
CM ADVISERS FUND

a series of the CM Advisers Family of Funds

Annual Report

FOR THE YEAR ENDED FEBRUARY 28, 2005

INVESTMENT ADVISER

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

CM ADVISERS FUND

805 Las Cimas Parkway
Suite 430
Austin, Texas 78746
1-800-773-3863

DISTRIBUTOR

Capital Investment Group, Inc.
Post Office Drawer 4365
Rocky Mount, North Carolina 27803-0365
1-800-773-3863

This report and the financial statements contained herein are submitted for the general information of the shareholders of the CM Advisers Fund (the "Fund"). This report is not authorized for distribution to prospective investors in the Fund 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. Neither the Fund nor the Fund's distributor is a bank.

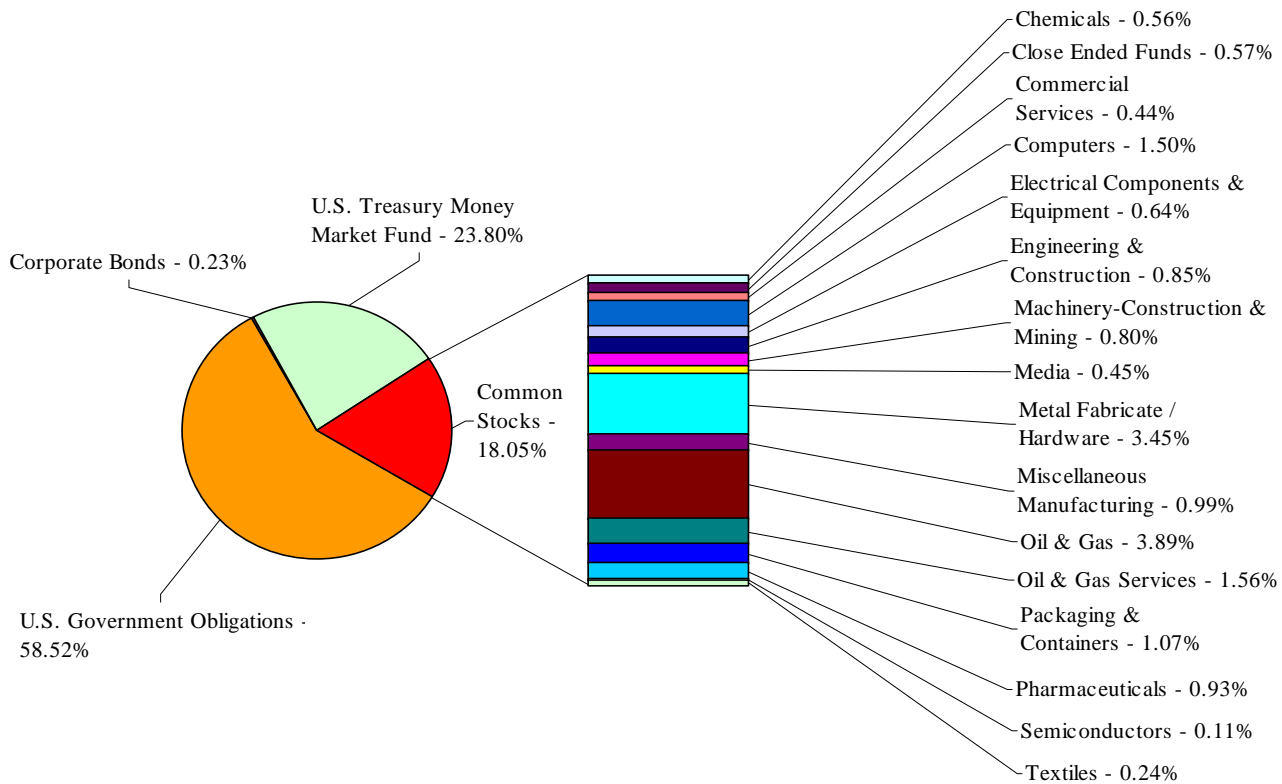
Statements in this Annual Report that reflect projections or expectations of future financial or economic performance of the CM Advisers Fund (“Fund”) and of the market in general and statements of the Fund’s plans and objectives for future operations are forward-looking statements. No assurance can 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 Fund 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 Fund. Investment in the Fund is 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, bond interest rate risk and credit risk. More information about these risks and other risks can be found in the Fund’s prospectus.

The performance information quoted in this annual 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. An investor may obtain performance data current to the most recent month-end by visiting www.ncfunds.com.

An investor should consider the investment objectives, risks, and charges and expenses of the Fund carefully before investing. The prospectus contains this and other information about the Fund. A copy of the prospectus is available at www.ncfunds.com or by calling Shareholder Services at 1-800-773-3863. The prospectus should be read carefully before investing.

