



April 23, 2012

Dear Fellow Shareholder:

The U.S. equity markets posted robust returns in the first quarter of 2012 due to favorable domestic economic data as well as the on-going efforts of the Federal Reserve to provide ample levels of liquidity. In addition, the recent actions by the European Central Bank to provide support for euro zone banks have diminished the fears of another imminent sovereign debt default. The quarter ended with the Dow Jones Industrial Average*, the S&P 500® Index*, and the Nasdaq Composite Index* returning 8.84%, 12.59%, and 18.98% respectively. Notwithstanding the strong first quarter equity market performance, the U.S. economy still faces significant uncertainties which include a smoldering European debt crisis and large tax increases on January 1, 2013 without legislative action.

The **Westport Select Cap Fund-Class I** shares returned 9.39% during the quarter trailing their Russell 2000® Index benchmark, which returned 12.44%. Taking a longer term view, since their February 16, 1998 inception, the Westport Select Cap Fund-Class I shares have returned on an average annual basis 9.34% versus the Russell 2000® Index's 5.72%. The gap in the Fund's first quarter performance relative to its benchmark can principally be attributed to the price declines of two stocks as well as portfolio positions which appreciated but did not match the return of the market index. Of the Fund's twenty-nine portfolio holdings at the beginning of the quarter, thirteen stocks outperformed the Russell 2000® Index, while ten appreciated at a rate less than the benchmark, and six stocks experienced price declines. The two largest detractors to performance during the quarter were Willis Group Holdings, plc and DeVry, Inc. Willis Group Holdings, plc, a global insurance broker, fell by 9.9% and hurt performance by 77 basis points as a result of business retention issues and higher expenses. DeVry, Inc., a for-profit education provider, declined by 11.9% and reduced performance by 61 basis points due to both lower new student enrollment and profit margins. Precision Castparts Corp. and Universal Health Services, Inc. – Class B were among the portfolio holdings which were up in price yet underperformed the benchmark. Precision Castparts Corp., a manufacturer of complex metal components for the aerospace and energy industries, gained 4.9%, while Universal Health Services, Inc. – Class B, an operator of acute care and psychiatric hospitals, was up 7.9%. On a combined basis the two companies constituted 20.1% of the portfolio and cost 105 basis points in relative performance. Despite the underperformance, the outlook for both companies is believed to be positive. It should be noted that there were a number of portfolio holdings that produced excellent returns during the quarter. The most significant contributors to performance included IPG Photonics Corp., Big Lots, Inc., and United Rentals, Inc. IPG Photonics Corp., a world leader in the manufacture of high-power fiber lasers, gained 53.7% and contributed 142 basis points to performance. The company reported strong growth in revenue and earnings for the fourth quarter of 2011 and recently closed a stock offering which netted the company approximately \$144.7 million. Big Lots, Inc., a broadline closeout retailer, appreciated 13.9% and added 113 basis points to performance. The retailer provided a positive outlook for same-store sales growth. United Rentals Inc., a large equipment rental company, gained 45.1% and contributed 85 basis points to performance. The firm is benefiting from higher rental rates and improved utilization. The Fund's portfolio activity during the quarter included the establishment of two new positions, Banner Corp., a northwest regional bank, and Rofin-Sinar Technologies, Inc., a manufacturer of laser-based products. In addition, positions were reduced in a number of holdings including Precision Castparts Corp., ITT Educational Services, Inc., and Big Lots, Inc.

