disclosures about fair value measurements. SFAS No. 157 applies to fair value measurements already required or permitted by existing standards. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. The changes to current generally accepted accounting principles from the application of SFAS No. 157 relate to the definition of fair value, the methods used to measure fair value, and the expanded disclosures about fair value measurements. As of February 29, 2008, the Funds do not believe the adoption of SFAS No. 157 will impact the amounts reported in the financial statements, however, additional disclosures may be required about the inputs used to develop the measurements and the effect of the measurements reported on the statement of changes in net assets for a fiscal period.

CM Advisers Family of Funds

Report of Independent Registered Public Accounting Firm

**To the Board of Trustees of
CM Advisers Family of Funds
and Shareholders of the CM Advisers Fund
and the CM Advisers Fixed Income Fund**

We have audited the accompanying statements of assets and liabilities of the CM Advisers Fund and the CM Advisers Fixed Income Fund, each a series of shares of beneficial interest of CM Advisers Family of Funds, including the schedules of investments, as of February 29, 2008, and the related statements of operations for the year then ended and the statements of changes in net assets for each of the years or periods in the two year period then ended and the financial highlights for each of the years or periods in the three year period then ended. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits. The financial highlights of the CM Advisers Fund for the year ended February 28, 2005 and the period ended February 29, 2004 were audited by other auditors whose report dated March 28, 2005 expressed an unqualified opinion on such financial highlights.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of February 29, 2008 by correspondence with the custodian and brokers. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of the CM Advisers Fund and the CM Advisers Fixed Income Fund as of February 29, 2008, the results of their operations for the year then ended, the changes in their net assets for each of the years or periods in the two year period then ended and their financial highlights for each of the years or periods in the three year period then ended, in conformity with accounting principles generally accepted in the United States of America.

Briggs, Bunting & Dougherty, LLP

BRIGGS, BUNTING & DOUGHERTY, LLP

Philadelphia, Pennsylvania

April 29, 2008

CM Advisers Family of Funds

About Your Funds' Expenses (Unaudited)

We believe it is important for you to understand the impact of costs on your investment. All mutual funds have operating expenses. As a shareholder of the Funds, you may incur two types of costs: (1) transaction costs, including redemption fees; and (2) ongoing costs, including management fees, distribution (12b-1) fees and other Fund expenses. Operating expenses, which are deducted from each Fund's gross income, directly reduce the investment return of the Funds.

A mutual fund's ongoing costs are expressed as a percentage of its average net assets. This figure is known as the expense ratio. The examples below are based on an investment of \$1,000 made at the beginning of the period shown and held for the entire period (September 1, 2007 – February 29, 2008).

The table below illustrates each Fund's costs in two ways:

Actual fund return – This section helps you to estimate the actual expenses that you paid over the period. The "Ending Account Value" shown is derived from each Fund's actual return, and the third column shows the dollar amount of operating expenses that would have been paid by an investor who started with \$1,000 in the Funds. You may use the information here, together with the amount you invested, to estimate the expenses that you paid over the period.

To do so, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number given for the Funds under the heading "Expenses Paid During Period."

Hypothetical 5% return – This section is intended to help you compare the Funds' costs with those of other mutual funds. It assumes that each Fund had an annual return of 5% before expenses during the period shown, but that the expense ratio is unchanged. In this case, because the return used is not the Funds' actual returns, the results do not apply to your investment. The example is useful in making comparisons because the Securities and Exchange Commission requires all mutual funds to calculate expenses based on a 5% return. You can assess each Fund's costs by comparing this hypothetical example with the hypothetical examples that appear in shareholder reports of other funds.

Note that expenses shown in the table are meant to highlight and help you compare ongoing costs only. The Funds do not impose any sales loads. However, a redemption fee of 1% is applied on the sale of shares (sold within one year of the date of their purchase.)

The calculations assume no shares were bought or sold during the period. Your actual costs may have been higher or lower, depending on the amount of your investment and the timing of any purchases or redemptions.

More information about the Funds' expenses, including annual expense ratios, can be found in this report. For additional information on operating expenses and other shareholder costs, please refer to the Funds' prospectus.

