



July 2010

Dear Fellow Shareholders:

We are pleased to provide this report discussing Greenspring Fund's performance and portfolio activity during the second quarter ended June 30, 2010. Discussions of the Fund's activity and performance during the first quarter of 2010, and previous quarters, can be found on the Fund's website (www.greenspringfund.com) under "FUND REPORTS."

The general stock market began the second quarter of 2010 in similar fashion to the way it performed during the first quarter — with steady gains, as investors complacently assumed that early signs of a domestic recovery would continue unabated. However, after the first week in May, volatility returned, especially to the downside. Spurred by concerns about a sovereign debt crisis in Europe, an increasingly unfriendly regulatory environment for investors, and mounting concern that the tepid domestic economic recovery was starting to falter, investors aggressively lowered their exposure to stocks. This downward volatility was on display in its most spectacular form on May 6, when the "Flash Crash" occurred and the Dow Jones Industrials dropped an astonishing 700 points in only 8 minutes. Even though this stunning drop in prices was probably not triggered by fundamental concerns (purportedly it was precipitated by a trading clerk's input error, with the degree and speed of the decline then compounded by automated trading programs) and even though the stock averages recovered most of the decline in a matter of days, this display of

Greenspring Fund Performance for the Periods Ended June 30, 2010	
Quarter	-2.73%
Year to Date	0.66%
1 Year	10.36%
3 Years*	0.49%
5 Years*	5.38%
10 Years*	7.75%
15 Years*	7.76%
20 Years*	8.55%
Since inception on 7/1/83*	10.00%
Expense Ratio**	1.08%

* annualized.

**as stated in Prospectus dated 5-1-10. See note on last page of letter.

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.

volatility was yet another motivating factor for some investors to reduce their equity holdings.

During this turbulent environment, the Greenspring Fund experienced far less volatility. The Greenspring Fund declined 2.73% during the second quarter, snapping our streak of four consecutive quarters of positive performance. Despite the slippage during the second quarter, the Greenspring Fund was still in positive territory for the year as of June 30! Further details about the Fund's performance over different periods of time are shown in the accompanying chart.

INFLUENCES on FUND PERFORMANCE

The Greenspring Fund's strong relative performance during the second quarter partly resulted from the Fund's significant holdings of short-term, higher yielding corporate bonds (convertible as well as non-convertible), which have been a very significant part of the portfolio for several years. These bonds have served as solid buffers to the stock market's volatility, and have generated steady and consistent total returns for the Fund, as discussed in many previous quarterly letters. Also, our value-oriented common stocks, although declining in market value during the quarter, held their ground more firmly than the general stock market during the difficult days of the second quarter.

In order of magnitude, the securities with the largest individual impacts on the Fund's performance were the common stock investments in FTI Consulting, United America Indemnity, Prestige Brands, Ralcorp Holdings, and PartnerRe Ltd. FTI Consulting generated a positive return for the Fund, while the others had negative influences.

FTI Consulting

The Fund has owned shares of FTI Consulting in varying amounts since September of 2003 and the

Fund's investment in FTI has been discussed on many occasions in previous shareholder letters, most recently in the 2010 first quarter letter. FTI Consulting provides consulting services on critical financial, management and legal issues to major corporations, financial institutions and law firms throughout the world. FTI generates strong profit margins and significant free cash flow while requiring very little capital investment. This cash flow can be invested into growth opportunities, such as acquisitions, to expand existing business lines and/or add new consulting services. Although the Company has done a very good job of diversifying its mix of consulting services over the last several years, its Corporate Finance/Restructuring division (which thrives during difficult economic conditions) remains its largest business line, representing about a third of total revenues. During the first quarter of 2010, the Fund had increased its holdings in FTI after the Company's stock price had dropped following its announcement of disappointing fourth quarter earnings and a reduction of its 2010 full year earnings guidance. During the second quarter of 2010, FTI's stock price rebounded in price, rising from \$39.32 to \$43.59 per share.

[Early in the third quarter, FTI once again issued a disappointing earnings forecast resulting in stock price weakness. Still very confident in the Company's long-term prospects, we once again added to the Fund's holding in FTI.]

United America Indemnity

United America Indemnity is another long-term holding of the Fund, with shares first purchased in December 2003. During the second quarter of 2010, United America Indemnity had a negative impact on the Fund's performance as the stock price declined from \$9.57 to \$7.36 per share. The stock price decline was partly the result of the overall weak stock market and partly the result of a first quarter earnings report that, while not particularly disappointing, did

indicate that United America Indemnity continues to find it challenging to earn industry-average returns on equity, especially during a difficult insurance environment. During the previous twelve months, United America's stock price had increased substantially and, in fact, during March and April of 2010, we had been reducing the Fund's holdings when shares were at higher levels. At the recently reduced price levels, the stock is selling at a sharp discount to its book value and we believe the stock price more than reflects its difficulties in achieving desired profitability levels as well as the challenging environment for its industry. Therefore, we believe the stock price has the potential to move significantly higher.

