

DECEMBER 31, 2009

ANNUAL
Report

Burnham Fund

Burnham Financial Services Fund

Burnham Financial Industries Fund

Burnham U.S. Government
Money Market Fund

THE BURNHAM FAMILY OF FUNDS

Burnham Fund



"As we look ahead to 2010 and beyond, we are confident that the equity markets are telling a story, which states that the worst of the crisis is behind us."

Jon Burnham

Jon Burnham
Portfolio Manager

Ticker Symbols

Class A	BURHX
Class B	BURIX
Class C	BURJX

Portfolio Manager

Jon M. Burnham
Since 1995

Minimum Investment

Regular accounts	\$2,500
IRAs	\$100

Asset Values

Net assets, in millions	\$70.38
Net asset value per share	
Class A	\$23.56
Class B	\$23.48
Class C	\$23.02

Maximum Offering Price

Class A	\$24.80
---------	---------

Maximum Sales Charge or CDSC**

Class A	5.00%
Class C	1.00%

** Class B shares are no longer offered, the maximum Sales Charge or CDSC is currently 1.00%.

Expense Ratios*

	Gross ¹	Net (after expense recoupment) ¹
Class A	1.55%	1.56%
Class B	2.30%	2.30%
Class C	2.29%	2.31%

* See Note 5 to the Financial Statements.

Inception

Class A	June 15, 1975
Class B	October 18, 1993
Class C	April 30, 2004

¹The Expense Ratios in this table do not match the ratios of expenses to average net assets in the "Financial Highlights" section of the report (the "Highlights Ratios") because the Highlights Ratios reflect the operating expenses of the fund and do not include ratios of "Acquired Fund Fees and Expenses." Acquired fund fees and expenses are expenses incurred indirectly by the Burnham Fund as a result of its investments in other investment funds.

All data as of December 31, 2009. Performance information assumes all distributions were reinvested. Class A performance information does not include the maximum 5% sales charge. Class B and C shares have different costs and performance will differ. Past performance isn't a prediction of future performance. Read the prospectus carefully before investing.

For the year ended December 31, 2009, The Burnham Fund rose 31.11% (with dividends reinvested) outperforming both its benchmarks: the S&P 500 Index (with dividends reinvested) by 4.65%, and the Morningstar Large Cap Blend by 2.94%.

In our Semi-Annual report for 2009, we discussed how in early March we made decisions formed by our view that market lows had been touched and tested. Since that time, and with no material interruption, the DJIA rose 59%, one of the sharpest rallies since 1933.

The primary driver of this strength has been monetary liquidity on a domestic and global scale. The two-pronged approach by the Federal Reserve to provide support to consumers, businesses and financial institutions has involved maintaining fed funds rates at near 0%, while providing liquidity via programs such as the Term Asset-backed Securities Loan Facility (TALF). Both approaches have been effective in stabilizing the U.S. banking system, and restoring its profitability and capital structure. Increased activity in international currency swaps has also led to more liquidity among U.S. and international banks, easing the freeze that occurred in late 2008-2009. The timing of increases in interest rates is uncertain (consensus seems to be around second half 2010, after the mid-term elections), and TALF and other lending programs that have been extended will expire in 2010. The Fed has also announced it would slow its purchases of long term securities in order to provide smooth transition in markets to more 'normal' conditions. The jury is out on the stimulus package passed by the Obama Administration, which was meant to be long-term and targeted at construction and alternative energy industries. A second stimulus package aimed at job creation may be forthcoming.

According to S&P estimates, earnings on average will grow by 12.7% for 2009 (versus a decline of 40% for 2008), and will grow 37% in 2010 — a recovery year. Areas expected to have shown the strongest rebound in earnings for 2009 are those which sustained the most damage in 2008: Financial Services and Consumer Discretionary (led by autos). For 2010, Financials, Energy, Materials, Consumer Discretionary and Information Technology, respectively are anticipated to be the earnings leaders.

Careful sector allocation contributed in large part to The Burnham Fund's outperforming its benchmarks. The Fund's largest sector allocations were in Energy, Information Technology, Consumer Discretionary and Financial Services — each of which showed significant valuation rebounds in 2009. (Financials, Consumer Discretionary and Technology held slightly less in the Fund as a percentage of assets relative to their weights in the S&P 500 Index.) The Fund's sector investments in Energy, Consumer Discretionary and Information Technology each outperformed their indices by a significant margin — propelled by the performance of their constituent holdings. The positions which had the biggest impact on performance (a combination of performance and asset allocation) were Apple Inc., Freeport-McMoran Copper & Gold, Inc., Ford Motor Co., American Express Co. and Google Inc., Class A.

Conversely, the sectors which detracted from performance, while still higher on an absolute basis, underperformed the S&P on aggregate and thus were

a drag on returns. These sectors were Health Care, Telecommunications Services, Consumer Staples and Utilities. The Fund underweighted the Health Care, Consumer Staples and Utilities sectors, and its investment in Telecommunications Services matched the index on a percentage basis. The five positions that hurt performance were (in order) Exxon Mobil Corp., The Hain Celestial Group, Inc., General Electric Co., Wells Fargo & Co. and The Bank of New York Mellon Corp. Of these securities, Exxon Mobil Corp. and Wells Fargo & Co. are no longer held.

As we look ahead to 2010 and beyond, we are confident that the equity markets are telling a story, which states that the worst of the crisis is behind us. However, the U.S. is deeply divided over a path to follow (fiscal stimulus or budget restraint) and the economy is still fragile, with delineation between winning and losing industries, and whether challenges are cyclical or secular.

On this first point, political fractures are emerging that has placed much of the Obama Administration's agenda in question, and may affect its ability to target stimulus where it is needed due to Congressional impasse. However, history has shown that the U.S. prefers divided government, punishing incumbents in mid-term elections, after which bi-partisan, moderate legislation may follow.

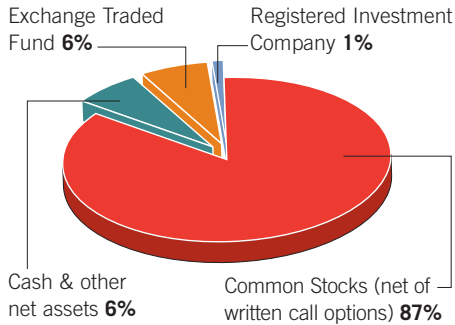
Reported data shows the economy is stabilizing, with glimmers of improvement, but the mood of the country is grim. The unemployment rate has not yet ticked downward, but the pace of decline has abated. The unemployment rate generally improves after recovery gains traction, thus we do not expect to see better numbers for another 6 to 12 months. The housing sector is stabilizing and improving in some areas. Consumers may continue to be risk averse — not only because of employment uncertainty and stagnant wages, but also from their actions to reduce debt, combined with tighter and more expensive credit.

On the second point, we see opportunities in the equity markets as we open the book for 2010. Commodity prices have risen as the economy recovers, and in combination with the lower dollar. Energy transmission markets — specifically MLPs — provide high total returns. Consumers are cutting back on many items, but not when it comes to innovation and value — to the benefit of strong consumer franchises such as those enjoyed by Apple Inc., Amazon.com, Inc., and McDonald's Corp., but to the detriment of apparel, publishers and networks and those servicing them. Finally, banks are showing earnings growth, as problem loans have been written down, lending is more conservative, spreads are positive, and investment banking is on a cyclical upturn. Consumer finance is also recovering for many of the same reasons. However, political backlash and tighter regulation may hamper the returns of multi-line bank conglomerates.

We believe 2010 will be a year of recovery, characterized by continued low interest rates, low inflation, and slow to moderate growth in GDP, within a volatile political environment. Earning recovery may be dramatic because of draconian cost cutting. We believe that active, strategic asset allocation and stock selection will again drive returns.

PORTFOLIO INVESTMENTS

Asset Allocation (as a % of net assets)



The fund seeks capital appreciation, mainly long-term. Income is generally of lesser importance.

Industries - Common Stock (Net of written call options)

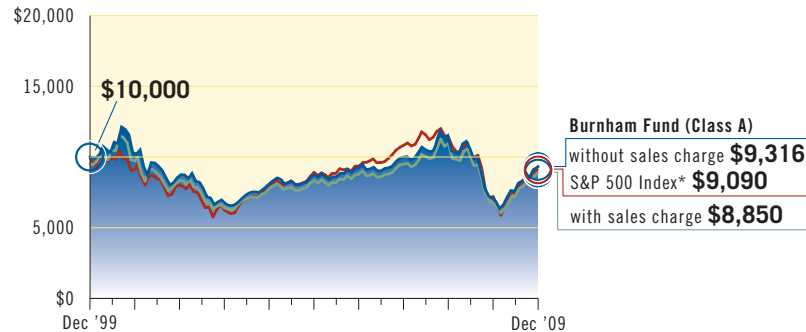
Industry	% net assets
Energy	19.16%
Information Technology	18.25%
Consumer Discretionary	11.16%
Financial Services	10.15%
Industrials	8.75%
Materials	6.29%
Consumer Staples	4.66%
Telecommunications Services	4.15%
Health Care	3.10%
Utilities	1.68%
Total	87.35%

Top 10 Common Stock Holdings (Net of written call options)

Company	% net assets
Apple Inc.	8.99%
American Express Co.	4.32%
McDonald's Corp.	3.55%
Kinder Morgan Management, LLC	3.48%
PepsiCo, Inc.	3.46%
Devon Energy Corp.	3.13%
The Williams Companies, Inc.	2.99%
International Business Machines Corp.	2.79%
Google Inc., Class A	2.64%
Caterpillar Inc.	2.43%
Total	37.78%

TOTAL RETURN †

Growth of \$10,000 Over Ten Years



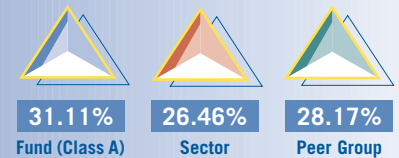
Average Annual Returns

	with no sales charge or CDSC	with max. sales charge or CDSC
Class A		
One year	31.11%	24.55%
Three years	(2.29)%	(3.95)%
Five years	1.25%	0.22%
Ten years	(0.71)%	(1.21)%
Class B		
One year	30.08%	25.08%
Three years	(3.03)%	(3.96)%
Five years	0.50%	0.16%
Ten years	(1.45)%	(1.45)%
Class C		
One year	30.13%	29.13%
Three years	(3.01)%	(3.01)%
Five years	0.51%	0.51%
Since inception	1.74%	1.74%

Cumulative Total Returns

	with no sales charge or CDSC	with max. sales charge or CDSC
Class A		
One year	31.11%	24.55%
Three years	(6.73)%	(11.39)%
Five years	6.43%	1.11%
Ten years	(6.84)%	(11.50)%
Class B		
One year	30.08%	25.08%
Three years	(8.83)%	(11.43)%
Five years	2.52%	0.78%
Ten years	(13.56)%	(13.56)%
Class C		
One year	30.13%	29.13%
Three years	(8.78)%	(8.78)%
Five years	2.58%	2.58%
Since inception	10.31%	10.31%

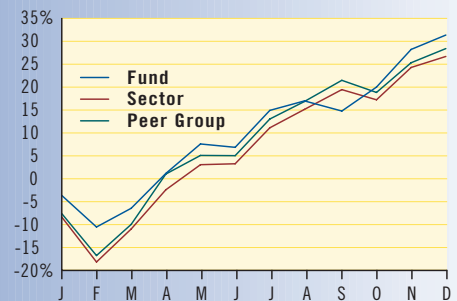
Performance Over the Past Year



The Fund outperformed both its sector and peer group.