CM Advisers Fund

	Beginning Account Value Sept. 1, 2007	Ending Account Value Feb. 29, 2008	Expenses Paid During Period*
Based on Actual Fund Return.....	\$ 1,000.00	\$ 829.80	\$ 6.64
Based on Hypothetical 5% Return (before expenses).....	\$ 1,000.00	\$ 1,017.60	\$ 7.32

* Expenses are equal to the CM Adviser Fund's annualized expense ratio of 1.46% for the period, multiplied by the average account value over the period, multiplied by 182/366 (to reflect the one-half year period).

CM Advisers Family of Funds

About Your Funds' Expenses (Unaudited) (Continued)

CM Advisers Fixed Income Fund

	Beginning Account Value Sept. 1, 2007	Ending Account Value Feb. 29, 2008	Expenses Paid During Period*
Based on Actual Fund Return.....	\$ 1,000.00	\$ 1,078.40	\$ 7.75
Based on Hypothetical 5% Return (before expenses).....	\$ 1,000.00	\$ 1,017.40	\$ 7.52

* Expenses are equal to the CM Advisers Fixed Income Fund's annualized expense ratio of 1.50% for the period, multiplied by the average account value over the period, multiplied by 182/366 (to reflect the one-half year period).

Other Information (Unaudited)

The Trust files a complete listing of portfolio holdings for the Funds with the SEC as of the first and third quarters of each fiscal year on Form N-Q. The filings are available upon request, by calling 1-888-859-5856. Furthermore, you may obtain a copy of these filings on the SEC's website at <http://www.sec.gov>. The Trust's Forms N-Q may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC, and information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

A description of the policies and procedures that the Funds use to determine how to vote proxies relating to portfolio securities is available without charge upon request by calling toll-free 1-888-859-5856, or on the SEC's website at <http://www.sec.gov>. Information regarding how the Funds voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is also available without charge upon request by calling toll-free 1-888-859-5856, or on the SEC's website at <http://www.sec.gov>.

Federal Tax Information (Unaudited)

In accordance with federal tax requirements, the following provides shareholders with information concerning distributions from ordinary income and net realized gains made by the Funds during the year ended February 29, 2008. For the fiscal year ended February 29, 2008, certain dividends paid by the Funds may be subject to a maximum tax rate of 15%, as provided by the Jobs and Growth Tax Relief Reconciliation Act of 2003. The CM Advisers Fund intends to designate up to a maximum amount of its long-term capital gain distributions of \$5,854,862 and ordinary income dividends of \$3,378,458 as taxed at a maximum rate of 15%.

CM Advisers Family of Funds

Information about Trustees and Executive Officers (Unaudited)

The business and affairs of the Trust are managed under the direction of the Trustees. Information concerning the Trustees and officers of the Trust is set forth on the following pages. Generally, each Trustee serves an indefinite term or until his resignation, death, or otherwise as specified in the Trust's organizational documents. Any Trustee may be removed at a meeting of shareholders by a vote meeting the requirements of the Trust's organizational documents. The officers are elected for annual terms. The Statement of Additional Information of the Funds includes additional information about the Trustees and officers and is available, without charge, upon request by calling the Funds' toll-free at 1-888-859-5856.

