



July 2009

Dear Fellow Shareholders:

The second quarter of 2009 was a period of healing and reinvigoration for the financial markets. The credit markets, which had been the epicenter of the financial meltdown, began to stabilize, and corporate borrowers slowly began to regain access to the credit markets for their borrowing needs. As investors' fears and concerns abated, they became more willing to invest in stocks and corporate bonds. Many stock market averages and corporate bond indexes posted double-digit gains during the quarter. Coming on the heels of a dreadful first quarter of 2009, this (much hoped for) rebound was a great source of relief for many. As investors began to venture back into equities and lower-rated corporate bonds, many reversed a "flight-to-quality" strategy that they had previously employed and sold their U.S. Treasury securities, sending prices of U.S. Treasury securities lower.

GREENSPRING FUND PERFORMANCE

During this eventful second quarter ending June 30, 2009, the Greenspring Fund gained 12.21%, bringing the Fund's year-to-date performance to a positive 5.65%. All asset types — stocks, bonds and convertible bonds — achieved positive results during the second quarter, with the Fund's stocks sharply outperforming the bonds. The Greenspring Fund's gain of 5.65% during the first half of 2009 is due in large part to the steady, positive contribution from our fixed income securities during both quarters, combined with the fact that the rebound in our equities during the second quarter offset the slippage in the equities experienced during the first quarter.

Positive performances were widespread throughout the Fund's portfolio during the second quarter. Of the 116 different securities owned in the Greenspring Fund during that time, 112 generated positive performances. In order of magnitude, the largest impacts to the Fund's performance were provided by investments in the following companies: Michael Baker Corporation

Greenspring Fund Performance for the Periods Ended June 30, 2009	
Quarter	12.21%
Year to Date	5.65%
1 Year	-6.69%
3 Years*	1.22%
5 Years*	4.46%
10 Years*	7.05%
15 Years*	7.95%
20 Years*	8.29%
Since inception on 7/1/83*	9.99%
Expense Ratio**	1.18%

* annualized.

**as stated in Prospectus dated 5-1-09.

**The expense ratio of 1.18% includes indirect expenses that the Fund incurs from investing in the shares of other investment companies. The indirect fees represent the Fund's pro rata portion of the cumulative expenses charged by the other investment companies. Without those indirect fees, the Fund's Total Annual Operating Expenses would be 1.06%.

Performance data quoted represents past performance; past performance does not guarantee future results. The 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 of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 1-800-366-3863 or visiting the Fund's web site. The Fund imposes a 2.00% redemption fee for shares held 60 days or less. Performance data does not reflect the redemption fee. If reflected, total returns would be reduced.

(common stock), Sonic Automotive (convertible and non-convertible bonds), Tessera Technologies (common stock), Republic Services (common stock, convertible and non-convertible bonds), and Carpenter Technology (common stock and non-convertible bonds). All of these securities generated positive performances during the quarter.

Michael Baker Corporation

The Fund's investment in the common stock of Michael Baker Corporation was the largest individual holding in the Greenspring Fund at the end of the second quarter. Our investment in Michael Baker, an engineering services company, began in February of 2000, and we have written about it many times through the years. The size of the Fund's position in the stock has ebbed and flowed over time, as we have reacted to company-specific developments, as well as changes in the stock market valuation of the firm. Michael Baker's widely diversified engineering services capabilities are offered to a wide range of customers (including U.S. Government agencies, state and local governments, major domestic and multinational corporations, and foreign governments), which we believe provides a more stable and predictable revenue stream that should be less sensitive to general economic activity. Michael Baker's common stock had declined during the first quarter of 2009 for no particular reason that we could identify other than overall stock market weakness. Its stock rebounded from \$26 per share to more than \$42 per share during the second quarter, benefiting from the general stock market rebound as well as the Company's announcements of record first quarter earnings and an increase in its backlog of projects. Additionally, there is growing recognition in the investment community that Michael Baker stands to benefit from increased government spending on infrastructure projects designed to help stimulate the economy.