Asset Allocation as of February 28, 2005 (% of net assets)

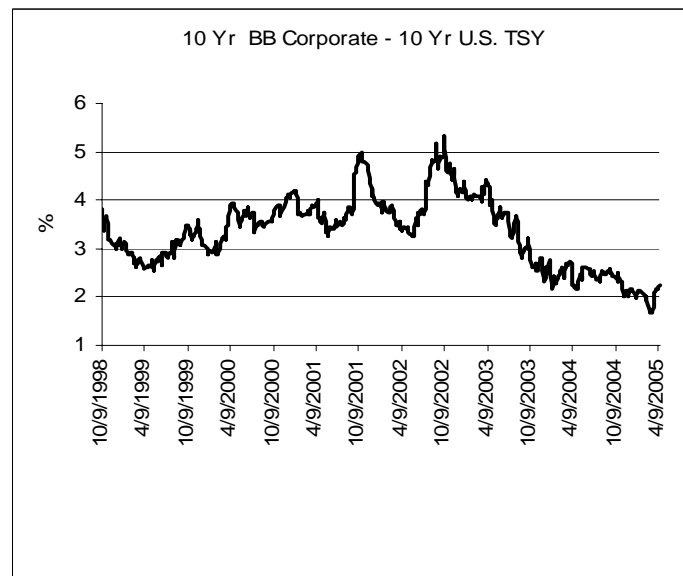


CM Advisers Fund

Dear Shareholders,

April 26, 2005

In last year's letter, we explained that due to the elevated market valuations, we found limited opportunities to buy undervalued assets. For the current year ended February 28, 2005, we saw much of the same. Our analysis shows that asset prices remained expensive relative to their intrinsic values, as investors chased yields in hopes of capturing higher returns with little regard to the risks incurred. As shown in the chart below, the yield spread between 10 year U.S. Treasury (AAA) bonds and BB non-investment grade (Junk) bonds has decreased to the lowest level in nearly seven years. Not only has the credit quality spread decreased, the yields on junk bonds have declined to their lowest level in decades. Together, this highlights the increasing complacency on the part of investors as they continue to accept more risk for investments that will provide lower returns.



Source: Bloomberg

The above chart illustrates the difference in yield or “spread” between government guaranteed bonds and bonds backed by lower quality corporations. This spread is typically used as a measure of how much additional return investors demand for taking on additional risk. The smaller the spread, the less an investor is being compensated to take on additional risk.

For the year ended February 28, 2005, in spite of a market with few bargains to choose from, the CM Advisers Fund outperformed its benchmark, the Russell 3000, even though equities only represented approximately 17% of the total portfolio.

<u>Total Return</u>	
CM Advisers Fund	7.36 %
Russell 3000	5.81 %

While our equities performed well, as a study of the holdings in this Annual Report will show, our large cash position in low-yielding, short-term U.S. Treasuries Notes, U.S. Treasury Bills and money market funds limited the total return of the CM Advisers Fund to 7.36%. While the current low yields on our cash position limited results, we are pleased that the Fund still outperformed its benchmark, the Russell 3000.

While much of this past fiscal year was marked by low volatility, in early 2005 the general markets have begun a reversal of that trend. Higher energy prices, rising interest rates, and the beginning signs of a leveling off in the housing market appear to be impacting consumer spending. This can be seen in recent reports showing weaker retail sales, reductions in car production at GM and Ford, fewer refinances and lower new home starts and permits. At the same time, the Fed continues to raise short term interest rates in order to contain inflation. From the bottom, the Federal Reserve has raised its Fed Funds rate from a low of 1% up to 2.75% as of this report. While interest rates are still considered low by historical standards, the increase in short term interest rates has effectively capped asset prices. This is part of the reason we believe that the major U.S. stock market indexes are all down for the first 3.5 months of 2005.

Long term investment success requires discipline and patience. While these principals of investing are difficult for most to exercise, those that do can reap tremendous rewards. Our approach to money management is simple. We look to achieve the highest total return with the least amount of risk. Our first preference is to buy stocks at deep discounts relative to their private market (intrinsic) values, as this offers us the greatest potential return over the long run. However, when stocks are expensive, we look toward bonds to increase total return. If neither stocks nor bonds offer favorable return potential, cash becomes the investment of choice until better opportunities arise. Simply put, we invest where we find the greatest value.

A study of market history provides ample proof that those who adhere to the value philosophy outperform market indexes over time. Winston Churchill once observed, "The further back you can look, the farther forward you are likely to see." Judging by the widespread investor complacency throughout this past year, many appear not to have looked back far enough to appreciate the lessons of risk versus reward.

Looking forward, we feel confident that during this next fiscal year we will continue to see more opportunities to add to our equity and fixed income holdings. As shareholders, we, like you, look forward to reaping the results of our disciplined value philosophy in the years ahead.

Thank you for your confidence and support.