The sector is represented by the S&P 500 Index® ("Standard & Poor's 500 Composite Stock Index"), an unmanaged index that includes a representative sample of 500 leading companies in leading industries in the U.S. economy.

The peer group is represented by the funds in the Morningstar Large-Cap Blend category.



Modern Portfolio Theory Statistics**

Three-Year Range

Beta	0.84
R ²	83.06
Alpha	2.23
Standard Deviation	18.45
Sharpe Ratio	(0.15)

* Keep in mind that indices have no management fees or brokerage costs.

† 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. Past performance is not indicative of future results. Total return figures include the reinvestment of dividends. Investment return and principal value will fluctuate with market conditions and an investor's shares when redeemed may be worth more or less than their original cost.

** Source: Morningstar Direct

Financial Services Fund

Ticker Symbols

Class A	BURKX
Class B	BURMX
Class C	BURNX

Portfolio Manager

Anton V. Schutz
Mendon Capital Advisors Corp.
Since inception

Minimum Investment

Regular accounts	\$2,500
IRAs	\$100

Asset Values

Net assets, in millions	\$53.14
Net asset value per share	
Class A	\$16.95
Class B	\$16.08
Class C	\$16.66

Maximum Offering Price

Class A	\$17.84
---------	---------

Maximum Sales Charge or CDSC**

Class A	5.00%
Class C	1.00%

** Class B shares are no longer offered, the maximum Sales Charge or CDSC is currently 1.00%.

Expense Ratios*

	Gross	Net (after reimbursement)
Class A	1.85%	1.75%
Class B	2.60%	2.49%
Class C	2.59%	2.50%

Inception

Class A and B	June 7, 1999
Class C	April 29, 2005

* See Note 5 to the Financial Statements.



“As the economy slowly improves, we have chosen to maintain some of our legacy positions as we anticipate they will recover in tandem. Harleysville National Corp., a long term holding in the Fund and a significant underperformer in 2009, was acquired by First Niagara Financial Group in July 2009 and we subsequently exited the position.”

Anton Schutz
Portfolio Manager

The Burnham Financial Services Fund finished 2009 +18.90% and the second half of the year +12.79%. This past year was marked by extreme volatility in the banking sector. The recession, the credit crisis and the sustainability of the financial system was in the forefront as we worked through one of the worst economic periods in our history. The Fund remained consistent in focusing on and investing in those companies with strong management teams that were able to navigate the crisis, companies with strong capital levels (including those that initiated capital raises), and those companies that would benefit from the dislocation in the system and position their balance sheets to opportunistically participate in the many deals that would result from the increase in bank failures. Additionally, as we watched the economic downturn unfold, we took advantage of shorter term trading opportunities within the various subsectors. It was a year to remember and one that will surely rewrite the text of some investment theories and prognostications.

Banks have rebounded dramatically from testing historic lows on March 9th. As the year began with uncertainty and fear as to the future of the financial system, policymakers took unprecedented steps to act quickly and employ various programs to backstop the financial crisis, instill confidence and get credit flowing back into the system. Some of the more noteworthy of those programs were: 1) Capital Assistance Program (CAP), which subjected the top 19 financial institutions to stress testing their capital levels in varying degrees of a continued economic downturn; 2) Public Private Investment Program (PPIP) which was created as a means to deal with problem legacy loans and securities through the funding of entities to purchase non agency residential MBS and commercial MBS; 3) Federal Reserve purchase of federal agency debt and mortgage backed securities with the intent of driving down borrowing costs and moving mortgage rates lower; 4) Term Asset Loan Facility (TALF) which helped to ease terms on instruments backed by consumer and auto loans. Taken together among other various programs, the Fed and the Treasury provided a powerful solution to support the financial system and unfreeze the credit markets so the economy could begin functioning again.

The Fund actively participated in capital raising activity throughout the year as financial companies sought to raise capital as an offensive measure to buy troubled institutions at a discount and benefit from loss sharing arrangements. We also saw capital raising activity as both a means to pay back TARP funds and to position companies for survivability. We took advantage of this activity across all levels. We invested in select names in the more distressed areas where we felt as though the deals were imminent. Centerstate Banks Inc. and 1st United Bancorp, Inc. in Florida are two examples

of investments in this thesis that both performed well and contributed positively to the return of the Fund. 1st United Bancorp, Inc. participated in a deal in December to acquire the assets of Republic Federal Bank. As the deal activity accelerates they will continue to be active. SunTrust Banks, Inc. announced an accelerated plan to pay back TARP in the second quarter. We again were able to invest at very attractive levels and the Fund benefitted nicely from the activity.

Other names that performed well in the year were Janus Capital and Ameriprise Financial, Inc. Improvement in the equity markets was a positive catalyst for the asset managers. Additionally, with the market volatility, we see opportunity in the near term for an increase in rollups and consolidations within this group.

As the economy slowly improves, we have chosen to maintain some of our legacy positions as we anticipate they will recover in tandem. Harleysville National Corp., a long term holding in the Fund and a significant underperformer in 2009, was acquired by First Niagara Financial Group in July 2009 and we subsequently exited the position. CRM Holdings, Ltd. another long term holding is taking aggressive steps to improve operating results and return to profitability on the heels of a difficult year.

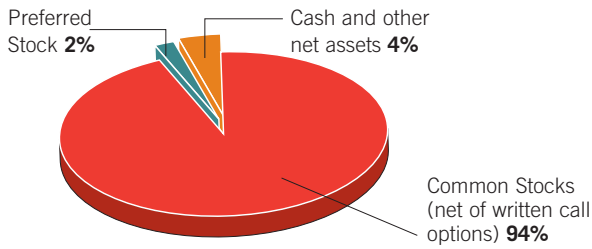
Looking Forward

“When will banks return to normalized earnings?” Many financial institutions will use fourth quarter 2009 earnings to accelerate charge-offs and further build loan loss reserves so that they enter 2010 with strengthened balance sheets and improved prospects for profitable growth. Obviously trends in the economy will continue to be an important influence. Although loan growth has remained weak, there is some indication that this may firm over the course of the year. Margins are improving, deposit growth is strong, delinquencies in the consumer sector appear to be easing and the yield curve remains steep. Consolidation, both FDIC and stand alone, will begin to accelerate. We are optimistic about the opportunities for the sector. Our focus continues to be well run companies that will benefit from this consolidation. Additionally we remain invested in those companies that will utilize the dislocation in the market to continue to buy distressed real estate loans and mortgage backed securities and pay out significant yields. The financial industry will begin 2010 in much stronger condition than it began in 2009. Hundreds of billions of dollars of capital have been raised and hundreds of billions of reserve building have fortified the industry. We are excited by the opportunity to profit from capital raises, deals and multiple expansion. Regulatory reform remains a wild card but is likely to be less onerous than previously expected.

All data as of December 31, 2009. Performance information assumes all distributions were reinvested. Class A performance information does not include the maximum 5% sales charge. Class B and C shares have different costs and performance will differ. Past performance isn't a prediction of future performance. Read the prospectus carefully before investing.

PORTFOLIO INVESTMENTS

Asset Allocation (as a % of net assets)



The fund seeks capital appreciation.

Top 10 Industries - Common Stock (Net of written call options)

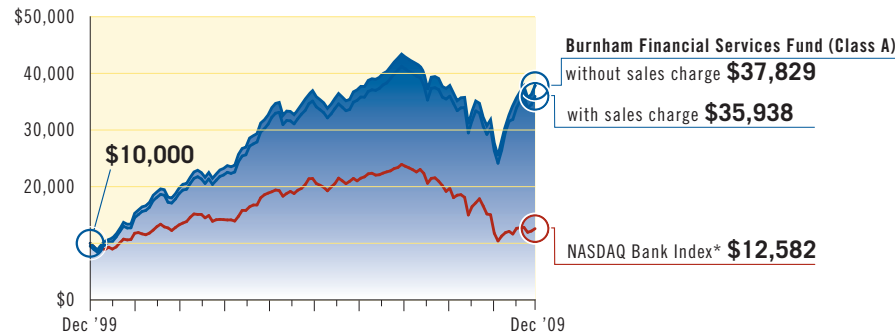
	% net assets
Banks – Regional	33.60%
Thrifts & Mortgage Finance	28.67%
Real Estate Investment Trusts	14.30%
Other Diversified Financial Services	6.85%
Investment Banking & Brokerage	5.45%
Asset Management & Custody Banks	2.21%
Property & Casualty Insurance	1.76%
Unregistered Investment Company	0.57%
Diversified Banks	0.38%
	<u>93.79%</u>

Top 10 Common Stock Holdings (Net of written call options)

	% net assets
TFS Financial Corp.	6.37%
Cowen Group, Inc., Class A	5.09%
1st United Bancorp, Inc.	4.70%
Pennymac Mortgage Investment Trust	4.38%
Northwest Bancshares, Inc.	4.26%
People's United Financial, Inc.	4.09%
Western Liberty Bancorp	4.01%
United Community Banks, Inc.	3.99%
Centerstate Banks Inc.	3.92%
Chimera Investment Corp.	3.65%
	<u>44.46%</u>

TOTAL RETURN †

Growth of \$10,000 Over Ten Years



Average Annual Returns

	with no sales charge or CDSC	with max. sales charge or CDSC
Class A		
One year	18.90%	12.96%
Three years	(4.47)%	(6.09)%
Five years	0.47%	(0.55)%
Ten years	14.22%	13.63%
Class B		
One year	17.99%	12.99%
Three years	(5.19)%	(6.02)%
Five years	(0.27)%	(0.58)%
Ten years	13.37%	13.37%
Class C		
One year	18.12%	17.12%
Three years	(5.16)%	(5.16)%
Since inception	1.71%	1.71%

Cumulative Total Returns

	with no sales charge or CDSC	with max. sales charge or CDSC
Class A		
One year	18.90%	12.96%
Three years	(12.82)%	(17.18)%
Five years	2.39%	(2.73)%
Ten years	278.30%	259.38%
Class B		
One year	17.99%	12.99%
Three years	(14.79)%	(17.02)%
Five years	(1.36)%	(2.84)%
Ten years	250.95%	250.95%
Class C		
One year	18.12%	17.12%
Three years	(14.70)%	(14.70)%
Since inception	8.24%	8.24%

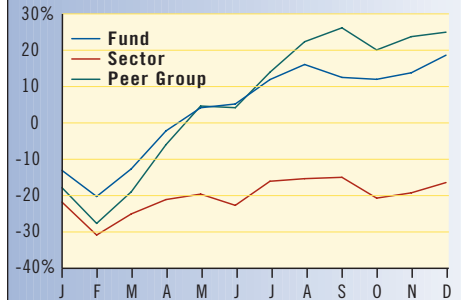
Performance Over the Past Year



The Fund outperformed its sector and underperformed to its peer group.