Greenspring Fund Top 10 Holdings	% of Net Assets as of 6/30/10
FTI Consulting, Inc.	4.0%
SunPower Corp. 0.75% 8/01/2027 Convertible Bonds	3.2%
PPL Corporation	3.0%
PartnerRe Ltd.	2.9%
Assurant, Inc.	2.7%
j2 Global Communications, Inc.	2.7%
Republic Services, Inc.	2.7%
Leucadia National Corp. 7% 8/15/2013 Corporate Bonds	2.6%
School Specialty, Inc. 3.75% 8/01/2023 Convertible Bonds	2.5%
Michael Baker Corp.	2.5%

Prestige Brands Holdings

Prestige Brands owns a diverse portfolio of over-the-counter pharmaceutical and household cleaning products sold into drug, grocery, and mass merchandise stores primarily in the United States and Canada. Many of these brands hold leading market share positions and are well-known to the general public, including Chloraseptic, Clear Eyes, Compound W, Doctor's, Little Remedies, and

Comet. Prestige Brands' stock traded down during the quarter following the release of fiscal fourth quarter results, which missed expectations as sales of some products were negatively impacted by a very weak cold and flu season. Compounding the sales shortfall during the quarter was management's decision to begin investing more dollars into an aggressive marketing and advertising campaign specifically designed to strengthen its core brands. This increased spending depressed profit margins in the short term, although the more aggressive campaign should help drive longer-term sales growth.

While Prestige's recent results were below our expectations, we remain encouraged by the long-term strategy being actively deployed by new CEO, Matt Mannelly, and are cautiously optimistic that his new marketing plans and efforts to improve relationships with key retailers should drive profitable sales growth over time. In addition, management recently completed a debt refinancing that solidified the Company's balance sheet strength and places Prestige Brands in a better position to make acquisitions of higher-growth brands. We continue to be patient and guardedly optimistic that Mannelly's long-term strategy could transform Prestige into a higher-growth and more profitable company.

INVESTMENT STRATEGY

While we are not particularly optimistic about the strength of the economic recovery, we are not expecting a significant "double-dip" recession. Our expectation for the stock market for the near future is of a choppy, two steps forward/one step back, one step forward/two steps back type of market, reflective of a muddled economic backdrop. Fortunately, the stock market's volatility has afforded us the opportunity to purchase certain stocks that became available at attractive prices. We will remain opportunists willing to increase the Fund's exposure to selected equities during periods of market weakness, with the expectation of paring back certain

of the Fund's equity holdings if they reach targeted prices during market rallies, which we expect to be short and muted. Combined with the steady total returns provided by the Fund's short duration, high yield bonds, our hope is that, if the financial markets act as we expect, the Fund will be able to provide investment returns for our shareholders that will be superior to the equity markets and attained with far less volatility.

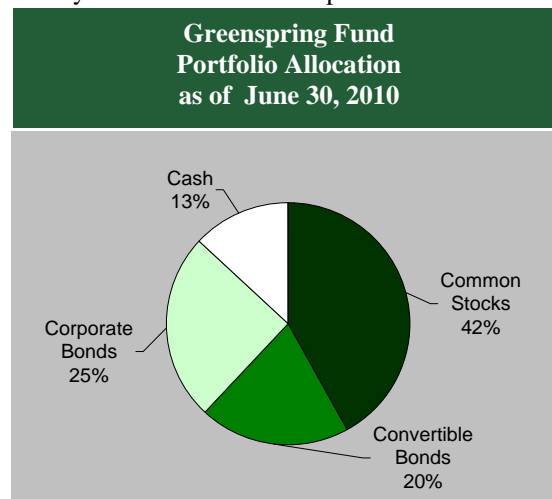
Purchases of Securities:

The Greenspring Fund's largest purchases during the quarter were 1) Mirant North America corporate bonds; 2) School Specialty convertible bonds; 3) Cogent, Inc. common stock; 4) Vought Aircraft Industries corporate bonds and 5) Brown Shoe corporate bonds.

1) Mirant North America corporate bonds 7.375% due December 31, 2013 – Mirant Corporation and RRI Energy announced a stock-for-stock merger that will combine these two companies into a company called GenOn Energy, which will be one of the largest independent power producers in the country. The transaction requires that \$1.8 billion of debt of the two companies be retired, including the Mirant 7.375% bonds. The merger is expected to close during the fourth quarter of 2010. Should the merger close on December 31, 2010, and the Mirant bonds are called for redemption at the stated call price on that date, then the holding has the potential to earn an annualized yield-to-call of more than 5%. Should the merger close on an earlier date, the bond's redemption price would be higher, thus improving the realized yield. Either way, we feel the total return that is achieved is a very attractive short-term return in the current interest rate environment.