Name, Address and Age	Position(s) Held with Trust	Length of Service	Principal Occupation(s) During Past 5 Years	Number of Funds Overseen	Other Directorships of Public Companies
Independent Trustees					
Brian R. Bruce (52) 5945 Olendower Le. Plano, TX 75093	Trustee	Since 5/2003	Mr. Bruce has been a professor at Southern Methodist University since August 2006. He was Chief Investment Officer of PanAgora Asset Management from December 1999 to March 2007.	2	None
Mark F. Ivan (51) 9743 Niwot Rd. Longmont, CO 80504	Trustee	Since 5/2003	Mr. Ivan has been the President of Ivan Capital Management, Inc. since June 1996.	2	None
Richard M. Lewis (48) 1250 S. Capital of Texas Hwy. Building 2, Suite 235 Austin, TX 78746	Trustee	Since 5/2003	Mr. Lewis has been the Chief Financial Officer of Worldcall, Inc., a voice over internet protocol telecom company, since May 2004. Before joining Worldcall, Inc. he was the Chief Financial Officer of Bluecurrent, Inc., an information technology services firm.	2	None
A. Zorel Paritzky, M.D. (65) 16161 Ventura Blvd., #812 Encino, CA 91436	Trustee	Since 5/2003	Dr. Paritzky had been a physician with Cardiac Associates Medical Group, Inc. since 1974. He retired in 2006.	2	None
William R. Reichenstein, Ph.D. (55) 9623 Oak Springs Dr. Waco, TX 76712	Trustee	Since 5/2003	Dr. Reichenstein has been a professor at Baylor University since 1990. He is currently the professor of Finance and the Pat and Thomas R. Powers Chair in Investment Management – Finance, Insurance and Real Estate.	2	Dr. Reichenstein serves as a trustee of the Epiphany Funds, a management investment company.

CM Advisers Family of Funds

Information about Trustees and Executive Officers (Unaudited) (Continued)

Name, Address and Age	Position(s) Held with Trust	Length of Service	Principal Occupation(s) During Past 5 Years	Number of Funds Overseen	Other Directorships of Public Companies
Interested Trustees* and Officers					
Arnold Van Den Berg (68)** 805 Las Cimas Parkway, Suite 430 Austin, Texas 78746	Trustee, Chairman, President	Since 11/2002	Mr. Van Den Berg is the founder and President of the Adviser. He has been a portfolio manager for the Adviser since 1974. He was a general partner of TL Partners, L.P., a limited partnership investing in real estate, from 1993 to 2007.	2	None
James D. Brilliant (42)** 805 Las Cimas Parkway, Suite 430 Austin, Texas 78746	Trustee, Treasurer	Since 5/2003	Mr. Brilliant is Vice President and a senior portfolio manager of the Adviser. He has been with the Adviser since 1986, and is a Chartered Financial Analyst (CFA).	2	None
Scott Van Den Berg (41)** 805 Las Cimas Parkway, Suite 430 Austin, Texas 78746	Trustee, Secretary	Since 5/2003	Mr. Van Den Berg is Vice President of the Adviser and has been with the Adviser since 1992. He is a Certified Financial Planner (CFP) and a Chartered Retirement Plan Specialist (CRPS).	2	None
Aaron S. Buckholtz (44) 805 Las Cimas Parkway, Suite 430 Austin, Texas 78746	Trustee	Since 5/2003	Mr. Buckholtz is a financial analyst and a director of the Adviser and has been with the firm since 1990.	2	None
David V. Swann (42) 805 Las Cimas Parkway, Suite 430 Austin, Texas 78746	Chief Compliance Officer	Since 10/2004	Mr. Swann is a licensed attorney and serves as the Adviser's Chief Compliance Officer. He has been with the Adviser since 2003 and has served as a compliance officer in the financial services industry since 2000.		

* Each of the Interested Trustees is an Interested Trustee because he is an officer and employee of the Adviser.

** Arnold Van Den Berg and Scott Van Den Berg are related as father and son, respectively. James Brilliant is the son-in-law of Arnold Van Den Berg, and the brother-in-law of Scott Van Den Berg.

CM Advisers Family of Funds

Approval of Investment Advisory Agreement (Unaudited)

The Board of Trustees, including the Independent Trustees voting separately (the "Board"), has reviewed and approved the continuance of the Investment Advisory Agreements of the CM Advisers Fund and the CM Advisers Fixed Income Fund (the "Funds") with the Adviser for an additional one year term. Approval took place at an in-person meeting held on February 13, 2008, at which all of the Trustees were present.

In the course of their deliberations, the Board was advised by legal counsel. The Board received and reviewed a substantial amount of information provided by the Adviser in response to requests of the Board and counsel.

In considering the Investment Advisory Agreements and reaching their conclusions with respect thereto, the Board reviewed and analyzed various factors that they determined were relevant, including the factors described below.