The sector is represented by the NASDAQ Bank Index, an unmanaged index of NASDAQ listed companies classified as banks. They include banks providing a broad range of financial services.

The peer group is represented by the funds in the Morningstar Specialty – Financial Investment category.



Modern Portfolio Theory Statistics**

Three-Year Range

Beta	0.75
R ²	58.12
Alpha	(0.38)
Standard Deviation	19.51
Sharpe Ratio	(0.25)

* Keep in mind that indices have no management fees or brokerage costs.

† 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. Past performance is not indicative of future results. Total return figures include the reinvestment of dividends. Investment return and principal value will fluctuate with market conditions and an investor's shares when redeemed may be worth more or less than their original cost.

** Source: Morningstar Direct

Financial Industries Fund

Ticker Symbols

Class A	BURFX
Class C	BURCX
Class I	BMFIX

Portfolio Manager

Anton V. Schutz
Mendon Capital Advisors Corp.
Since inception

Minimum Investment

Regular accounts	\$2,500
IRAs	\$100

Asset Values

Net assets, in millions	\$134.75
Net asset value per share	
Class A	\$11.77
Class C	\$11.58
Class I	\$10.34

Maximum Offering Price

Class A	\$12.39
---------	---------

Maximum Sales Charge or CDSC

Class A	5.00%
Class C	1.00%

Expense Ratios*

Class A Class C Class I

Expenses			
before waiver			
including			
dividend			
and interest			
expense	2.72%	3.43%	1.78%**

Expenses net			
of waiver			
including			
dividend			
and interest			
expense	2.67%	3.38%	1.78%**

* See Note 5 to the Financial Statements.
** Annualized

Inception

Class A and C	April 30, 2004
Class I	December 16, 2009

All data as of December 31, 2009. Performance information assumes all distributions were reinvested. Class A performance information does not include the maximum 5% sales charge. Class C shares have different costs and performance will differ. Past performance isn't a prediction of future performance. Read the prospectus carefully before investing.



"The past year was marked by extreme volatility in the banking sector. The recession, the credit crisis and the sustainability of the financial system was in the forefront as we worked through one of the worst economic periods in our history."

Anton Schutz
Portfolio Manager

The Burnham Financial Industries Fund finished 2009 +31% and the second half of the year +16.04%. Although facing substantial headwinds as the year began, investors took heart in the "less bad" theme improving valuations dramatically from the lows reached in March of this year. The past year was marked by extreme volatility in the banking sector. The recession, the credit crisis and the sustainability of the financial system was in the forefront as we worked through one of the worst economic periods in our history. As expected and as indicated at the end of 2008, the stimulus packages and various programs put forth by the Treasury and the Federal Reserve, were instrumental in providing the necessary impetus to instill confidence once again in the financials. We were well positioned to benefit from the outcome of these actions, having taken profit in many of our short investments in the first quarter and becoming strategically longer as overall conditions improved. Throughout the year we continued to maintain a moderate level of short investments as we expected a slow recovery that would be marked by many "fits and starts."

Banks have rebounded dramatically from testing historic lows on March 9th. This past year began with uncertainty and fear as to the future of the financial system. Both the Federal Reserve and the Treasury, through unprecedented moves, acted quickly to employ various programs to backstop the financial crisis, instill confidence and get credit flowing back into the system. Some of the more noteworthy of those programs were: 1) Capital Assistance Program (CAP), which subjected the top 19 financial institutions to stress testing their capital levels in varying degrees of a continued economic downturn; 2) Public Private Investment Program (PPIP) which was created as a means to deal with problem legacy loans and securities through the funding of entities to purchase non agency residential MBS and commercial MBS; 3) Federal Reserve purchase of federal agency debt and mortgage backed securities with the intent of driving down borrowing costs and moving mortgage rates lower; 4) Term Asset Loan Facility (TALF) which helped to ease terms on instruments backed by consumer and auto loans. Taken together among other various programs, the Fed and the Treasury provided a powerful solution to support the financial system and unfreeze the credit markets so the economy could begin functioning again.

Looking at the top performers for the year, these names represent the diversity of both business and size and point to our ability to identify profitable opportunities in the various subsectors of financial services. Chimera, a mortgage REIT, took advantage of the ability to generate return on spreads through purchase of distressed assets, as did a few of our investments in business development companies. Equally as important, our investments in the large capitalization bank names provided positive return to the Fund. JPMorgan Chase & Co. having strong management,

solid core fee income businesses and very healthy investment banking revenues performed well in 2009. Bank of America Corp., having benefit of both the Merrill Lynch & Co., Inc. and Countrywide transactions, contributed to the positive return. We believe both JPMorgan Chase & Co. and Bank of America Corp. through their diversity of business, will be very attractive investment opportunities as bank earnings return to more normalized levels. Additionally, Morgan Stanley, in the investment banking category, having proven the sustainability of their business, performed very well through the second half of the year. Lastly, we have and will continue to focus on those opportunities available through FDIC assisted transactions. We see this activity as a large contribution to profitability in the banking sector in 2010.

As we primarily maintain short investments for profitability, the Fund had short exposure to those names viewed as overvalued, thought to have further distress going forward and those names most exposed to the consumer and the effects of unemployment. We took profit on shorts early in the year, but did maintain a moderate amount of short exposure as financials rallied off lows in March and we continued to feel in selective names the move was overdone. American Express Co., very much dependent on the consumer and economic recovery, rallied with the positive momentum of the market and did contribute negatively to the Fund return. Additionally, names such as SVB Financial Group with exposure to venture capital portfolios, lifted with the recovery in capital markets.

Looking Forward

"When will banks return to normalized earnings?" Many financial institutions will use fourth quarter 2009 earnings to accelerate charge-offs and further build loan loss reserves so that they enter 2010 with strengthened balance sheets and improved prospects for profitable growth. Obviously trends in the economy will continue to be an important influence. Although loan growth has remained weak, there is some indication that this may firm over the course of the year. Margins are improving, deposit growth is strong, delinquencies in the consumer sector appear to be easing and the yield curve remains steep. Consolidation, both FDIC and stand alone, will begin to accelerate. We are optimistic about the opportunities for the sector. Our focus continues to be well run companies that will benefit from this consolidation. Additionally we remain invested in those companies that will utilize the dislocation in the market to continue to buy distressed real estate loans and mortgage backed securities and pay out significant yields. The financial industry will begin 2010 in much stronger condition than it began in 2009. Hundreds of billions of dollars of capital have been raised and hundreds of billions of reserve building have fortified the industry. We are excited by the opportunity to profit from capital raises, deals and multiple expansion.

PORTFOLIO INVESTMENTS

Asset Allocation (as a % of net assets)

Long Positions	97.53%
Short Positions	(12.39)%
Cash and Other Assets, Less Liabilities	14.86%
	<u>100.00%</u>

The fund seeks capital appreciation.

Top 10 Industries

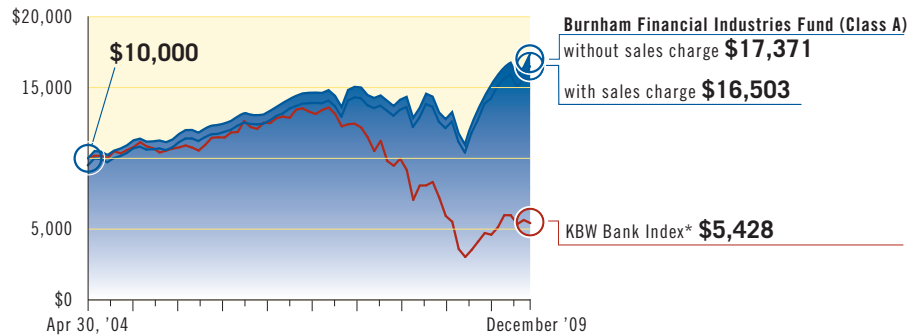
(as a % of Net Assets)	Long %	Short %	Net %
Thrifts & Mortgage Finance	27.38%	-0.04%	27.34%
Banks – Regional	26.08%	-6.55%	19.53%
Real Estate Investment Trusts	19.29%	-0.75%	18.54%
Other Diversified Financial Services	12.06%	-0.02%	12.04%
Investment Banking & Brokerage	5.90%	-0.24%	5.66%
Asset Management & Custody Banks	3.97%	-2.95%	1.02%
Property & Casualty Insurance	1.28%	0.00%	1.28%
Diversified Banks	1.14%	-0.03%	1.11%
Specialized Finance	0.43%	-0.07%	0.36%
Life & Health Insurance	0.00%	-1.74%	-1.74%
	<u>97.53%</u>	<u>-12.39%</u>	<u>85.14%</u>

Top 10 Common Stock Holdings

(Net of written options)	% net assets
New York Community Bancorp, Inc.	7.49%
Western Liberty Bancorp	6.55%
TFS Financial Corp.	6.00%
Invesco Mortgage Capital, Inc.	5.52%
Pennymac Mortgage Investment Trust	5.03%
Cowen Group, Inc., Class A	4.49%
Northwest Bancshares, Inc.	4.16%
United Community Banks, Inc.	3.94%
Centerstate Banks Inc.	3.87%
Chimera Investment Corp.	3.74%
	<u>50.79%</u>

TOTAL RETURN †

Growth of \$10,000 Since Inception



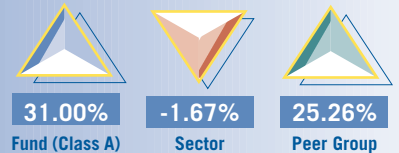
Average Annual Returns

	with no sales charge or CDSC	with max. sales charge or CDSC
Class A		
One year	31.00%	24.45%
Three years	6.43%	4.63%
Five years	8.81%	7.70%
Since inception	10.22%	9.23%
Class C		
One year	30.04%	29.04%
Three years	5.67%	5.67%
Five years	8.09%	8.09%
Since inception	9.46%	9.46%
Class I		
Since inception	3.40%	3.40%

Cumulative Total Returns

	with no sales charge or CDSC	with max. sales charge or CDSC
Class A		
One year	31.00%	24.45%
Three years	20.58%	14.55%
Five years	52.55%	44.93%
Since inception	73.71%	65.03%
Class C		
One year	30.04%	29.04%
Three years	18.01%	18.01%
Five years	47.55%	47.55%
Since inception	66.98%	66.98%
Class I		
Since inception	3.40%	3.40%

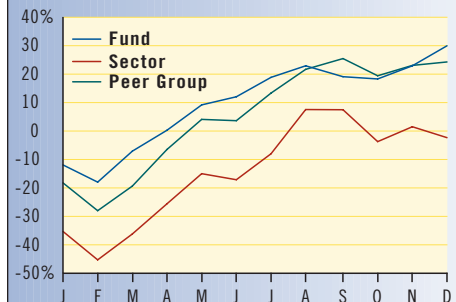
Performance Over the Past Year



The Fund outperformed both its sector and its peer group.