Average Annual Total Returns	Westport Select Cap Fund- Class I Performance	Russell 2000® Index*
Latest Quarter (12/31/11 to 3/31/12)	9.39%	12.44%
Year-to-Date (12/31/11 to 3/31/12)	9.39%	12.44%
One Year (3/31/11 to 3/31/12)	-4.27%	-0.18%
Three Year (3/31/09 to 3/31/12)	21.41%	26.90%
Five Year (3/31/07 to 3/31/12)	3.01%	2.13%
Ten Year (3/31/02 to 3/31/12)	6.29%	6.45%
Since Inception (2/16/98 to 3/31/12)	9.34%	5.72%
Gross Expense Ratio: 1.14%		

Average Annual Total Returns	Westport Fund- Class R Performance	Russell Midcap® Index*	Lipper Multi-Cap Core Index*
Latest Quarter (12/31/11 to 3/31/12)	12.73%	12.94%	12.64%
Year-to-Date (12/31/11 to 3/31/12)	12.73%	12.94%	12.64%
One Year (3/31/11 to 3/31/12)	7.94%	3.31%	2.91%
Three Year (3/31/09 to 3/31/12)	25.28%	29.13%	23.76%
Five Year (3/31/07 to 3/31/12)	6.86%	3.03%	1.70%
Ten Year (3/31/02 to 3/31/12)	8.68***	7.85%	4.70%
Since Inception (12/31/97 to 3/31/12)	10.80***	7.90%	4.82%
Gross Expense Ratio: 1.27%**			

The performance data quoted represents past performance; past performance is not indicative of 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. The Fund's current performance may be lower or higher than the data quoted. Investors may obtain performance information year-to-date the following business day and to last month-end, within 7 business days, at www.westportfunds.com.

The **Westport Fund-Class R shares** slightly underperformed their Russell Midcap® Index benchmark in the first quarter with a return of 12.73% compared to the Russell MidCap® Index's return of 12.94%. Historically, the Westport Fund's returns have lagged the Russell Midcap® Index when mid-capitalization company share prices have experienced sharp price movements either upward or downward as in the first quarter. Long term performance of the Westport Fund Class R shares is an average annual return of 10.80% for the fourteen and a quarter years since the Fund's inception. This compares favorably to the 7.90% for the Russell Midcap® Index and the 4.82% average annual return for the Lipper Multicap Core Index. The Lipper Index is included as a reference because it is composed of mutual funds with holdings in the large, medium and small capitalization categories like the Westport Fund which also has holdings with diverse market capitalization. Only four of the Fund's 47 portfolio holdings recorded negative returns during the quarter. Willis Group Holdings plc was the largest detractor from performance with a decline of 9.9% and a reduction in performance of 22 basis points. The stock's underperformance effectively accounts for the difference in performance of the Westport Fund and the Russell Midcap® Index in the quarter. The other three stocks which experienced price declines had a relatively minor combined 22 basis point reduction in performance. There were a number of portfolio holdings which produced strong returns during the quarter. The top contributors to performance included Parametric Technology Corp., Teradata Corp., and Lender Processing Services, Inc. Parametric Technology Corp., a leader in mechanical design automation, appreciated 53.0% and made the largest contribution to performance of 105 basis points. The company reported strong revenue and earnings growth for 2011. Subsequent to the end of the quarter, the company announced a software license revenue shortfall relative to analysts' expectations, causing a decline of 20% on the day of the announcement. Software companies that sell perpetual licenses have an enhanced risk of an earnings shortfall because of the binary nature of the sale and the license revenue is mostly incremental profit after tax. If this shortfall is only a timing issue the probability of a stock price recovery is very good. Teradata Corp., a leading supplier of data warehousing solutions, gained 40.5% and added 91 basis points to performance. The company should benefit from strong global demand for its products in 2012. Lender Processing Services, a provider of back office mortgage services for banks, rose 72.5% and contributed 83 basis points to performance. After declining nearly 50.0% in 2011, the company has successfully resolved some legal issues related to past document execution practices. Portfolio activity during the quarter included additions to

the following existing holdings: Anadarko Petroleum Corp., Interpublic Group of Companies, Inc., Lender Processing Services, Inc. MasterCard, Inc.-Class A shares, and Varian Medical Systems, Inc.

We thank you for your continued investment in The Westport Funds. Please visit our web site, www.westportfunds.com, for additional performance and portfolio information. As always, should you have any questions regarding The Westport Funds, please feel free to contact us at 1-888-593-7878.