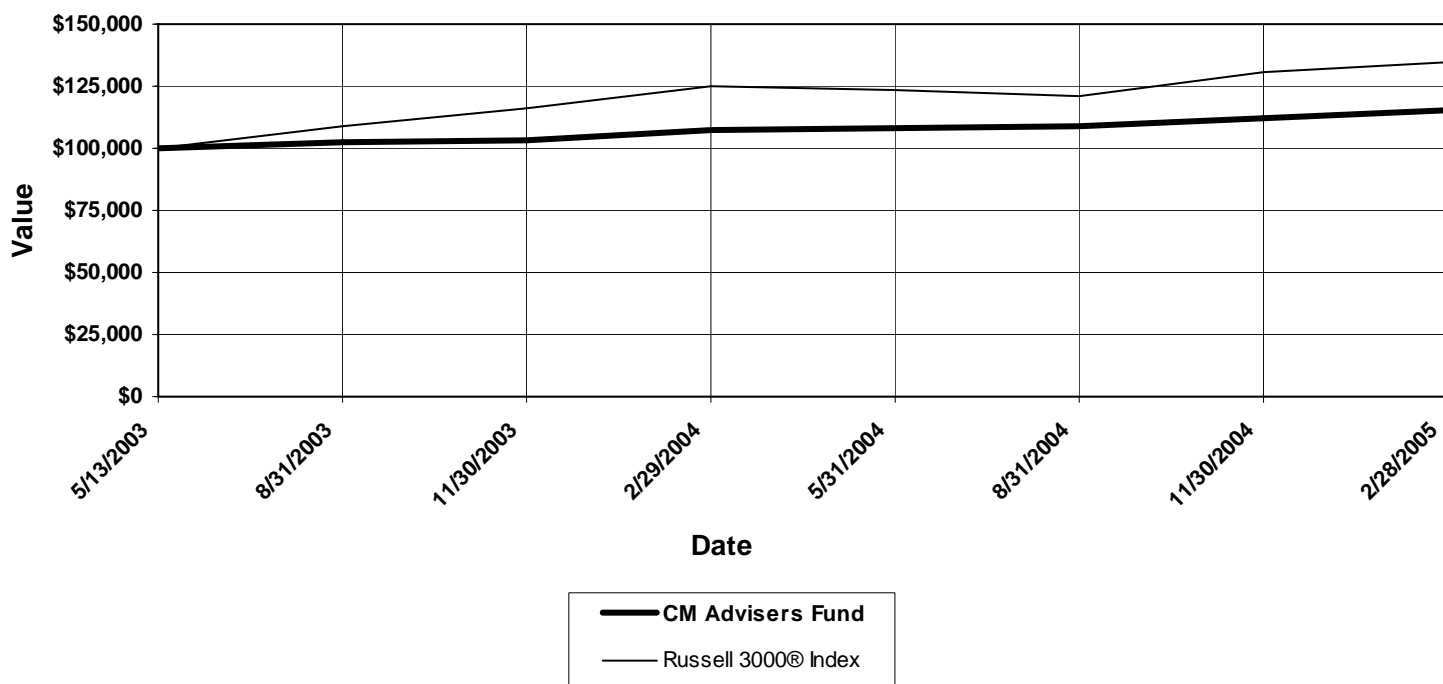
Sincerely,

CM Fund Advisers

CM ADVISERS FUND

Performance Update - \$100,000 Investment

For the period from May 13, 2003
(Date of Initial Public Investment)
to February 28, 2005



This graph depicts the performance of CM Advisers Fund (the "Fund") versus the Russell 3000® Index. It is important to note that the Fund is a professionally managed mutual fund while the index is not available for investment and is unmanaged. The comparison is shown for illustrative purposes only.

Average Annual Total Returns

One Year	Since 05/13/03 (Date of Initial Public Investment)
7.36 %	8.23 %

- The graph assumes an initial \$100,000 investment at May 13, 2003 (Date of Initial Public Investment). All dividends and distributions are reinvested. The fund charges a redemption fee of 1.00% of the amount redeemed on redemptions of fund shares occurring within one year following the issuance of such shares. The redemption fee does not apply to shares purchased by reinvesting dividends.
- At February 28, 2005, the value of the Fund would have increased to \$115,305 – a cumulative total investment return of 15.30% since May 13, 2003.
- At February 28, 2005, the value of a similar investment in the Russell 3000® Index would have increased to \$134,940 – a cumulative total investment return of 34.94% since May 13, 2003.

The performance information quoted above 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. An investor may obtain performance data current to the most recent month-end by visiting www.ncfunds.com.

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 measure net investment income and capital gain or loss from portfolio investments assuming reinvestment of dividends.