The sector is represented by the KBW Bank Index, a capitalization weighted index composed of 24 diverse stocks representing national money center banks and leading regional institutions.

The peer group is represented by the funds in the Morningstar Specialty — Financial investment category.



Modern Portfolio Theory Statistics**

Three-Year Range

Beta	0.76
R ²	62.60
Alpha	10.42
Standard Deviation	19.14
Sharpe Ratio	0.31

* Keep in mind that indices have no management fees or brokerage costs.

† 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. Past performance is not indicative of future results. Total return figures include the reinvestment of dividends. Investment return and principal value will fluctuate with market conditions and an investor's shares when redeemed may be worth more or less than their original cost.

** Source: Morningstar Direct

Burnham U.S. Government Money Market Fund

Ticker Symbol **BUTXX**

Portfolio Manager

Seth H. Frimere
Reich & Tang Asset Management L.P.
Since inception

Minimum Investment

Regular accounts \$2,500
IRAs \$100

Asset Values

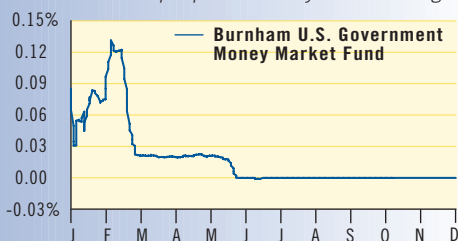
Net assets, in millions \$303.00
Net asset value per share \$1.00

Expense Ratios

Gross 0.73%
Net (after reimbursement) 0.46%

Inception October 13, 1999

All data as of December 31, 2009. Performance information assumes all distributions were reinvested. Past performance isn't a prediction of future performance. Read the prospectus carefully before investing.



In this chart, the yield shown on a given date is the Fund's 7-day yield as of that date. Because these figures are calculated using the SEC's standard formula, they are useful for comparing this fund's yield to those of other funds, but they may be slightly different from the actual yields an investor in the fund would have earned.

YIELD AND TOTAL RETURN*

Yield and Maturity — Burnham U.S. Government Money Market Fund

Daily Yield	0.00%
7-day effective yield	0.00%
30-day effective yield	0.00%
Weighted average days to maturity	49

Average Annual Return — Burnham U.S. Government Money Market Fund

One Year	0.02%
Three Years	1.82%
Five Years	2.42%
Ten Years	2.28%

Cumulative Total Return — Burnham U.S. Government Money Market Fund

One Year	0.02%
Three Years	5.56%
Five Years	12.69%
Ten Years	25.29%

* The table does not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares. Past performance is not indicative of future results.

BURNHAM

U.S. Government Money Market Fund

"...we tend to be in more of an economic holding pattern that is extremely sensitive to both positive and negative variables. Time will be the final judge of success in regards to the various efforts made to correct one of the worst economic periods in our nation's history."

Seth Frimere

Portfolio Manager

The two most dominant concerns that we continued to address through 2009 are: 1) when will our economic "ship" right itself, and 2) when will short term rates begin to improve.

There is a growing belief that we may be finally at or near the bottom of the current economic growth cycle and that it is only a matter of time until we begin the growth segment of a new cycle. One would like to believe that the various worldwide government economic stimulus actions and direct monetary injections would eventually bear some form of fruit in the form of a revitalized economic expansion. A sampling of positive economic figures we have recently observed, which may be a result of these efforts, include a slight improvement in employment data, a consistent lack of inflationary pressures in pricing on the producer and consumer side, growth in durable goods orders, and an increase in corporate capital orders/investments.

The Federal Open Market Committee (FOMC) commented at their most recent meeting that "economic activity has continued to pick up and that the deterioration in the labor market is abating." However, the FOMC also commented that consumer spending "remains constrained by a weak labor market, modest income growth, lower housing wealth, and tight credit" and future FOMC actions will "warrant exceptionally low levels of the federal funds rate for an extended period." In fact, the FOMC has begun discussions and limited testing of a few indirect methods of combating inflationary pressures other than directly adjusting the federal funds rate. These methods include:

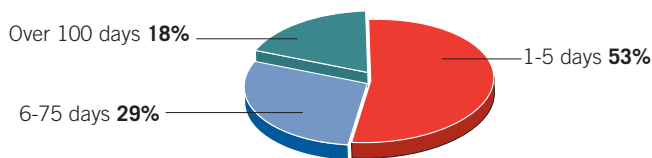
reverse repurchase agreements with members of the Primary Dealer network, term-time deposits with banks, and direct bond sales from the FOMC's balance sheet.

Ultimately, we tend to be in more of an economic holding pattern that is extremely sensitive to both positive and negative variables. Time will be the final judge of success in regards to the various efforts made to correct one of the worst economic periods in our nation's history. The intensity and duration of our economy's current recessionary period can still be directly related to the "blockage" of credit and liquidity between various financial entities and the reluctance of these institutions to lend to other businesses and individuals. This issue continues to be directly related to the fact that banks and financial intermediaries do not trust each other's viability and, therefore, are not interested in assuming any additional risks during such an uncertain time period. The FOMC, the Treasury Department, and the Obama Administration continue to face an unprecedented period in our nation's history that will require a great deal of foresight, resilience, strength, and courage to address and implement the steps needed to direct our economy down the path of recovery.

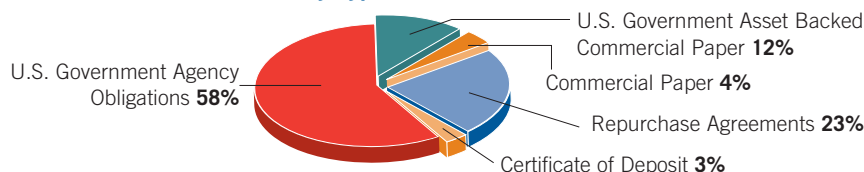
Each day has the potential for a news-worthy event that may warrant some action and we will continue to adapt our strategy for each one as it emerges. Safety and preservation of capital has always been our primary goal, therefore, we will continue to be cautious with any of our purchases to maintain liquidity and preserve capital in the fund.

PORTFOLIO INVESTMENTS

Burnham U.S. Government Money Market Fund Asset Allocation by Maturity (as a % of net assets)



Burnham U.S. Government Money Market Fund Asset Allocation by Type (as a % of market value)



THE FINANCIAL PAGES

About the Information in this Section

On these pages, you'll find some general background about Burnham Investors Trust as well as details about each fund.

The tables showing financial results are intended to give a picture of each fund's operations over the reporting period as well as a "snapshot" of its assets and liabilities as of the report date.

The text and notes in this section provide context and further detail. These are an integral part of the financial statements: a reader would not be able to gain an accurate understanding of the financial information without reading the text and notes.

ABOUT THE FUNDS

Business Structure

The funds are part of Burnham Investors Trust (the "trust"), a Delaware statutory trust. The trust is registered with the U.S. Securities and Exchange Commission as an open-end investment company, commonly known as a mutual fund. Each fund is a diversified series of the trust, with the exception of Burnham Financial Industries Fund, which is non-diversified.

Burnham Financial Services Fund and Burnham U.S. Government Money Market Fund began operations after the creation of the trust on August 20, 1998. The Burnham Financial Industries Fund commenced operations on April 30, 2004. Burnham Fund commenced operations in 1975.

Administration

The following entities handle the funds' main activities:

Advisor/Administrator

Burnham Asset Management Corporation
1325 Avenue of the Americas
New York, NY 10019

Manages each fund's assets, either directly or by choosing a subadviser, provides offices and personnel, and supervises non-investment-related operations.

Distributor

Burnham Securities Incorporated
1325 Avenue of the Americas
New York, NY 10019

Under the funds' (non-money market fund) 12b-1 plans, the distributor must use its best efforts to sell shares of each fund and share class.

Transfer Agent

PNC Global Investment Servicing
760 Moore Road
King of Prussia, PA 19406

Handles shareholder transactions in fund shares.

Custodian

Brown Brothers Harriman & Co.
40 Water Street
Boston, MA 02109

Holds and settles the funds' portfolio securities.

Legal Counsel

Wilmer Cutler Pickering Hale and Dorr LLP
60 State Street
Boston, MA 02109

Oversees legal affairs for the trust.

Share Classes

The funds offer share classes, as follows:

- **One share class**, *without redemption fee*

Burnham U.S. Government Money Market Fund

- **Two share classes**, *Class A having a maximum front-end sales charge of 5.00% and Class C having a maximum back end sales charge of 1.00%.*

Burnham Fund*

Burnham Financial Services Fund*

- **Three share classes**, *Class A having a maximum front-end sales charge of 5.00%, Class C having a maximum back end sales charge of 1.00% and Class I without a sales charge.*

Burnham Financial Industries Fund

The CDSC on Class B shares declines to zero after six years of owning the shares, and doesn't apply to shares acquired through reinvestment.

The CDSC on Class C shares declines to zero after the first year and doesn't apply to shares acquired through reinvestment.

Each fund keeps track of its share sales by share class. The trust may issue any number of shares of each fund and class.

*Burnham Fund and Burnham Financial Services Fund formerly offered Class B shares. Class B having a maximum contingent deferred sales charge (CDSC) of 5.00%. Since June 30, 2004, Class B shares are no longer offered to new investors. After 8 years, the existing Class B shares will automatically convert to Class A shares.