2) School Specialty convertible bonds 3.75% due November 30, 2026 – School Specialty is a distributor of a wide variety of educational supplies

and furniture to school systems nationwide. The Fund already owned an investment position in a different



issue of School Specialty convertible bonds – the 3.75% due August 1, 2023. Both bonds have “put” features that allow holders of the bonds to sell the bonds back to School Specialty at a price of par on various dates. Our interest in both of these bonds is due more to the attractive yield-to-put than the convertibility feature of the bonds. From the price that the bonds closed the quarter, we expect to potentially receive an annualized yield-to-put of approximately 7.5% to the first put date of November 30, 2011. Because the bond is convertible into the common stock of School Specialty, it is also possible that the convertible bond will move higher in price, should the common stock appreciate in value.

Our plans are to “put” back to the Company, on August 1, 2010, the other issue of School Specialty convertible bonds that the Fund owns, in accordance with the put provisions of the bond, potentially realizing an attractive total return on that investment.

3) Cogent, Inc. common stock – Cogent produces and deploys large-scale fingerprint and other biometric identification systems to governments, law enforcement agencies, and commercial enterprises.

In this era of heightened concerns about terrorist activities, governments and law enforcement agencies around the world are increasingly concerned with who is entering their countries and tracking their activities while inside the country. Cogent's biometric systems offer strong solutions that provide identity confirmation and matching against terrorist and criminal databases.

As one of only two companies capable of deploying large-scale fingerprint identification systems, Cogent is in an enviable competitive position to benefit from increased global demand. In addition, a conservative management team, which owns a significant amount of Cogent's stock, has built a high return/high cash-flow business model and has accumulated over \$500 million (more than \$5.50 per share) in cash on the balance sheet to deploy towards internal and/or external growth opportunities.

Sales of Securities:

As in many recent quarters, the majority of the Fund's "sales" were bonds that matured, were redeemed, or were sold back to the issuing companies in accordance with a "put" feature. During the second quarter of 2010, the Fund's four largest sales were of this variety. In order of magnitude, they were: 1) the maturity of the Maxtor Corporation convertible bonds; 2) the sale of the Alcatel-Lucent convertible bonds back to the Company in accordance with a "put" feature; 3) the redemption of the Owens-Brockway Glass corporate bonds and 4) the maturity of the Integra LifeSciences convertible bonds.

Respectfully,

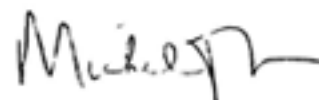


Charles vK. Carlson
Portfolio Manager and Co-Chief Investment Officer

The fifth largest sale in the Greenspring Fund during the second quarter of 2010 was that of the Wesco International convertible bonds. We had purchased the Wesco International bonds due to an attractive yield-to-put. At that time, Wesco had a very strong balance sheet, was generating significant cash flow, and was managing its business well during a challenging economic environment. Subsequently, the Company repurchased a significant portion of the bonds in the open market, operating fundamentals strengthened, and the price of Wesco's common stock responded by appreciating sharply in value. Because the bonds are convertible into common stock, the appreciation in the common stock drove the price of the convertible bonds higher as well. In fact, the bonds traded several points above par, and we decided to sell the Fund's bonds. As a result, the Fund achieved a total return superior to what we had initially anticipated at the time of our purchase, which was the return that would have been realized had we simply held the bonds and "put" them back to the Company at par on the first put date.

The only significant sales of common stocks during the second quarter were the partial sale of the Fund's holding in United America Indemnity, the complete sale of the Fund's small holding in Brush Engineered Materials and the partial sale of the Fund's investment in NTELOS Holdings Corp common stock.

We hope that all our shareholders are enjoying the summer and are managing to stay cool during this sweltering environment (weather and stock market!). We look forward to reporting continued solid progress as the year moves forward.



Michael J. Fusting
Co-Chief Investment Officer

A complete listing of the securities in the Fund's portfolio may be found on our web site.

The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory and summary prospectuses contain this and other information about the Fund, and it may be obtained by calling 1-800-366-3863 or visiting www.greenspringfund.com. Please read them carefully before investing.

**Total Annual Fund Operating Expenses for the Fund will not correlate to the Ratio of Expenses to Average Net Assets shown in the Fund's most recent Annual Report and in the Financial Highlights section of this Prospectus, which reflects the operating expenses of the Fund and does not include acquired fund fees and expenses.

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.*

The Dow Jones Industrial Average is an unmanaged index of common stocks comprised of major industrial companies and assumes reinvestment of dividends. You can not invest directly in an index. Cash flow measures the cash generating capability of a company by adding non-cash charges (e.g. depreciation) and interest expense to pretax income.

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