CM ADVISERS FUND

PORTFOLIO OF INVESTMENTS

February 28, 2005

	Shares	Value (note 1)
COMMON STOCKS - 18.05%		
Chemicals - 0.56%		
Great Lakes Chemical Corporation	16,750	\$ 447,225
Closed-Ended Funds - 0.57%		
Central Fund of Canada Ltd.	81,135	453,545
Commercial Services - 0.44%		
CDI Corporation	13,400	278,854
CPI Corporation	4,800	71,904
		350,758
Computers - 1.50%		
Imation Corp.	32,500	1,117,675
(a) Maxwell Technologies, Inc.	7,340	79,933
		1,197,608
Electrical Components & Equipment - 0.64%		
Graham Corporation	31,500	510,300
Engineering & Construction - 0.85%		
(a) Layne Christiansen Company	38,155	676,488
Machinery - Construction & Mining - 0.80%		
(a) Astec Industries, Inc.	34,600	641,830
Media - 0.45%		
The Reader's Digest Association Inc.	21,475	371,517
Metal Fabricate / Hardware - 3.45%		
Ampco - Pittsburgh Corporation	5,735	75,989
(a) NS Group, Inc.	78,490	2,685,144
		2,761,133
Miscellaneous Manufacturing - 0.99%		
Eastman Kodak Company	7,930	269,541
Myers Industries, Inc.	32,703	426,774
(a) Peerless Manufacturing Co.	5,900	83,131
Trinity Industries, Inc.	350	10,080
		789,526
Oil & Gas - 3.89%		
Helmerich & Payne, Inc.	34,500	1,381,380
(a) Transocean Inc.	35,845	1,737,766
		3,119,146
Oil & Gas Services - 1.56%		
Tidewater Inc.	30,175	1,245,322

(Continued)

CM ADVISERS FUND

PORTFOLIO OF INVESTMENTS

February 28, 2005

	Shares	Value (note 1)
COMMON STOCKS - (Continued)		
Packaging & Containers - 1.07%		
Sonoco Products Company	29,380	\$ <u>854,370</u>
Pharmaceuticals - 0.93%		
Omnicare, Inc.	21,625	<u>745,846</u>
Semiconductors - 0.11%		
(a) Parlex Corp.	12,734	<u>87,992</u>
Textiles - 0.24%		
(a) The Dixie Group, Inc.	10,350	<u>191,371</u>
Total Common Stocks (Cost \$8,887,157)		<u>14,443,977</u>

	Principal	Interest Rate	Maturity Date		
U.S. GOVERNMENT OBLIGATIONS - 58.52%					
United States Treasury Bill	\$ 46,000,000	0.000%	04/21/05		45,833,848
United States Treasury Note	1,000,000	4.000%	02/15/14		<u>974,961</u>
Total U.S. Government Obligations (Cost \$46,820,196)					<u>46,808,809</u>

CORPORATE BOND - 0.23%					
AAR Corporation (Cost \$161,013)	180,000	6.875%	12/15/07		<u>181,800</u>

MONEY MARKET FUND - 23.80%					
Evergreen Institutional Treasury Money Market Fund Class I #497 (Cost \$19,039,163)		19,039,163			<u>19,039,163</u>
Total Value of Investments (Cost \$74,907,529 (b))			100.60%	\$	80,473,749
Liabilities in Excess of Other Assets			(0.60%)		(481,591)
Net Assets			<u>100.00%</u>	<u>\$</u>	<u>79,992,158</u>

(a) Non-income producing investment.

(b) Aggregate cost for financial reporting and federal income tax purposes is the same. Unrealized appreciation/(depreciation) of investments for financial reporting and federal income tax purposes is as follows:

Aggregate gross unrealized appreciation	\$ 5,578,543
Aggregate gross unrealized depreciation	(12,323)
Net unrealized appreciation	<u>\$ 5,566,220</u>

See accompanying notes to financial statements

CM ADVISERS FUND

STATEMENT OF ASSETS AND LIABILITIES

February 28, 2005

ASSETS

Investments, at value (cost \$74,907,529)	\$ 80,473,749
Cash	229,899
Income receivable	44,915
Receivable for fund shares sold	5,000
Prepaid expenses	<u>10,620</u>

Total assets 80,764,183

LIABILITIES

Accrued expenses	25,242
Payable for investment purchases	<u>746,783</u>

Total liabilities 772,025

NET ASSETS

(applicable to 6,957,517 shares outstanding; unlimited number shares of \$0.001 per share par value beneficial interest shares authorized)	\$ <u><u>79,992,158</u></u>
---	-----------------------------

NET ASSET VALUE, REDEMPTION AND MAXIMUM OFFERING PRICE PER SHARE

(\$79,992,158 ÷ 6,957,517 shares)	\$ <u><u>11.50</u></u>
-----------------------------------	------------------------

NET ASSETS CONSIST OF

Paid-in capital	\$ 74,139,353
Undistributed net investment income	59,527
Undistributed net realized gain on investments	227,058
Net unrealized appreciation on investments	<u>5,566,220</u>
	\$ <u><u>79,992,158</u></u>

See accompanying notes to financial statements

CM ADVISERS FUND

STATEMENT OF OPERATIONS

Year ended February 28, 2005

NET INVESTMENT INCOME

Income

Interest	\$ 325,374
Dividends	<u>617,564</u>

Total income

942,938

Expenses

Investment advisory fees (note 2)	737,294
Fund administration fees (note 2)	86,229
Distribution and service fees (note 3)	147,459
Custody fees (note 2)	15,125
Registration and filing administration fees (note 2)	7,900
Fund accounting fees (note 2)	32,898
Audit and tax preparation fees	24,364
Legal fees	19,105
Securities pricing fees	2,227
Shareholder recordkeeping fees (note 2)	18,000
Compliance services fees (note 2)	573
Shareholder servicing expenses	15,954
Registration and filing expenses	44,919
Printing expenses	5,496
Trustee fees and meeting expenses	26,392
Other operating expenses	<u>11,655</u>