Distributions to Shareholders

Each fund distributes its net investment income and net realized capital gains to shareholders every year. The funds intend to qualify as regulated investment companies under the provisions of the Internal Revenue Code of 1986, as amended, allowing them to pay no federal income taxes.

Burnham U.S. Government Money Market Fund expects to declare income distributions daily and pay them monthly; Burnham Fund, Burnham Financial Services Fund and Burnham Financial Industries Fund expect to declare and pay income distributions once a year. Except for the Burnham U.S. Government Money Market Fund, which is not designed to generate capital gains, each fund expects to declare and pay distributions from net realized capital gains once a year.

ABOUT THE FINANCIAL STATEMENTS

The financial statements for the funds appear on the following pages. These statements cover the funds' activities over the report period and show where each fund stood as of the last day of the period (in this case, December 31, 2009). The financials appear on a fund-by-fund basis, with the funds in the same order as in the performance discussions earlier in this report.

Portfolio Holdings

Each fund provides a complete listing of the investments in its portfolio, as those investments were on the report date. Holdings are grouped by type. For those funds that invest in stocks, we show each portfolio company according to the industry in which it is grouped. The groupings that we use are based on those used by Standard & Poor's, with minor modifications. The percentage numbers that appear by the category headings show the percentage of a fund's net assets represented by that category of security.

Because securities change in value and the funds buy and sell investments, each fund's holdings are likely to have been different earlier in the report period, and they are also likely to have changed since the report date. However, they do give an accurate picture of the fund at a particular moment in time.

Statement of Assets and Liabilities

Each fund's Statement of Assets and Liabilities is its balance sheet, showing where the fund stood as of the report date. We present each fund's total assets and its total liabilities; the difference between the two is the fund's net assets.

Statement of Operations

The Statement of Operations shows what a fund earned over the course of the time period covered by the report, as well as what it spent. Each fund's Statement of Operations also totals the fund's gains and losses on investments, counting those gains and losses that the fund may have realized and those that remain unrealized (that is, losses or gains that were only "on paper" as of the end of the report period).

Statement of Changes in Net Assets

Three major factors determine the size of a mutual fund's assets: the performance of its investments, how much money investors put in or take out, and amounts paid out in dividends. Each fund's Statement of Changes in Net Assets reflects all of these factors (along with other factors that affect asset size), showing the overall change in a fund's size from the beginning of the report period to the end.

Financial Highlights

These show, in summary form, each fund's performance for the past five years (or less, in the case of new funds). In semi-annual reports, there are also figures for the six-month report period. The information in the first part of each Financial Highlights table reflects financial results for a single fund share. For each fund, the total returns in the table represent the rate that an investor would have earned (or lost) on an investment in the fund, assuming reinvestment of all dividends and distributions and excluding all sales charges.

Risks not Reflected in Balance Sheets

Except for the U.S. Government Money Market Fund, the funds have the ability to use various techniques and securities that may affect a fund's investment results and risk profile in ways that are not reflected on its balance sheet. These include written options, purchased options and short sales. To accurately assess the potential impact of these investments on the fund, it's necessary to consider not just the financial instruments themselves but all related and offsetting positions the fund may hold.

ACCOUNTING POLICIES

The following are brief descriptions of the accounting policies the funds have used in preparing the financial statements in this report. These policies are consistent with generally accepted accounting principles for U.S. mutual funds.

Valuing Securities

The funds use these methods to value portfolio securities:

Stocks and other equities are valued at the last quoted sales price as of the close of trading on the New York Stock Exchange (generally 4:00 p.m. Eastern time) or the NASDAQ Official Closing Price ("NOCP") on the valuation date. If there are no trades or no closing price that day, securities are valued at the last available or official bid price.

Bonds and other debt securities (except for short-term securities) are valued according to prices obtained from independent pricing services or from a principal market maker. These services rely either on the latest bid and asked prices or on a matrix system that assigns values based on a number of factors, such as security prices, yields, maturities, and ratings.

Money market instruments and other temporary cash investments are valued differently depending on the fund. The Burnham U.S. Government Money Market Fund values them at amortized cost, which approximates fair value, by amortizing any discount or premium in a straight line from the present to the maturity date (the method most commonly used to value these types of securities). The remaining funds use this method for temporary cash investments whose maturity is less than 60 days. For temporary cash investments whose maturity is longer than 60 days, the remaining funds value them the same way bonds are valued.

Repurchase agreements, which each fund can use as long as the counterparties meet the Trustees' credit standards, are recorded at cost. Any repurchase agreements must be fully collateralized by U.S. government securities, which are held by a custodian bank until the agreements mature. These securities are monitored daily to ensure that their value (including interest) is at least 102% of the amount owed to a fund under the related repurchase agreement. In the event of counterparty default, a fund has the right to use the collateral to offset losses incurred. There is potential loss in the event a fund is delayed or prevented from exercising its right to dispose of the collateral securities, including the risk of a possible decline in the value of the underlying securities during the period while the fund seeks to assert its rights.

Option Contracts may be written or purchased by the non-money market funds to manage exposure to certain changes in the market. When a Fund writes a call or put option, it records the amount received as an asset and an equivalent amount as a liability. The fund subsequently marks-to-market the liability to reflect the current value of the option written. The writing or purchase of put or call options may result in losses to the fund, force the purchase or sale, respectively, of portfolio securities at inopportune times or for prices higher than or lower than in current market values, limit the amount of appreciation the fund can realize on its investments or cause the fund to hold a security it might otherwise sell or sell a security it might otherwise hold. When an option expires or is offset, the fund records a gain or loss (separate from any unrealized gain or loss on the underlying security). When a counterparty exercises a call option that the fund wrote, the fund adds the proceeds from the delivery of the underlying security to the amount originally received and records the resulting gain or loss.

Exchange traded options are valued at the last sale price, or if no sales are reported, options are valued at the last bid price for purchased options and for written options.

Short Sales

Short sales may be used by non-money market funds to manage risk to certain changes in the market. When a fund enters into a short sale, the fund records a liability for securities sold short and records an asset equal to the proceeds received. The amount of the liability is subsequently marked-to-market to reflect the market value of the securities sold short. The fund may also incur a dividend expense if a security that has been sold short declares a dividend. Until the fund replaces a borrowed security, it will maintain in a segregated account at all times; cash, U.S. government securities, or other liquid securities in an amount which, when added to any amount deposited with a broker or custodian as collateral will at least equal the current market value of the security sold short. All short sales must be collateralized as required by law or agreement with the funds prime broker. The fund is exposed to market risk based on the amount, if any, that the market value of the securities sold short exceeds the proceeds received.

Short sales involve elements of market risk and exposure to loss in excess of the amounts reflected in the Statement of Assets and Liabilities. This risk is potentially unlimited, as a fund that sells a security short without hedging will be exposed to any market value increase. During the period, only Burnham Financial Industries Fund engaged in short sales.

Fair Value Pricing

Each fund (other than the Burnham U.S. Government Money Market Fund) values the securities in its portfolio on the basis of market quotations and valuations provided by independent pricing services. A fund that uses fair value to price securities may value those securities higher or lower than a fund that uses market quotations. By its nature a fair value price is an estimate and differences between fair value and what a security is sold for could be material. Securities for which market quotations are not readily available, or that have quotations which Management believes are not reliable, are valued at fair value as determined in good faith under consistently applied procedures established by and under the general supervision of the Board of Trustees. For additional information see Note 15 to the Notes to Financial Statements.

Accounting for Portfolio Transactions

The funds account for purchases and sales of portfolio securities as of each security's trade date. The funds determine realized gains and losses based on identified cost (the same basis used for federal income tax purposes). When the funds earn dividends, they record the income on the ex-dividend date, minus any foreign taxes. The funds record interest income as it accrues. Amortization of all premiums and discounts relating to fixed income securities are calculated using the effective yield method.

Distributions and Taxes

The funds record distributions on the ex-dividend date. On occasion, a fund may make reclassifications among some of its capital accounts. This could have the effect of changing the nature of certain distributions that have already been made, which could have tax implications for shareholders. The fund would only make reclassifications consistent with federal tax regulations.

Affiliated Parties

Certain trustees and officers of the trust may also be trustees, officers and/or employees of the adviser, administrator, or distributor. The trust paid only trustees not currently affiliated with the trust. None of the trust's officers received any compensation from the trust.

Expenses

Expenses directly charged or attributable to any fund will be paid from the assets of that fund. Generally, expenses of the trust will be allocated among and charged to the assets of each fund on a basis that the Trustees deem fair and equitable, which may be based on the relative assets of each fund or the nature of the services performed and relative applicability to each fund.

Use of Management Estimates

Management has had to make certain estimates and assumptions in computing net asset value and preparing the financial statements, so the actual cash amounts received or paid for a fund's assets, liabilities, income, and other items may ultimately differ from what is shown here.

Securities Lending

The funds may lend securities to brokers, dealers, and other financial organizations to earn additional income. Each security loan is collateralized with segregated assets held with the custodian in an amount equal to or greater than the current market value of the loaned securities.

When a fund lends securities, there is a risk that the borrower may fail to return the securities. As a result, the fund may incur a loss or, in the event of a borrower's bankruptcy, may be delayed in, or prevented from, liquidating the collateral. The fund will bear the risk of loss with respect to the investment of cash collateral.