The nature, extent, and quality of the services provided by the Adviser. In this regard, the Board reviewed the services being provided by the Adviser to the Funds including, without limitation, its investment advisory services since each Fund's inception, its efforts during each Fund's start-up phase, its coordination of services for the Funds among the Funds' service providers, its compliance procedures and practices, and its efforts to promote the Funds and assist in their distribution. The Board also noted that the Trust's president, secretary, treasurer, chief compliance officer, principal executive officer, and principal financial officer are employees of the Adviser, and serve the Trust without additional compensation from the Funds. After reviewing the foregoing information and further information in the Adviser Memorandum (e.g., descriptions of the Adviser's business and the Adviser's Form ADV), the Board concluded that the quality, extent, and nature of the services provided by the Adviser are satisfactory and adequate for the Funds.

The investment performance of the Funds and Adviser. In this regard, the Board compared the performance of each Fund with the performance of benchmark indices, comparable funds managed by other advisers and comparable peer group indices. The Board also considered the consistency of the Adviser's management of each Fund with the Fund's investment objective and policies. Following discussion of the short and long-term investment performance of each Fund and its Morningstar ratings, the Adviser's experience in managing the Funds and separate accounts, the Adviser's historical investment performance and other factors, the Board concluded that the investment performance of the Funds and the Adviser has been satisfactory.

The costs of the services to be provided and profits to be realized by the Adviser and its affiliates from the relationship with the Funds. In this regard, the Board considered the Adviser's staffing, personnel, and methods of operating; the Adviser's compliance policies and procedures; the financial condition of the Adviser and the level of commitment to the Funds and the Adviser by the principals of the Adviser; the asset levels of the Funds; the Adviser's payment of startup costs for the Funds; and the overall expenses of the Funds, including certain current and past fee waivers and expense reimbursements by the Adviser on behalf of the Funds. The Board discussed each Fund's Expense Limitation Agreement with the Adviser, and considered the Adviser's past fee waivers with respect to the Advisers Fund and the current and past fee waivers and expense reimbursements with respect to the Fixed Income Fund under the Expense Limitation Agreements. In addition, the Board took into account that, for the fiscal years ended February 28, 2006 and 2005, the Adviser voluntarily waived a greater portion of its fees than necessary so as to limit the Advisers Fund's expenses below the level designated in the Expense Limitation Agreement.

CM Advisers Family of Funds

Approval of Investment Advisory Agreement (Unaudited) (Continued)

The Board also considered potential benefits to the Adviser in managing the Funds, including promotion of the Adviser's name, the ability for the Adviser to place small accounts into the Funds, and the potential for the Adviser to generate soft dollars from Fund trades that may benefit the Adviser's clients other than the Funds. The Board compared the fees and expenses of each Fund (including the management fee) to a peer group of other funds comparable to the Fund in terms of the type of fund, the style of investment management, the size of the fund and the nature of the investment strategy and markets invested in, among other factors. The Board noted that the Fixed Income Fund's management fee and net expense ratio (after contractual and voluntary fee waivers and expense reimbursements) is lower than its peer group average. The Board determined that, while the Advisers Fund's management fee is higher than all but one of the other funds included in its peer group, the Fund's net expense ratio was equal to the average of the peer group. Following this comparison and upon further consideration and discussion of the foregoing, the Board concluded that the fees paid to the Adviser by each Fund are fair and reasonable.