Total expenses

1,195,590

Less:

Investment advisory fees waived (note 2)	(164,720)
Distribution and service fees waived (note 3)	<u>(147,459)</u>

Net expenses

883,411

Net investment income

59,527

REALIZED AND UNREALIZED GAIN ON INVESTMENTS

Net realized gain from investment transactions	413,914
Change in unrealized appreciation on investments	<u>4,140,252</u>

Net realized and unrealized gain on investments

4,554,166

Net increase in net assets resulting from operations

\$ 4,613,693

See accompanying notes to financial statements

CM ADVISERS FUND

STATEMENTS OF CHANGES IN NET ASSETS

	Year ended February 28, 2005	Period ended February 29, 2004 (a)
INCREASE IN NET ASSETS		
Operations		
Net investment income (loss)	\$ 59,527	\$ (42,357)
Net realized gain from investment transactions	413,914	2,007
Change in unrealized appreciation on investments	<u>4,140,252</u>	<u>1,425,968</u>
Net increase in net assets resulting from operations	<u>4,613,693</u>	<u>1,385,618</u>
Distributions to shareholders from		
Net realized gain from investment transactions	<u>(186,856)</u>	<u>0</u>
Capital share transactions		
Increase in net assets resulting from capital share transactions (b)	<u>38,976,715</u>	<u>35,202,988</u>
Total increase in net assets	43,403,552	36,588,606
NET ASSETS		
Beginning of period	<u>36,588,606</u>	<u>0</u>
End of period (includes undistributed net investment income of \$59,527 in 2005 and \$0 in 2004)	<u>\$ 79,992,158</u>	<u>\$ 36,588,606</u>

(a) For the period from May 13, 2003 (Date of Initial Public Investment) through February 29, 2004.

(b) A summary of capital share activity follows:

	Year ended February 28, 2005		Period ended February 29, 2004 (a)	
	Shares	Value	Shares	Value
Shares sold	3,935,675	\$ 43,193,286	3,473,664	\$ 35,909,866
Redemption fees (note 1)	0	29,966	0	0
Shares issued for reinvestment of distributions	<u>15,571</u>	<u>175,172</u>	<u>0</u>	<u>0</u>
	3,951,246	43,398,424	3,473,664	35,909,866
Shares redeemed	<u>(399,838)</u>	<u>(4,421,709)</u>	<u>(67,555)</u>	<u>(706,878)</u>
Net increase	<u>3,551,408</u>	<u>\$ 38,976,715</u>	<u>3,406,109</u>	<u>\$ 35,202,988</u>

See accompanying notes to financial statements

CM ADVISERS FUND

FINANCIAL HIGHLIGHTS

(For a Share Outstanding Throughout the Period)

	<u>Year ended February 28, 2005</u>	<u>Period ended February 29, 2004 (a)</u>
Net asset value, beginning of period	\$ 10.74	\$ 10.00
Income from investment operations		
Net investment income (loss)	0.01	(0.01)
Net realized and unrealized gain on investments	<u>0.78</u>	<u>0.75</u>
Total from investment operations	<u>0.79</u>	<u>0.74</u>
Distributions to shareholders from		
Net realized gain from investment transactions	<u>(0.03)</u>	<u>0.00</u>
Net asset value, end of period	<u>\$ 11.50</u>	<u>\$ 10.74</u>
Total return	<u>7.36 %</u>	<u>7.40 %</u>
Ratios/supplemental data		
Net assets, end of period	<u>\$ 79,992,158</u>	<u>\$ 36,588,606</u>
Ratio of expenses to average net assets		
Before expense reimbursements and waived fees	2.03 %	2.84 % (b)
After expense reimbursements and waived fees	1.50 %	1.50 % (b)
Ratio of net investment (loss) income to average net assets		
Before expense reimbursements and waived fees	(0.43) %	(1.64) % (b)
After expense reimbursements and waived fees	0.10 %	(0.30) % (b)
Portfolio turnover rate	18.08 %	6.26 %

(a) For the period from May 13, 2003 (Date of Initial Public Investment) through February 29, 2004.

(b) Annualized.

See accompanying notes to financial statements

CM ADVISERS FUND

NOTES TO FINANCIAL STATEMENTS

February 28, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER INFORMATION

The CM Advisers Fund (the “**Fund**”) is a non-diversified series of shares of beneficial interest of the CM Advisers Family of Funds (the “**Trust**”), a registered open-end management investment company. The Trust was organized in 2002 as a Delaware Statutory Trust and is registered under the Investment Company Act of 1940, as amended (the “**Act**”). The Fund began operations on May 13, 2003. The investment objective of the Fund is to provide long-term growth of capital through investments in equity securities, consisting primarily of common and preferred stocks and securities convertible into common stocks, as well as fixed income securities such as U.S. government obligations and corporate bonds. The Fund has an unlimited number of \$0.001 par value beneficial interest shares that are authorized. The following is a summary of significant accounting policies followed by the Fund:

- A. Security Valuation** - The Fund’s investments in securities are carried at value. Securities listed on an exchange or quoted on a national market system are valued at the last sales price at the close of normal trading of the New York Stock Exchange, generally 4:00 p.m. Eastern Time. Other 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. 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 Fund's net asset value calculation) or which cannot be accurately valued using the Fund's 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 Fund's normal pricing procedures. Instruments with maturities of 60 days or less are valued at amortized cost, which approximates market value. Short-term investments are valued at cost, which approximates value.
- B. Federal Income Taxes** - No provision has been made for federal income taxes since the Fund intends to distribute substantially all taxable income to shareholders. It is the policy of the Fund to comply with the provisions of the Internal Revenue Code applicable to regulated investment companies and to make sufficient distributions of taxable income to relieve it from all federal income taxes.
- C. Investment Transactions** - Investment transactions are recorded on the trade date. Realized gains and losses are determined using the specific identification cost method. Interest income is recorded daily on an accrual basis. Dividend income is recorded on the ex-dividend date.
- D. Distributions to Shareholders** - The Fund distributes its net investment income and net realized capital gains to its shareholders at least annually, usually in December. Distributions to shareholders are recorded on the ex-dividend date.
- E. Use of 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 amounts of assets, liabilities, expenses and revenues reported in the financial statements. Actual results could differ from those estimates.
- F. Fees on Redemptions** - The Fund charges a redemption fee of 1.00% of the amount redeemed on redemptions of the Fund shares occurring within one year following the issuance of such shares. The Redemption Fee is not a fee to finance sales or sales promotion expenses, but is paid to the Fund to defray the costs of liquidating an investor and discouraging short-term trading of Fund shares. No Redemption Fee will be imposed on the redemption of shares representing dividends or capital gains distributions, or on amounts representing capital appreciation of shares.

(Continued)

CM ADVISERS FUND

NOTES TO FINANCIAL STATEMENTS

February 28, 2005

NOTE 2 - INVESTMENT ADVISORY FEE AND OTHER RELATED PARTY TRANSACTIONS

Pursuant to an investment advisory agreement, Van Den Berg Management, Inc. (d/b/a CM Fund Advisers) (the “**Adviser**”) provides the Fund with a continuous program of supervision of the Fund’s assets, including the composition of its portfolio, and furnishes advice and recommendations with respect to investments, investment policies, and the purchase and sale of securities. As compensation for its services, the Adviser receives a fee at the annual rate of 1.25% of the Fund’s average daily net assets. The Adviser has entered into a contractual agreement (the “**Expense Limitation Agreement**”) with the Fund under which it has agreed to waive or reduce its fees and to assume other expenses of the Fund, if necessary, in an amount that limits the Fund’s total operating expenses (exclusive of interest, taxes, brokerage fees and commissions, extraordinary expenses, and payments, if any, under a Rule 12b-1 Plan) to not more than 2.00% of the average daily net assets of the Fund for the fiscal year ending February 28, 2005. The total annual Fund operating expenses will be limited to 2.25% of the Fund’s average daily net assets, which includes 0.25% for distribution and service fees. There can be no assurance that the Expense Limitation Agreement will continue in the future. For the fiscal year ended February 28, 2005, the Adviser has voluntarily waived a portion of its fee amounting to \$164,720 (\$0.03 per share), which is above the amount necessary to limit the Fund’s expenses below the Expense Limitation Agreement level.

The Fund’s administrator, The Nottingham Company (the “**Administrator**”), provides administrative services to and is generally responsible for the overall management and day-to-day operations of the Fund pursuant to a fund accounting and compliance agreement with the Trust. As compensation for its services, the Administrator receives a fee at the annual rate of 0.150% of the Fund’s first \$50 million of average daily net assets, 0.125% of the next \$50 million, 0.100% of the next \$50 million, and 0.075% of average daily net assets over \$150 million, with a minimum administration fee of \$2,000 per month. The Administrator also receives a monthly fund accounting fee of \$2,250 for accounting and recordkeeping services for the initial class of shares and \$750 per month for each additional class of shares, plus 0.01% of the annual net assets. The Administrator will also receive the following to procure and pay the custodian for the Trust: 0.020% on the first \$100 million of the Fund’s net assets and 0.009% on all assets over \$100 million plus transaction fees with a minimum fee of \$400 per month. The Administrator will also charge the Fund for certain expenses involved with the daily valuation of portfolio securities, which are believed to be immaterial in amount. Effective February 2, 2005, the Administrator began receiving \$7,750 annually, paid monthly, for compliance services relating to requirements under Rule 38a-1 of the Securities and Exchange Commission.

NC Shareholder Services, LLC (the “**Transfer Agent**”) serves as the Fund’s transfer, dividend paying, and shareholder servicing agent. The Transfer Agent maintains the records of each shareholder’s account, answers shareholder inquiries concerning accounts, processes purchases and redemptions of Fund shares, acts as dividend and distribution disbursing agent, and performs other shareholder servicing functions. The Transfer Agent will be compensated for its services based upon a \$15 fee per shareholder per year, subject to a minimum fee of \$1,500 per month, plus \$500 per month for each additional class of shares. In addition, the Transfer Agent shall be entitled to reimbursement of actual out-of-pocket expenses incurred by the Transfer Agent on behalf of the Trust or the Fund.