Burnham Fund

Portfolio Holdings *As of December 31, 2009*

	Number of Shares	Value		Number of Shares	Value
Common Stocks 87.38%					
<i>(percentage of net assets)</i>					
CONSUMER DISCRETIONARY 11.16%					
Auto Manufacturers 3.33%					
• Ford Motor Co. ^a	150,000	\$ 1,500,000			
Toyota Motor Corp. – Sponsored ADR ^a	10,000	841,600			
		2,341,600			
Casino & Gaming 0.53%					
• Las Vegas Sands Corp. ^a	25,000	373,500			
Hotels, Resorts & Cruise Lines 1.16%					
Marriott International, Inc., Class A ^a	30,102	820,288			
Internet Retail 1.34%					
• Amazon.com, Inc.	7,000	941,640			
Restaurants 4.80%					
• Chipotle Mexican Grill, Inc., Class A ^a	10,000	881,600			
McDonald's Corp.	40,000	2,497,600			
		3,379,200			
<i>Total Consumer Discretionary (cost: \$5,538,670)</i>		7,856,228			
CONSUMER STAPLES 4.66%					
Packaged Food & Meats 1.21%					
• The Hain Celestial Group, Inc. ^a	50,000	850,500			
Soft Drinks 3.45%					
PepsiCo, Inc.	40,000	2,432,000			
<i>Total Consumer Staples (cost: \$2,505,580)</i>		3,282,500			
ENERGY 19.16%					
Energy – Alternative Sources 1.18%					
• Suntech Power Holdings Co., Ltd. – ADR ^a	50,000	831,500			
Integrated Oil & Gas 4.25%					
BP p.l.c. – ADR	25,000	1,449,250			
Chevron Corp.	20,000	1,539,800			
		2,989,050			
Oil & Gas – Exploration & Production 3.13%					
Devon Energy Corp.	30,000	2,205,000			
Oil & Gas – Storage & Transportation 10.60%					
• Kinder Morgan Management, LLC	44,817	2,448,803			
MarkWest Energy Partners, LP	30,000	878,100			
TC Pipelines, LP	30,000	1,105,200			
The Williams Companies, Inc.	100,000	2,108,000			
Williams Partners LP ^a	30,000	920,100			
		7,460,203			
<i>Total Energy (cost: \$8,741,094)</i>		13,485,753			
			FINANCIAL SERVICES 10.15%		
			Asset Management & Custody Banks 0.99%		
			The Bank of New York Mellon Corp.	25,000	\$ 699,250
			Consumer Finance 4.32%		
			American Express Co.	75,000	3,039,000
			Life & Health Insurance 2.01%		
			MetLife, Inc.	40,000	1,414,000
			Other Diversified Financial Services 2.83%		
			Bank of America Corp.	110,000	1,656,600
			Citigroup Inc.	100,000	331,000
					1,987,600
			<i>Total Financial Services (cost: \$3,557,413)</i>		7,139,850
			HEALTH CARE 3.10%		
			Biotechnology 1.38%		
			• Regeneron Pharmaceuticals, Inc. ^a	40,000	967,200
			Health Care Equipment 1.72%		
			• Intuitive Surgical, Inc. ^a	4,000	1,213,280
			<i>Total Health Care (cost: \$1,816,534)</i>		2,180,480
			INDUSTRIALS 8.78%		
			Aerospace & Defense 1.97%		
			United Technologies Corporation ^b	20,000	1,388,200
			Construction & Engineering 1.28%		
			Fluor Corp.	20,000	900,800
			Construction, Farm Machinery & Trucks 2.43%		
			Caterpillar Inc.	30,000	1,709,700
			Industrial Conglomerates 1.61%		
			General Electric Co.	75,000	1,134,750
			Railroads 1.49%		
			Norfolk Southern Corp.	20,000	1,048,400
			<i>Total Industrials (cost: \$4,854,852)</i>		6,181,850
			INFORMATION TECHNOLOGY 18.25%		
			Computer Hardware 11.78%		
			• Apple Inc.	30,000	6,325,800
			International Business Machines Corp.	15,000	1,963,500
					8,289,300
			Internet Software & Services 2.64%		
			• Google Inc., Class A	3,000	1,859,940
			Systems Software 3.83%		
			Microsoft Corp.	40,000	1,219,600
			Oracle Corp.	60,000	1,472,400
					2,692,000
			<i>Total Information Technology (cost: \$5,760,320)</i>		12,841,240

Burnham Fund

Portfolio Holdings (Continued) As of December 31, 2009

	Number of Shares	Value
MATERIALS 6.29%		
Aluminum 1.15%		
Alcoa Inc.	50,000	\$ 806,000
Diversified Metals & Mining 2.28%		
Freeport-McMoran Copper & Gold Inc.	20,000	1,605,800
Fertilizers & Agricultural Chemicals 2.86%		
Monsanto Co.	10,000	817,500
The Mosaic Co.	20,000	1,194,600
		2,012,100
<i>Total Materials (cost: \$3,845,309)</i>		4,423,900
TELECOMMUNICATIONS SERVICES 4.15%		
Integrated Telecommunications Services 4.15%		
AT&T Inc.	30,000	840,900
CenturyTel, Inc.	30,000	1,086,300
Verizon Communications Inc.	30,000	993,900
		2,921,100
<i>Total Telecommunications Services (cost: \$2,840,493)</i>		2,921,100
UTILITIES 1.68%		
Individual Power Producers & Energy Traders 1.68%		
• NRG Energy, Inc. ^a	50,000	1,180,500
<i>Total Utilities (cost: \$993,696)</i>		1,180,500
<i>Total Common Stocks (cost: \$40,453,961)</i>		61,493,401
Exchange Traded Fund 6.10%		
• SPDR Gold Trust	40,000	4,292,400
<i>Total Exchange Traded Fund (cost: \$3,293,816)</i>		4,292,400
Registered Investment Company 1.20%		
The China Fund, Inc.	30,000	846,600
<i>Total Registered Investment Company (cost: \$669,675)</i>		846,600
Short-Term Instruments^c 20.14%		
<i>(percentage of net assets)</i>		
Money Market Fund 14.21%		
Invesco Aim Short-Term Investment Trust – Liquid Assets Portfolio ^d	9,999,508	9,999,508
<i>Total Money Market Fund (cost: \$9,999,508)</i>		9,999,508

	Face Value	Value
Time Deposit 5.93%		
Citibank 0.03%, 1/04/10	\$ 4,174,506	\$ 4,174,506
<i>Total Time Deposit (cost: \$4,174,506)</i>		4,174,506
<i>Total Short-Term Instruments (cost: \$14,174,014)</i>		14,174,014
Total Investments 114.82%		
<i>(Cost \$58,591,466)</i>		\$ 80,806,415
Call options written (0.03)%		
<i>(Premiums received \$20,604)</i>		(19,600)
Liabilities, less cash and other assets (14.79)%		
		(10,408,627)
Net Assets 100.00%		\$ 70,378,188

	Number of Contracts	Value
Call Option Written (0.03)%		
United Technologies Corporation Calls @ 75 due May 10	100	\$ (19,600)
<i>Total Call Option Written (Premiums received: \$20,604)</i>		\$ (19,600)

Federal Income Tax Basis of Investment Securities

The tax cost of the fund at December 31, 2009, based on securities owned was \$58,774,784. The unrealized gross appreciation/ (depreciation) for all securities in the fund at December 31, 2009 was \$22,315,535 and \$(283,904), respectively.

- Indicates securities that do not produce income.
- a All or a portion of security out on loan.
- b Securities or partial securities on which call options were written.
- c Inclusive of all short term holdings, including collateral received from security lending activities. Not including such collateral, the percentage of portfolio holdings would be 5.93%.
- d Represents investment of collateral received from securities lending transactions.

ADR - American Depositary Receipt

BURNHAM Financial Services Fund

Portfolio Holdings *As of December 31, 2009*

	Number of Shares	Value		Number of Shares	Value
Common Stocks 93.89%					
<i>(percentage of net assets)</i>					
BANKS 34.02%					
Banks – Regional 33.64%					
• 1st United Bancorp, Inc.	350,000	\$ 2,499,000			
Alliance Financial Corp.	12,500	339,375			
Bancorp Rhode Island, Inc.	47,688	1,224,628			
Bar Harbor Bankshares ^a	17,000	466,650			
Berkshire Hills Bancorp, Inc.	12,500	258,500			
Centerstate Banks Inc.	206,250	2,081,062			
• Citizens Republic Bancorp, Inc.	250,000	172,500			
• Connecticut Bank & Trust Co.	59,750	259,913			
• First Horizon National Corp. ^{a,b}	66,500	891,107			
First Midwest Bancorp, Inc. ^a	50,000	544,500			
FirstMerit Corp.	25,000	503,500			
• Guaranty Bancorp	559,545	738,599			
Home Bancshares, Inc.	10,000	240,700			
MB Financial, Inc.	25,000	493,000			
• Metro Bancorp, Inc.	75,000	942,750			
Midsouth Bancorp, Inc.	15,000	208,500			
• Nara Bancorp, Inc.	25,000	283,500			
Porter Bancorp, Inc.	124,081	1,866,178			
Seacoast Banking Corporation of Florida	266,160	433,841			
Sterling Bancorp	100,000	714,000			
• United Community Banks, Inc. ^a	624,875	2,118,326			
Washington Banking Co.	50,000	597,000			
		<u>17,877,129</u>			
Diversified Banks 0.38%					
SunTrust Banks, Inc. ^b	10,000	202,900			
<i>Total Banks (cost: \$21,786,072)</i>		<u>18,080,029</u>			
DIVERSIFIED FINANCIALS 31.19%					
Asset Management & Custody Banks 2.21%					
Invesco Ltd.	50,000	1,174,500			
Investment Banking & Brokerage 5.45%					
• Cowen Group, Inc., Class A	457,270	2,707,038			
Lazard Ltd., Class A ^b	5,000	189,850			
		<u>2,896,888</u>			
Other Diversified Financial Services 6.87%					
Bank of America Corp. ^b	101,099	1,522,551			
• Western Liberty Bancorp ¹¹	279,748	2,128,882			
		<u>3,651,433</u>			
Property & Casualty Insurance 1.76%					
• CRM Holdings, Ltd.	500,437	165,645			
• Hilltop Holdings Inc.	66,250	771,150			
		<u>936,795</u>			
				Face Value	
Real Estate Investment Trusts 14.33%					
Chimera Investment Corp.	500,000	\$ 1,940,000			
Invesco Mortgage Capital, Inc. ^a	16,392	373,082			
• Pennymac Mortgage Investment Trust	135,500	2,327,890			
Redwood Trust, Inc. ^b	72,500	1,048,350			
Two Harbors Investment Corp.	160,000	1,568,000			
Walter Investment Management Corp. ^b	25,000	358,250			
		<u>7,615,572</u>			
Unregistered Investment Company 0.57%					
Peregrine Holdings Ltd. ^{11,12,c}	275,000	302,946			
<i>Total Diversified Financials (cost: \$18,083,009)</i>		<u>16,578,134</u>			
THRIFTS & MORTGAGE FINANCE 28.68%					
Thriffs & Mortgage Finance 28.68%					
Bank of Atlanta ^{12,c}	228,572	628,573			
Beacon Federal Bancorp, Inc.	59,793	562,054			
• Chicopee Bancorp, Inc.	99,073	1,236,431			
Citizens South Banking Corp., Inc.	239,751	1,100,457			
• Investors Bancorp, Inc. ^a	114,500	1,252,630			
Northwest Bancshares, Inc. ^a	200,000	2,264,000			
Parkvale Financial Corp.	17,024	118,317			
People's United Financial, Inc. ^b	130,000	2,171,000			
Rome Bancorp, Inc.	15,766	125,497			
TFS Financial Corp.	278,975	3,386,757			
United Western Bancorp, Inc.	458,680	1,265,957			
Washington Federal, Inc. ^a	25,000	483,500			
Westfield Financial, Inc.	78,000	643,500			
		<u>15,238,673</u>			
<i>Total Thriffs & Mortgage Finance (cost: \$18,318,884)</i>		<u>15,238,673</u>			
<i>Total Common Stocks (cost: \$58,187,965)</i>		<u>49,896,836</u>			
Preferred Stock 1.72%					
<i>(percentage of net assets)</i>					
DIVERSIFIED FINANCIALS 1.72%					
Other Diversified Financial Services 1.72%					
• Bank of America Corp., 10.00%	61,250	913,850			
<i>Total Diversified Financials (cost: \$918,750)</i>		<u>913,850</u>			
<i>Total Preferred Stock (cost: \$918,750)</i>		<u>913,850</u>			
Short-Term Instruments^d 10.82%					
<i>(percentage of net assets)</i>					
Certificate of Deposit 0.19%					
Eastern Bank 0.50%, 11/26/10		\$ 100,000			100,000
<i>Total Certificate of Deposit (cost: \$100,000)</i>					<u>100,000</u>