The extent to which economies of scale would be realized as the Funds grow and whether advisory fee levels reflect these economies of scale for the benefits of each Fund's investors. In this regard, the Board considered that each Fund's fee arrangements with the Adviser involve both a management fee and an Expense Limitation Agreement. As to the Advisers Fund, the Board determined that, although the Advisers Fund's assets have grown to a level where the Adviser is receiving its full fee, the Fund has experienced benefits from the Expense Limitation Agreement in prior years. The Board noted that, while the management fee would remain the same at all asset levels, the Advisers Fund will benefit from economies of scale under its agreements with service providers other than the Adviser. In connection with the Fixed Income Fund, the Board determined that, while the management fee remained the same at all asset levels, the Fund has experienced benefits from the Expense Limitation Agreement and that, due to the size of the Fund, the Fund would likely continue to experience benefits from the Expense Limitation Agreement until the Fund grows to a level where the Adviser receives full fees. In addition, the Board noted that the Fixed Income will benefit from economics of scale under its agreement with service providers other than the Adviser. The Board further considered that the Adviser will consider closing the Funds to new investors if certain asset levels are reached. Following further discussion of the Funds' asset levels, expectations for growth and levels of fees, the Board determined that the Funds' fee arrangements with the Adviser continue to provide benefits through the Expense Limitation Agreement and that, at the Funds' current and projected asset levels for the next year, the Funds' arrangements with the Adviser are fair and reasonable.

The Adviser's practices regarding brokerage and portfolio transactions. In this regard, the Board considered the Adviser's standards, and performance in utilizing those standards, to seek best execution for Fund portfolio transactions, including the use of alternative markets (e.g., direct purchases from issuers or underwriters or, as to equity securities, "third market" for listed securities and principal market makers for over-the-counter securities). The Board noted that the Funds' fixed income portfolio transactions are normally principal transactions executed in over-the-counter markets on a "net" basis. The Board also considered the anticipated portfolio turnover rate for each Fund; the process by which evaluations are made of the overall reasonableness of commissions paid; the method and basis for selecting and evaluating the broker-dealers used; any anticipated allocation of portfolio business to persons affiliated with the

CM Advisers Family of Funds

Approval of Investment Advisory Agreement (Unaudited) (Continued)

Advisor; and the extent to which the Funds allocate portfolio business to broker-dealers who provide research, statistical, or other services (“soft dollars”). After further review and discussion, the Board determined that the Adviser’s practices regarding brokerage and portfolio transactions are satisfactory.

Possible conflicts of interest. In evaluating the possibility for conflicts of interest, the Board considered such matters as the experience and abilities of the advisory personnel assigned to the Funds; the basis of decisions to buy or sell securities for the Funds and/or the Adviser’s other accounts; the method for bunching of portfolio securities transactions; and the substance and administration of the Adviser’s code of ethics. Following further consideration and discussion, the Board found the Adviser’s standards and practices relating to the identification and mitigation of potential conflicts of interests to be satisfactory.

CONCLUSION

After full consideration of the above factors as well as other factors, the Board unanimously concluded that approval of the Investment Advisory Agreements was in the best interests of the Funds and their shareholders.

**CM Advisers Fund and
CM Advisers Fixed Income Fund
are series of the
CM Advisers Family of Funds**

For Shareholder Service Inquiries:

Ultimus Fund Solutions, LLC
P.O. Box 46707
Cincinnati, OH 45246-0707

Toll-Free Telephone:

1-888-859-5856

For Investment Adviser Inquiries:

Van Den Berg Management, Inc.
(d/b/a CM Fund Advisers)
805 Las Cimas Parkway, Suite 430
Austin, Texas 78746

Toll-Free Telephone:

1-888-859-5856

World Wide Web @:

www.centman.com

Investment in the Funds is subject to investment risks, including the possible loss of some or all of the principal amount invested. No investment strategy works all the time, and past performance is not necessarily indicative of future performance.

The performance information quoted in this report represents past performance, which is not a guarantee of 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. A redemption fee of 1% of the amount redeemed is imposed on redemptions of Fund shares occurring within one year following the issuance of such shares.

An investor should consider the investment objectives, risks, and charges and expenses of the Funds carefully before investing. The prospectus contains this and other information about the Funds. A copy of the prospectus is available at www.centman.com or by calling Shareholder Services at 1-888-859-5856. The prospectus should be read carefully before investing.

Stated performance in the CM Advisers Fixed Income Fund was achieved at some or all points during the year by waiving or reimbursing part of the Fund's total expenses to ensure shareholders did not absorb expenses significantly greater than the industry norm.

For More Information on your CM Advisers Family of Funds:

See Our Web site @ www.centman.com or

Call Our Shareholder Services Group Toll-Free at 1-888-859-5856