Certain Trustees and officers of the Trust are also officers of the Adviser or the Administrator.

(Continued)

CM ADVISERS FUND

NOTES TO FINANCIAL STATEMENTS

February 28, 2005

NOTE 3 - DISTRIBUTION AND SERVICE FEES

The Trustees, including a majority of the Trustees who are not “interested persons” of the Trust as defined in the Act, adopted a distribution plan pursuant to Rule 12b-1 of the Act (the “Plan”). The Act regulates the manner in which a regulated investment company may assume expenses of distributing and promoting the sales of its shares and servicing of its shareholder accounts.

The Plan provides that the Fund may incur certain expenses, which may not exceed 0.25% per annum of the Fund’s average daily net assets for each year elapsed subsequent to adoption of the Plan, for payment to the Distributor and others for items such as advertising expenses, selling expenses, commissions, travel or other expenses reasonably intended to result in sales of shares of the Fund or support servicing of shareholder accounts. Expenditures incurred as service fees may not exceed 0.25% per annum of the Fund’s average daily net assets. The Distributor has voluntarily waived all of these fees amounting to \$147,459 for the year ended February 28, 2005. There can be no assurance that this voluntary waiver will continue in the future.

NOTE 4 - PURCHASES AND SALES OF INVESTMENTS

Purchases and sales of investments, excluding long-term U.S. government securities and short-term obligations, aggregated \$5,587,622 and \$2,013,522, respectively, for the year ended February 28, 2005. Purchases and sales of long-term U.S. government securities aggregated \$959,898 and \$983,750, respectively, for the year ended February 28, 2005.

NOTE 5 - FEDERAL INCOME TAX STATUS

The amount of dividends and distributions from net investment income and net realized capital gains are determined in accordance with federal income tax regulations which may differ from generally accepted accounting principles. These “book/tax” differences are either considered temporary or permanent in nature. To the extent these differences are permanent in nature, such amounts are reclassified within the capital accounts based on their federal tax-basis treatment; temporary differences do not require reclassification. Dividends and distributions which exceed net investment income and net realized capital gains for tax purposes are reported as distributions paid-in-capital.

The tax character of distributions paid was as follows:

	Year Ended February 28, 2005	Year Ended February 29, 2004
Long-term capital gains	<u>\$ 186,856</u>	<u>\$0</u>

As of February 28, 2005, the tax basis components of accumulated earnings were as follows:

Undistributed ordinary income	\$ 59,527
Undistributed net long-term gains	<u>227,058</u>
Net accumulated earnings	286,585
Net unrealized appreciation	<u>5,566,220</u>
Total accumulated earnings	<u>\$ 5,852,805</u>

(Continued)

CM ADVISERS FUND

ADDITIONAL INFORMATION

February 28, 2005
(Unaudited)

INFORMATION ABOUT SHAREHOLDER EXPENSES

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, which may include redemption fees for shares redeemed within one year and (2) ongoing costs, including management fees; distribution (12b-1) fees; and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period as indicated below.

- A. Actual Expenses** – The first line of the table below provides information about the actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. 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 in the first line under the heading entitled “Expenses Paid During Period” to estimate the expenses you paid on your account during this period.
- B. Hypothetical Example for Comparison Purposes** – The second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an assumed annual rate of return of 5% before expenses, which is not the Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds by comparing this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as redemption fees for shares redeemed within one year. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	<u>Beginning</u> <u>Account Value</u> <u>March 1, 2004</u>	<u>Ending</u> <u>Account Value</u> <u>February 28, 2005</u>	<u>Expenses Paid</u> <u>During Period*</u>
Actual	\$ 1,000.00	\$ 1,073.60	\$ 15.55
Hypothetical (5% annual return before expenses)	\$ 1,000.00	\$ 1,035.00	\$ 15.26

* Expenses are equal to the Fund’s annualized expense ratio of 1.50% multiplied by the average account value over the period.

PORTFOLIO HOLDINGS

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Fund’s Forms N-Q are available on the SEC’s website at <http://www.sec.gov>. You may review and make copies at the SEC’s Public Reference Room in Washington, D.C. You may also obtain copies after paying a duplicating fee by writing the SEC’s Public Reference Section, Washington, D.C. 20549-0102 or by electronic request to publicinfo@sec.gov or by calling the Transfer Agent at 1-800-773-3863. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 202-942-8090.

(Continued)

CM ADVISERS FUND

ADDITIONAL INFORMATION

February 28, 2005
(Unaudited)

PROXY VOTING POLICY

A copy of the Trust's Proxy Voting and Disclosure Policy and the Advisor's Proxy Voting and Disclosure Policy are included as Appendix B to the Fund's Statement of Additional Information and is available, without charge, upon request, by calling 1-800-773-3863. After June 30, 2004, information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 will be available (1) without charge, upon request, by calling the Fund at the number above and (2) on the SEC's website at <http://www.sec.gov>.