Portfolio Holdings (Continued) As of December 31, 2009

	Number of Shares	Value
Money Market Fund 6.65%		
Invesco Aim Short-Term Investment Trust – Liquid Assets Portfolio ^e	3,535,164	\$ 3,535,164
<i>Total Money Market Fund (cost: \$3,535,164)</i>		<u>3,535,164</u>
	<u>Face Value</u>	
Time Deposit 3.98%		
Wells Fargo & Co. 0.03%, 1/04/10	\$ 2,113,295	2,113,295
<i>Total Time Deposit (cost: \$2,113,295)</i>		<u>2,113,295</u>
<i>Total Short-Term Instruments (cost: \$5,748,459)</i>		<u>5,748,459</u>
Total Investments 106.43% <i>(Cost \$64,855,174)</i>		\$ 56,559,145
Call options written (0.10%) <i>(Premiums received \$230,418)</i>		(54,787)
Liabilities, less cash and other assets (6.33%)		(3,364,233)
Net Assets 100.00%		\$ 53,140,125

	Number of Contracts	Value
Redwood Trust, Inc. Calls		
@ 15 due Jan 10	200	\$ (4,000)
@ 17.5 due Jan 10	125	(312)
@ 17.5 due Apr 10	250	(3,750)
@ 20 due Jan 10	150	(375)
		<u>(8,437)</u>
SunTrust Banks, Inc. Calls		
@ 24 due Jan 10	100	(800)
Walter Investment Management Corp. Calls		
@ 15 due Mar 10	125	(7,500)
<i>Total Call Options Written</i> <i>(Premiums received: \$230,418)</i>		<u><u>\$ (54,787)</u></u>

Federal Income Tax Basis of Investment Securities

The tax cost of the fund at December 31, 2009, based on securities owned was \$65,645,159. The unrealized gross appreciation/ (depreciation) for all securities in the fund at December 31, 2009 was \$5,226,764 and \$(14,312,778), respectively.

- Indicates securities that do not produce income.
- a All or a portion of security out on loan.
- b Securities or partial securities on which call options were written.
- c Indicates a fair valued security. Total market value for fair valued securities is \$931,519, representing 1.75% of net assets.
- d Inclusive of all short term holdings, including collateral received from security lending activities. Not including such collateral, the percentage of portfolio holdings would be 4.17%.
- e Represents investment of collateral received from securities lending transactions.

	Number of Contracts	Value
Call Options Written (0.10)%		
Bank of America Corp. Calls		
@ 16 due Jan 10	250	\$ (3,000)
@ 18 due Feb 10	250	(3,250)
@ 18 due May 10	125	(6,875)
@ 22.5 due Jan 10	350	(175)
		<u>(13,300)</u>
First Horizon National Corp. Calls		
@ 15 due Feb 10	250	(6,000)
@ 15 due May 10	250	(15,000)
		<u>(21,000)</u>
Lazard Ltd., Class A Calls		
@ 45 due Mar 10	50	(2,250)
People's United Financial, Inc. Calls		
@ 17.5 due Jan 10	300	(1,500)

BURNHAM Financial Industries Fund

Portfolio Holdings *As of December 31, 2009*

	Number of Shares	Value		Number of Shares	Value
Common Stocks 96.17%					
<i>(percentage of net assets)</i>					
BANKS 27.22%					
Banks - Regional 26.08%					
• 1st United Bancorp, Inc.	700,000	\$ 4,998,000			
Alliance Financial Corp. ^a	25,000	678,750			
Bancorp Rhode Island, Inc. ^{a,b}	168,252	4,320,711			
BB&T Corp. ^c	50,000	1,268,500			
Berkshire Hills Bancorp, Inc.	25,000	517,000			
Centerstate Banks Inc. ^{a,b}	516,500	5,211,485			
• Citizens Republic Bancorp, Inc.	1,500,000	1,035,000			
• Connecticut Bank & Trust & Co.	71,374	310,477			
Fifth Third Bancorp ^c	150,000	1,462,500			
• First Horizon National Corp. ^{a,c}	163,788	2,194,760			
FirstMerit Corp.	150,000	3,021,000			
Home Bancshares, Inc.	20,000	481,400			
• Metro Bancorp, Inc.	150,000	1,885,500			
• Nara Bancorp, Inc.	50,000	567,000			
PacWest Bancorp	25,000	503,750			
Porter Bancorp, Inc. ^b	18,821	283,068			
Seacoast Banking Corporation of Florida	500,000	815,000			
• United Community Banks, Inc. ^a	1,566,850	5,311,621			
Whitney Holding Corp. ^a	30,000	273,300			
		35,138,822			
Diversified Banks 1.14%					
SunTrust Banks, Inc. ^c	20,000	405,800			
U.S. Bancorp ^c	50,000	1,125,500			
		1,531,300			
<i>Total Banks (cost: \$33,037,622)</i>					36,670,122
DIVERSIFIED FINANCIALS 41.57%					
Asset Management & Custody Banks 3.97%					
Ameriprise Financial, Inc. ^c	92,500	3,590,850			
Invesco Ltd.	75,000	1,761,750			
		5,352,600			
Investment Banking & Brokerage 5.90%					
• Cowen Group, Inc., Class A	1,023,019	6,056,272			
Lazard Ltd., Class A ^c	50,000	1,898,500			
		7,954,772			
Other Diversified Financial Services 10.70%					
Bank of America Corp. ^c	151,899	2,287,599			
Citigroup Inc. ^a	1,000,000	3,310,000			
• Western Liberty Bancorp ^{11,a,b}	1,159,495	8,823,757			
		14,421,356			
Property & Casualty Insurance 1.28%					
• CRM Holdings, Ltd.	569,494	188,503			
• Hilltop Holdings Inc.	132,500	1,542,300			
		1,730,803			
				Face Value	
Real Estate Investment Trusts 19.29%					
Chimera Investment Corp. ^b	1,300,000	\$ 5,044,000			
Invesco Mortgage Capital, Inc. ^{a,b}	326,725	7,436,261			
• Pennymac Mortgage Investment Trust ^a	394,132	6,771,188			
Redwood Trust, Inc. ^c	145,000	2,096,700			
Two Harbors Investment Corp. ^b	320,000	3,136,000			
Walter Investment Management Corp. ^c	105,000	1,504,650			
		25,988,799			
Specialized Finance 0.43%					
KKR Financial Holdings LLC ^c	100,000	580,000			
<i>Total Diversified Financials (cost: \$52,804,732)</i>					56,028,330
THRIFTS & MORTGAGE FINANCE 27.38%					
Thriffs & Mortgage Finance 27.38%					
Beacon Federal Bancorp, Inc.	176,318	1,657,389			
• Chicopee Bancorp, Inc.	83,945	1,047,634			
Citizens South Banking Corp., Inc.	123,242	565,681			
• Investors Bancorp, Inc. ^b	279,000	3,052,260			
New York Community Bancorp, Inc. ^{a,c}	700,000	10,157,000			
Northwest Bancshares, Inc. ^a	495,000	5,603,400			
People's United Financial, Inc. ^{b,c}	185,000	3,089,500			
TFS Financial Corp. ^b	666,001	8,085,252			
United Western Bancorp, Inc. ^b	967,090	2,669,168			
Washington Federal, Inc. ^a	50,000	967,000			
		36,894,284			
<i>Total Thriffs & Mortgage Finance (cost: \$35,273,405)</i>					36,894,284
<i>Total Common Stocks (cost: \$121,115,759)</i>					129,592,736
Preferred Stock 1.36%					
<i>(percentage of net assets)</i>					
DIVERSIFIED FINANCIALS 1.36%					
Other Diversified Financial Services 1.36%					
• Bank of America Corp., 10.00%	122,500	1,827,700			
<i>Total Diversified Financials (cost: \$1,837,500)</i>					1,827,700
<i>Total Preferred Stock (cost: \$1,837,500)</i>					1,827,700
Short-Term Instruments^d 23.79%					
<i>(percentage of net assets)</i>					
Certificate of Deposit 0.07%					
Eastern Bank 0.50%, 11/26/10	\$ 100,000	100,000			
<i>Total Certificate of Deposit (cost: \$100,000)</i>					100,000

Portfolio Holdings (Continued) As of December 31, 2009

	Number of Shares	Value
Money Market Fund 20.67%		
Invesco Aim Short-Term Investment Trust - Liquid Assets Portfolio ^e	27,857,213	\$ 27,857,213
<i>Total Money Market Fund (cost: \$27,857,213)</i>		<u>27,857,213</u>
	Face Value	
Time Deposit 3.05%		
Wells Fargo & Co. 0.03%, 1/04/10	\$ 4,108,117	4,108,117
<i>Total Time Deposit (cost: \$4,108,117)</i>		<u>4,108,117</u>
<i>Total Short-Term Instruments (cost: \$32,065,330)</i>		<u>32,065,330</u>

Total Investments 121.32% <i>(Cost: \$155,018,589)</i>	\$ 163,485,766
Short sales (11.94%) <i>(Proceeds: \$15,638,244)</i>	(16,094,912)
Call options written (0.37%) <i>(Premiums received: \$947,234)</i>	(498,725)
Put options written (0.08%) <i>(Premiums received: \$306,563)</i>	(107,500)
Liabilities, less cash and other assets (8.93%)	(12,029,737)
Net Assets 100.00%	\$ 134,754,892