Sincerely,

The Westport Funds

Investors should consider the investment objectives, risk, and charges and expenses of The Westport Funds carefully before investing; this and other information about the Funds is in the prospectus, or summary prospectus, which can be obtained by calling 1-888-593-7878 or at our website www.westportfunds.com. Read the prospectus or summary prospectus carefully before you invest.

Westport Select Cap Fund's performance reflects Class I shares. Westport Fund's performance reflects Class R shares. For information about other share classes available, please consult the prospectus. Performance of fund classes will differ. Please see the prospectus for details.

*The S&P Index is an unmanaged capitalization-weighted index (weighted by the market value of the companies) of 500 stocks listed on the various exchanges.

*The Dow Jones Industrial Average is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the NASDAQ.

*The Nasdaq Composite Index is a market-capitalization weighted index of the more than 3,000 common equities listed on the Nasdaq stock exchange.

*The Russell 2000® Composite Stock Index is an unmanaged index comprised of the 2,000 smallest U.S. domiciled publicly traded common stocks. The Russell Midcap® Index is an unmanaged index comprising the 800 smallest companies in the Russell 1000® Index. The Lipper Multi-Cap Core Funds Index represents the total returns of the funds in the indicated category, as defined by Lipper, Inc. You should note that The Westport Funds are professionally managed mutual funds while the indices are unmanaged, do not incur expenses and are not available for investment.

*Basis Point is a unit that is equal to 1/100th of 1% and is used to denote the change in a financial instrument.

There are special risks associated with small and mid-capitalization issues such as market illiquidity and greater market volatility than larger capitalization issues.

** As set forth in the Funds' prospectus dated May 1, 2011, the actual Total Annual Operating Expenses for Class R Shares of the Westport Select Cap Fund and the Westport Fund for the fiscal year ended December 31, 2010 were 1.36% and 1.27% respectively. As stated in the prospectus "Total Annual Fund Operating Expenses" include shareholder servicing fees. During the fiscal year ended December 31, 2010, the Class R shares of the Westport Select Cap Fund and the Westport Fund paid shareholder servicing fees equal to 0.14% and 0.13%, respectively. Total shareholder servicing fees and Total Annual Operating Expenses in 2011 and 2012 may be more or less than the amounts paid in 2010. Westport Advisers, LLC has also contractually agreed to waive a portion of its advisory fees and/or assume certain expenses so that "Total Annual Fund Operating Expenses" do not exceed 1.50% for any class. See the Funds' prospectus for additional information regarding the Funds' expenses.

***Performance data of the Class R shares of the Westport Fund reflects certain waivers and expense reimbursements. Without such waivers and reimbursements, performance would have been lower.

Portfolio composition is subject to change at any time and should not be considered a recommendation to purchase or sell a particular security. On March 31, 2012, the following securities comprised these respective percentages of the Westport Select Cap Fund and the Westport Fund: Willis Group Holdings plc (7.1%, 1.9%), DeVry, Inc. (4.6%, 0.0%), Precision Castparts Corp. (10.6%, 4.0%), Universal Health Services, Inc. – Class B (9.5%, 1.9%), IPG Photonics Corp. (4.0%, 0.0%), Big Lots, Inc.(8.4%, 0.0%), United Rentals, Inc. (2.6%, 0.0%), Banner Corp.(0.5%,

0.0%), Rofin-Sinar Technologies, Inc. (1.2%, 0.0%), ITT Educational Services, Inc. (3.1%, 0.0%), Parametric Technology Corp. (0.0%, 2.6%), Teradata Corp., (0.0%, 2.8%), Lender Processing Services, Inc. (0.0%, 2.3%), Anadarko Petroleum Corp. (0.0%, 2.9%), Interpublic Group of Companies, Inc. (0.0%, 2.0%), MasterCard, Inc. – Class A shares (0.0%, 2.0%), and Varian Medical Systems, Inc. (0.0%, 3.2%).

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