Sonic Automotive

The Fund's investments in the convertible (5.25% due May 7, 2009) and non-convertible (8.625% due August 15, 2013) bonds of Sonic Automotive have taken a far more volatile path

Greenspring Fund Top 10 Holdings	% of Net Assets as of 6/30/09
Michael Baker Corporation	3.8%
Sepracor 0% Convertible Bonds	3.6%
Assurant Inc.	2.9%
Johnson Controls 5.25% Corporate Bonds	2.8%
Maxtor Corp. 6.8% Convertible Bonds	2.8%
Prestige Brands 9.25% Corporate Bonds	2.8%
FTI Consulting Inc.	2.5%
Everest Reins Holdings 8.75% Corporate Bonds	2.4%
Jabil Circuit 5.875% Corporate Bonds	2.4%
Mohawk Industries 6.25% Corporate Bonds	2.3%

than is typical for Greenspring Fund's fixed income investments. Sonic Automotive owns one of the nation's largest chains of auto dealerships, particularly prominent in the Southeast and West. When we first purchased the bonds of Sonic Automotive, the Company was earning significant profits and generating substantial cash flows. The Company was using this excess cash flow to expand and improve its nationwide dealership operations. While Sonic was more

leveraged than most of the companies whose bonds we typically purchase, we felt that Sonic's solid profitability would enable the Company to easily refinance these bonds at their maturity, or even possibly redeem the 8.625% bonds prior to their maturity. However, the sharp downturn in the economy during 2008 and the sudden lockdown of the capital markets called into question the ability of many companies, including Sonic, to successfully access the capital markets to refinance maturing debt. During the fourth quarter of 2008 and the first quarter of 2009, the market prices of Sonic's bonds dropped significantly, reflecting investors' concerns about the future profitability of the Company and its ability to refinance its maturing debt. Despite the decline in the prices of the bonds, we remained confident in the inherent value of Sonic's franchise, which was still marginally profitable even with the unprecedentedly rapid drop-off in

automotive purchases. In early May, Sonic successfully completed an exchange offer for the majority of its 5.25% convertible notes, relieving the near-term pressure on the Company. The Fund's convertible bonds matured, as scheduled, on May 7, 2009. The 8.625% Sonic bond has rebounded in price and we remain very confident in the Company's prospects and expect Sonic to continue to service its debts in a timely fashion.

Tessera Technologies

Tessera Technologies is a leading provider of packaging solutions for semiconductor chips. The Company owns approximately 1,000 patents that were either developed internally or obtained through acquisitions. Tessera licenses its technology to many of the world's most prominent semiconductor manufacturers and in turn receives royalties from those manufacturers. The Fund first purchased shares of Tessera in the spring of 2008 after the stock had dropped sharply due to the announcement that the U.S. Patent and Trademark Office (PTO) was going to review the validity of several of Tessera's significant patents. At the time we originally purchased the stock at a price of less than \$15 per share, we believed there was minimal downside risk in the stock. The Company had more than \$6 per share in cash, no debt, and was generating more than \$1 per share in free cash flow annually. We believed that much of the bad news was already reflected in the depressed stock price and that the upside potential was significant should subsequent rulings from PTO be in Tessera's favor. During the second quarter of 2009, there were several announcements of decisions that were favorable to the Company. Additionally, the sentiment towards prospects for semiconductor companies improved. These factors provided the impetus for Tessera's stock to climb during the quarter from a starting value of just over \$13 per share to a closing value of more than \$25 per share.

INVESTMENT STRATEGY

We continue to maintain significant fixed income holdings in the Greenspring Fund. We are still finding good values in bonds that present potential opportunities to achieve capital appreciation in addition to generating current income at yields that are sharply superior to prevailing risk-free interest rates. Importantly, these bonds should provide attractive total returns while at the same time the bonds should reduce the risk and volatility of the Fund's portfolio during these uncertain market conditions.

Purchases of Securities:

The majority of the Greenspring Fund's purchases during the second quarter were of convertible bonds, although we also purchased selected common stocks and non-convertible bonds.

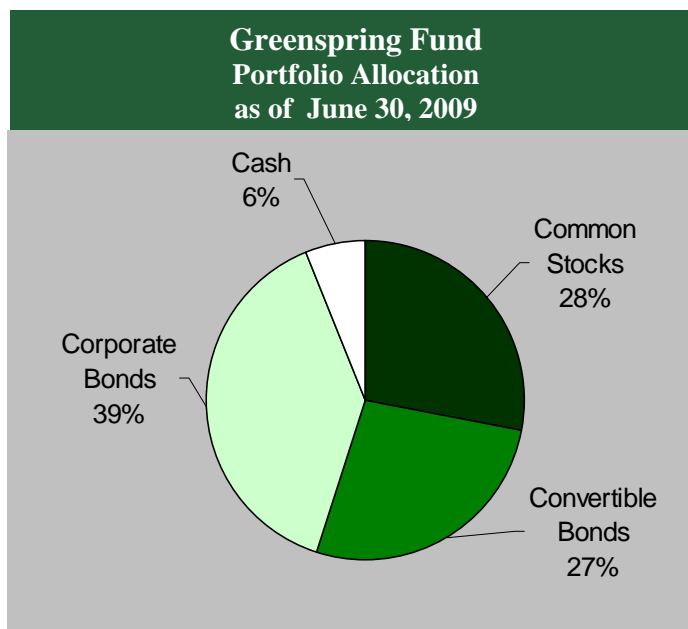
1) Rambus Inc. convertible bonds 0% due February 1, 2010