INFORMATION ABOUT TRUSTEES AND OFFICERS

The business and affairs of the Fund and the Trust are managed under the direction of the Trustees. Information concerning the Trustees and officers of the Trust and Fund is set forth below. Generally, each Trustee and officer serves an indefinite term or until certain circumstances such as their 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 Statement of Additional Information of the Fund includes additional information about the Trustees and officers and is available, without charge, upon request by calling the Fund toll-free at 1-800-773-3863. The address of each Trustee and officer, unless otherwise indicated below, is 805 Las Cimas Parkway, Suite 430, Austin, Texas 78746. The Independent Trustees received aggregate compensation of \$17,950 during the fiscal year ended February 28, 2005 from the Fund for their services to the Fund and Trust. The Interested Trustees and officers did not receive compensation from the Fund for their services to the Fund and Trust.

Name, Age and Address	Position(s) Held with Trust	Length of Service	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee
Independent Trustees					
Brian R. Bruce (49)	Trustee	Since 5/2003	Mr. Bruce has been the Director of Global Investments of PanAgora Asset Management since December 1999. Before joining PanAgora, Mr. Bruce was a professor at Southern Methodist University from January 1995 to December 1999.	1	None
Mark F. Ivan (48)	Trustee	Since 5/2003	Mr. Ivan has been the President of Ivan Capital Management, Inc. since June 1996.	1	None
Richard M. Lewis (44)	Trustee	Since 5/2003	Mr. Lewis has been the Chief Financial Officer of Worldcall, Inc., a telecommunications and information services firm, since May 2004. Before joining Worldcall, Inc., he was Chief Financial Officer of Bluecurrent, Inc., an information technology services firm, from January 2002 to May 2004. He was the Vice President of Acquisitions for AMPAM, Inc., a plumbing and mechanical services firm, from August 1999 to December 2001. He was a Director of Societe Generale before joining AMPAM.	1	Mr. Lewis serves as a director of Net-Sieve, Inc., a private company whose business is developing filtering appliances for corporate IT environments.

(Continued)

CM ADVISERS FUND

ADDITIONAL INFORMATION

February 28, 2005
(Unaudited)

Name, Age and Address	Position(s) Held with Trust	Length of Service	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee
Independent Trustees					
A. Zorel Paritzky, M.D. (63)	Trustee	Since 5/2003	Dr. Paritzky has been a physician with Cardiac Associates Medical Group, Inc. since November 1974.	1	None
William R. Reichenstein, Ph.D. (52)	Trustee	Since 5/2003	Dr. Reichenstein has been a professor at Baylor University since August 1990. He is currently the professor of Finance and the Pat and Thomas R. Powers Chair in Investment Management – Finance, Insurance and Real Estate.	1	None
Interested Trustees* and Officers					
Arnold Van Den Berg (65)**	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 is also a partner in TL Partners, L.P., an investments partnership.	1	None
James D. Brilliant (39)**	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 January 1987, and a Chartered Financial Analyst (CFA).	1	None
Scott Van Den Berg (38)**	Trustee, Secretary	Since 5/2003	Mr. Van Den Berg is Vice President of the Adviser and has been with the firm since May 1993. He is a Certified Financial Planner (CFP) and a Chartered Retirement Plan Specialist (CRPS).	1	None
Aaron S. Buckholtz (41)	Trustee	Since 5/2003	Mr. Buckholtz is a financial analyst and a director of the Adviser and has been with the firm since March 1990.	1	None
Tracey L. Hendricks, (37) The Nottingham Company 116 South Franklin Street Post Office Box 69 Rocky Mount, NC 27803	Assistant Treasurer	Since 2/2005	Ms. Hendricks is Vice President of Special Projects of The Nottingham Company (administrator to the Funds), since 2000.	n/a	n/a
Julian G. Winters (36) The Nottingham Company 116 South Franklin Street Post Office Box 69 Rocky Mount, NC 27803	Assistant Secretary	Since 5/2003	Mr. Winters is Vice President of Compliance Administration of The Nottingham Company, since 1998.	n/a	n/a

* Each of the Interested Trustees is an Interested Trustee because each 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.



Deloitte & Touche LLP
Two World Financial Center
New York, NY 10281-1414
USA

Tel: +1 212 436 2000
Fax: +1 212 436 5000
www.deloitte.com

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Trustees of CM Advisers Family of Funds
and Shareholders of CM Advisers Fund:

We have audited the accompanying statement of assets and liabilities of CM Advisers Fund (the "Fund"), including the portfolio of investments, as of February 28, 2005, and the related statements of operations for the period then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the two years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

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. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of February 28, 2005, by correspondence with the custodian and brokers. 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 CM Advisers Fund as of February 28, 2005, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the two years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

March 28, 2005

CM ADVISERS FUND

a series of the CM Advisers Family of Funds

This Report has been prepared for shareholders and may be distributed to others only if preceded or accompanied by a current prospectus.