

### ***What is a mutual fund distribution?***

The Torray Fund generally makes two kinds of distributions during the year.

Quarterly, the Fund makes an income distribution. This distribution is derived from dividends, interest and other income earned less operating expenses. In addition, we make a capital gains distribution when the Fund has realized net capital gains from the sale of the Fund's investment. On March 27, 2009, The Torray Fund paid an income distribution of \$0.066970 per share.

### ***What are the tax implications of mutual fund distributions?***

You are required to pay taxes on all mutual fund distributions unless your shares are held in a nontaxable account such as an IRA or retirement plan. Long term capital gains and qualifying ordinary income dividends are taxed at the long term capital gain rate. Non-qualified dividends are generally taxed at the higher ordinary income rate. Distributions received in cash or reinvested in the Fund are taxable in the year they occurred.

### ***When are dividends and capital gains paid to investors?***

Generally, dividends are paid quarterly and capital gains are paid annually.

Record Date	03/26/09	06/25/09	09/24/09	12/28/09
Ex- Dividend & Reinvest Date	03/27/09	06/26/09	09/25/09	12/29/09
Pay Date	03/27/09	06/26/09	09/25/09	12/29/09

#### **Record Date**

If you own shares in The Torray Fund on the record date, you will receive the distribution. The distribution is determined by dividing The Torray Fund's income for the period (not including capital gains) by the number of shares outstanding on the record date.

#### **Ex-Dividend, Re-Invest and Pay Date**

Distributions are made from The Torray Fund on the ex-dividend date. The Fund's share price will drop by the amount of distribution. The share price will also change as a result of market activity on that day. For shareholders reinvesting their distributions, additional shares are purchased on the pay date. If you elected to receive your dividends in cash, a check will be mailed to you on the pay date.

### ***How is the fund's share price affected by a distribution?***

All distributions will reduce the Fund's net asset value (NAV) by the amount of the distribution on the ex-dividend date. For example, on March 27<sup>th</sup>, The Torray Fund paid a distribution of \$0.066970 per share. The Fund's NAV the day before the distribution was \$19.75. On the ex-dividend date the NAV was reduced by \$0.066970. As a result of market activity, the Fund's investments went down on March 27<sup>th</sup> by \$0.38 per share, so the impact on the Fund's NAV was actually (\$0.39).

### ***Is the total return affected by the fund's distribution?***

Although the NAV drops when a distribution is paid, the total return of the Fund's NAV is not affected because the shareholder receives the value in additional shares, or cash if elected.

***If you have additional questions, please call The Torray Fund at (800) 443-3036.***