Rambus Inc. designs and develops semiconductor chip technologies that the Company licenses to many customers including Intel, Panasonic, Toshiba and other leading semiconductor chip manufacturers. We purchased the convertible bonds of Rambus in April of 2009 after analyzing the Company's balance sheet and near-term operating prospects. With the bond's maturity of February 1, 2010, we certainly did not have to make a judgment on Rambus' long-term prospects, but instead only had to concern ourselves with the next ten months. At the time we purchased the bond, the Company had more than \$350 million in cash, which compared very favorably with its total debt of \$128 million. The Company had more-than-adequate resources available to retire this bond at its maturity. Despite this comfortable cushion, we were still able to purchase the bonds at a yield to maturity of approximately 8.5%, a very attractive yield in the current environment. In addition to the generous yield, however, the convertible bond carried a

relatively low conversion premium, meaning that upward movements in the underlying common stock could propel the convertible bond higher, increasing the potential return to bondholders. In June, Rambus announced that they had reached a settlement with the European Commission regarding an antitrust probe. The common stock reacted favorably, pushing the price of the convertible bond higher as well.

2) Everest Reinsurance Holding Co. 8.75% due March 15, 2010

Bond prices of many financial companies declined significantly during the early months of 2009, some justifiably, some without cause. We have been very wary of investing in financial companies during the last several years as many of them rely upon ready access to the capital markets for their continued success and/or they have made significant investments in hard-to-value securities. However, some financial companies do not require frequent access to the capital markets and have clean investment portfolios. We believe Everest Reinsurance Holding Co. is such a company and have purchased some of its bonds. Reinsurance companies such as Everest Re allow primary insurance companies to offload some of their risk by selling them reinsurance, which shifts a portion of the insurance companies' risk to the reinsurance companies in exchange for a share of the insurance premiums. The bond we purchased is the next bond in Everest Re's capital structure to mature. The Company has a very strong balance sheet with a very conservative investment portfolio, and should not have any difficulties retiring these bonds at their maturity.



3) Par Pharmaceutical Inc. convertible bonds 2.875% due September 30, 2010

Par Pharmaceuticals is one of the nation's leading manufacturers and distributors of generic drugs. We purchased the convertible bonds of Par Pharmaceuticals in May of 2009 after studying the Company's balance sheet, profitability and cash flow prospects. At the time of our purchase, the Company had more than \$200 million in cash, compared with total debt of \$172 million, was solidly profitable and was generating significant free cash flow. Notwithstanding these attractive characteristics, we were able to purchase the bonds at prices that should generate a yield to maturity of more than 8.5% if the bonds are held to maturity, a very attractive short-term yield in the current interest rate environment.

Sales of Securities:

Most of the "sales" of securities during the second quarter of 2009 were not open market sales, but were actually dispositions due to maturities or other corporate actions. Some bonds were redeemed early by issuing corporations, some bonds were sold back to corporations as a result of tender offers, some were sold back pursuant to the bonds' "put" feature, and some matured as scheduled. However, we also sold some bonds in order to purchase what we believed were more attractive investments, sold some convertible bonds whose prices had been driven higher due to a

rebound in the underlying common stock, and trimmed some common stock holdings where we believed it was in the Fund's best interest to do so.

1) Agere Systems convertible bonds 6.5% due December 15, 2009

The Greenspring Fund first purchased the convertible bonds of Agere Systems in December of 2005, and we added to the Fund's position many times through the years. Agere was acquired by LSI Logic in April of 2007, which made the newly combined company stronger and more diversified. LSI Logic called the bonds for redemption in June of 2009, marking the end of a successful investment for the Greenspring Fund, as the Agere Systems (LSI Logic) convertible bonds provided steady, consistent performance for the Fund's portfolio during many quarters since the bonds were first purchased.

2) Comverse Technology convertible bonds 0% due May 15, 2023

The Fund's investment in the convertible bonds of Comverse Technology was a short-term investment. We first purchased the bonds in January of 2009 and it was our intention at that time to "put" the bonds back to the Company on the next-scheduled put date of May 15, 2009. Bonds that have "put" features allow the holders of the bonds to sell (if the holders so choose) their bonds back to the issuing companies at predetermined dates and prices. The Fund has invested in many put bonds through the years, as we find them attractive because they give the holders more options for potentially making money than standard convertible bonds. We sold the Comverse convertible bonds back to the Company, as we originally intended, concluding a successful short-term investment.

3) CTS Corporation convertible bonds 2.125% due May 1, 2024

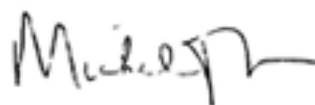
The CTS convertible bonds were another example of a bond with a "put" feature. Although the bond's final maturity date was May 1, 2024, holders had the option to sell the bond back to CTS at a price of \$100 on three different dates. In accordance with our original intention, we "put" the bonds back to CTS at the earliest of the put dates – May 1, 2009. Although CTS Corporation is a very small company, our analysis showed that the Company had a solid balance sheet with sufficient resources and a financing commitment from banks to provide the resources to satisfy the put requirements, even if all holders chose to put the bonds back to the Company on the first put date.

While we have experienced a much appreciated and rewarding "bounce" in the financial markets, it remains to be seen how long this positive trend will continue. At this point, the stock market appears to be ready to take a rest, and perhaps test the strength of the recent rebound. Further sustained positive progress in the general stock market will most likely depend upon evidence of a real and sustainable economic recovery. Consequently, we are maintaining a conservative mix in the Fund's portfolio, a strategy designed to allow us to continue to achieve returns that should be far less volatile than the returns achieved by many other investment strategies.

Respectfully,



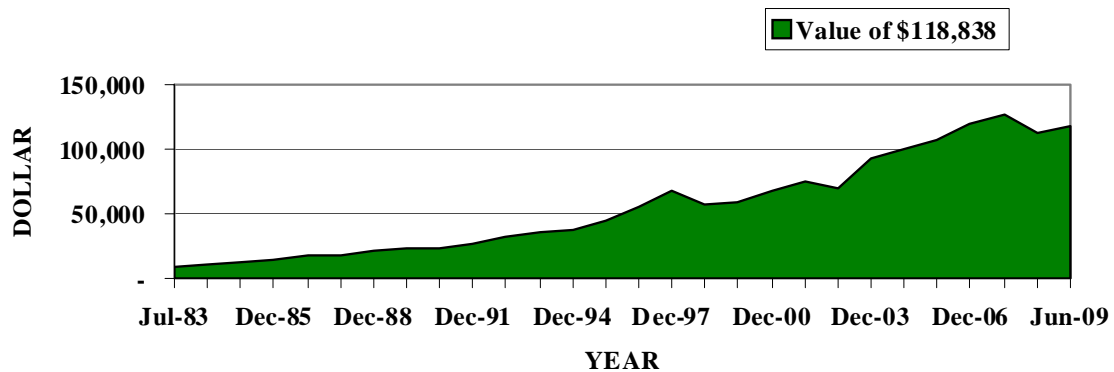
Charles vK. Carlson
Portfolio Manager
Co-Chief Investment Officer



Michael J. Fusting
Co-Chief Investment Officer

GREENSPRING FUND PERFORMANCE SINCE INCEPTION

HOW \$10,000 INVESTED ON 7/1/83 WOULD HAVE GROWN*



*Figures include changes in principal value, reinvested dividends and capital gains distributions. Past expense limitations increased the Fund's return. This chart illustrates the performance of a hypothetical \$10,000 investment made in the Fund since inception through June 30, 2009. The total value of \$118,838 assumes the reinvestment of dividends and capital gains, but does not reflect the effect of any redemption fees. This chart does not imply any future performance.

Average annual total returns for the one, three, five and ten year periods ended June 30, 2009 were -6.69%, 1.22%, 4.46% and 7.05%, respectively. Average annual returns for more than one year assume a compounded rate of return and are not the Fund's year-by-year results, which fluctuated over the periods shown. Returns do not reflect taxes that shareholders may pay on Fund distributions or redemptions of Fund shares.

Mutual fund investing involves risk. Principal loss is possible. Small-capitalization companies tend to have limited liquidity and greater price volatility than large-capitalization companies. Investments by the Fund in lower-rated and non-rated securities present a greater risk of loss to principal and interest than higher-rated securities. Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities.

Opinions expressed are subject to change, are not guaranteed and should not be considered recommendations to buy or sell any security. Fund holdings and/or sector allocations are subject to change at any time and are not recommendations to buy or sell any security.

Current and future portfolio holdings are subject to risk.

Free cash flow measures the cash generating capability of a company by adding certain non-cash charges (e.g. depreciation and amortization) to earnings and subtracting recurring capital expenditures.

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