	Number of Shares	Value
Short Sales (11.94%)		
Aflac, Inc.	30,000	\$ (1,387,500)
City National Corp.	30,000	(1,368,000)
Cullen/Frost Bankers, Inc. ^c	30,000	(1,500,000)
Federated Investors, Inc., Class B	40,000	(1,100,000)
Franklin Resources, Inc.	10,000	(1,053,500)
Glacier Bancorp, Inc.	50,000	(686,000)
Harleysville National Corp.	50,000	(322,000)
Legg Mason, Inc.	20,000	(603,200)
M&T Bank Corp. ^c	35,000	(2,341,150)
Post Properties, Inc.	50,000	(980,000)
Principal Financial Group, Inc.	40,000	(961,600)
Prospect Capital Corp.	20,000	(236,200)
Sandy Spring Bancorp, Inc.	30,000	(266,700)
• Signature Bank	50,000	(1,595,000)
T. Rowe Price Group, Inc.	20,000	(1,065,000)
Webster Financial Corp.	42,600	(505,662)
Wilmington Trust Corp.	10,000	(123,400)
<i>Total Short Sales (Proceeds: \$15,638,244)</i>		<u>(16,094,912)</u>

	Number of Contracts	Value
Call Options Written (0.37)%		
Ameriprise Financial, Inc. Calls @ 40 due Mar 10	425	\$ (85,000)
@ 45 due Jun 10	500	(65,000)
		<u>(150,000)</u>
Bank of America Corp. Calls @ 16 due Jan 10	500	(6,000)
@ 18 due Feb 10	500	(6,500)
@ 18 due May 10	250	(13,750)
@ 22.5 due Jan 10	250	(125)
		<u>(26,375)</u>
BB&T Corp. Calls @ 27 due Mar 10	250	(19,250)
@ 29 due Jun 10	250	(19,000)
		<u>(38,250)</u>
Fifth Third Bancorp Calls @ 11 due Feb 10	750	(18,000)
@ 13 due May 10	750	(18,000)
		<u>(36,000)</u>
First Horizon National Corp. Calls @ 15 due Feb 10	500	(12,000)
@ 15 due May 10	500	(30,000)
		<u>(42,000)</u>
KKR Financial Holdings LLC Calls @ 7.5 due Jul 10	1,000	(35,000)
Lazard Ltd., Class A Calls @ 45 due Mar 10	300	(13,500)
@ 45 due Jun 10	200	(30,000)
		<u>(43,500)</u>
New York Community Bancorp, Inc. Calls @ 15 due Apr 10	500	(33,000)
@ 16 due Jul 10	500	(25,000)
		<u>(58,000)</u>
People's United Financial, Inc. Calls @ 17.5 due Jan 10	300	(1,500)
@ 20 due Jan 10	250	(625)
		<u>(2,125)</u>
Redwood Trust, Inc. Calls @ 15 due Jan 10	400	(8,000)
@ 17.5 due Jan 10	250	(625)
@ 17.5 due Apr 10	500	(7,500)
@ 20 due Jan 10	300	(750)
		<u>(16,875)</u>
SunTrust Banks, Inc. Calls @ 24 due Jan 10	200	(1,600)
U.S. Bancorp Calls @ 24 due Mar 10	250	(16,750)
@ 26 due Jun 10	250	(17,250)
		<u>(34,000)</u>

Portfolio Holdings (Continued) As of December 31, 2009

	Number of Contracts	Value
Walter Investment Management Corp. Calls @ 15 due Mar 10	250	\$ (15,000)
<i>Total Call Options Written</i> <i>(Premiums received: \$947,234)</i>		<u>(498,725)</u>
Put Options Written (0.08)%		
Cullen/Frost Bankers, Inc. Puts @ 45 due Jan 10	200	(1,000)
KKR Financial Holdings LLC Puts @ 5 due Jul 10	1,000	(65,000)
M&T Bank Corp. Puts @ 60 due Jan 10	100	(1,500)
Morgan Stanley Puts @ 28 due Jan 10	1,000	(25,000)
The Goldman Sachs Group, Inc. Puts @ 155 due Jan 10	250	(15,000)
<i>Total Put Options Written</i> <i>(Premiums received: \$306,563)</i>		<u>\$ (107,500)</u>

Federal Income Tax Basis of Investment Securities

The tax cost of the fund at December 31, 2009, based on securities owned was \$156,690,537. The unrealized gross appreciation/ (depreciation) for all securities in the fund at December 31, 2009 was \$14,388,250 and \$(7,593,021), respectively.

- Indicates securities that do not produce income.
- a All or a portion of security out on loan.
- b Security or partial security segregated as collateral for securities sold short. The funds are required to establish a margin account with the broker lending the security sold short. While the short sale is outstanding, the broker retains the proceeds of the short sale and the fund must maintain a deposit with the broker consisting of cash and securities having a value equal to a specified percentage of the value of the securities sold short. The fund is obligated to pay the counterparty any dividends or interest due on securities sold short. Such dividends and interest are recorded as an expense to the fund.
- c Securities or partial securities on which call/put options were written.
- d Inclusive of all short term holdings, including collateral received from security lending activities. Not including such collateral, the percentage of portfolio holdings would be 3.12%.
- e Represents investment of collateral received from securities lending transactions.

BURNHAM U.S. Government Money Market Fund

Portfolio Holdings *As of December 31, 2009*

	Face Value	Value		Face Value	Value
Short-Term Instruments 100.04%					
<i>(percentage of net assets)</i>					
U.S. Government Agency Obligations 58.07%					
Federal Agricultural Mortgage Corp., FRN 0.13%, 8/26/10	\$ 50,000,000	\$ 50,000,000	The Bank of New York Mellon Corp., 0.16% dated 12/31/09, to be repurchased at \$40,000,711 on 1/04/10 (collateralized by \$51,097,858 FNMA, 4.50-6.00% due 4/01/22-8/01/38, value \$40,800,000)	\$ 40,000,000	\$ 40,000,000
Federal Home Loan Bank 0.33%, 8/16/10	11,000,000	10,997,662	The Goldman Sachs Group, Inc., 0.00% dated 12/31/09, to be repurchased at \$9,000,000 on 1/04/10 (collateralized by \$14,912,162 GNMA, 5.00-6.00% due 5/20/38-7/16/39, value \$9,180,000)	9,000,000	9,000,000
Federal Home Loan Bank, FRN 0.39%, 4/28/10	40,000,000	40,003,852	<i>Total Repurchase Agreements (cost: \$70,600,000)</i>		<i>70,600,000</i>
Federal Home Loan Mortgage Corp. 0.14%, 2/23/10	30,000,000	29,993,817	<i>Total Short-Term Instruments (cost: \$303,115,346)</i>		<i>303,115,346</i>
0.21%, 6/21/10	30,000,000	29,970,075			
0.22%, 6/28/10	15,000,000	14,983,683			
		74,947,575			
<i>Total U.S. Government Agency Obligations (cost: \$175,949,089)</i>		<i>175,949,089</i>			
U.S. Government Asset Backed Commercial Paper 11.57%					
Straight-A Funding, LLC 0.18%, 2/03/10	10,000,000	9,998,350	Total Investments 100.04% (Cost: \$303,115,346) *		\$ 303,115,346
0.18%, 3/01/10	25,076,000	25,068,603	Liabilities, less cash and other assets (0.04)%		(110,354)
<i>Total U.S. Government Asset Backed Commercial Paper (cost: \$35,066,953)</i>		<i>35,066,953</i>	Net Assets 100.00%		\$ 303,004,992
Commercial Paper 3.96%					
Dexia Delaware, LLC 0.39%, 1/07/10	12,000,000	11,999,220			
<i>Total Commercial Paper (cost \$11,999,220)</i>		<i>11,999,220</i>			
Certificate of Deposit 3.14%					
Svenska Handelsbanken NA 0.22%, 2/02/10	9,500,000	9,500,084			
<i>Total Certificate of Deposit (cost: \$9,500,084)</i>		<i>9,500,084</i>			
Repurchase Agreements 23.30%					
Bank of America Corp., 0.01% dated 12/31/09, to be repurchased at \$12,600,014 on 1/04/10 (collateralized by \$12,418,877 GNMA, 5.00% due 11/20/39-12/15/39, value \$12,852,000)	12,600,000	12,600,000			
JPMorgan Chase & Co., 0.00% dated 12/31/09, to be repurchased at \$9,000,000 on 1/04/10 (collateralized by \$8,785,000 GNMA, 4.35% due 12/15/44, value \$9,180,950)	9,000,000	9,000,000			

* Aggregate cost for federal tax purposes.
FRN - Floating Rate Note

Statements of Assets & Liabilities As of December 31, 2009

	Burnham Fund	Burnham Financial Services Fund	Burnham Financial Industries Fund	Burnham U.S. Government Money Market Fund
Assets				
Investments:				
Investments at cost of unaffiliated securities ^{9,15}	\$58,591,466	\$61,826,698	\$146,194,832	\$232,515,346
Investments at cost of affiliated securities ^{11,15}	—	3,028,476	8,823,757	—
Repurchase agreements	—	—	—	70,600,000
Net unrealized appreciation/(depreciation) of investments	22,214,949	(8,296,029)	8,467,177	—
Total investments at value	80,806,415	56,559,145	163,485,766	303,115,346
Cash	—	50,825	107,291	—
Cash on deposit for securities sold short	—	—	16,044,561	—
Dividends and interest receivable	28,000	218,286	779,090	50,732
Receivable for capital stock sold	66,820	148,807	740,263	—
Receivable for investments sold	—	492,080	2,110,124	—
Receivable from investment adviser ⁵	—	—	5,363	124,561
Prepaid expenses	18,811	15,404	24,251	55,400
Total assets	80,920,046	57,484,547	183,296,709	303,346,039
Liabilities				
Collateral on securities loaned at value ⁹	9,999,508	3,535,164	27,857,213	—
Payable for dividend declared	4,645	—	705	212
Payable for dividend declared on short sales	—	—	14,700	—
Bank overdraft	—	—	—	97,974
Payable for fund shares redeemed	43,436	86,099	941,779	—
Payable for investments purchased	340,500	529,173	2,779,730	—
Short sales at value*	—	—	16,094,912	—
Options written at value ^{**} , ^{6,16}	19,600	54,787	606,225	—
Payable for auditing and legal fees	49,987	51,512	60,259	54,438
Payable for administration fees ¹	8,892	6,652	15,476	35,967
Payable for investment advisory fees ²	35,567	33,259	92,918	105,662
Payable due to investment adviser ⁵	7,522	1,142	—	—
Payable for distribution fees and service fees ³	15,018	17,744	37,337	—
Payable for printing fees	1,058	8,373	10,661	12,648
Payable for transfer agent fees	7,374	9,819	13,725	6,335
Accrued expenses and other payables	8,751	10,698	16,177	27,811
Total liabilities	10,541,858	4,344,422	48,541,817	341,047
Net assets	\$70,378,188	\$53,140,125	\$134,754,892	\$303,004,992
Analysis of Net Assets⁷				
By source:				
Par value	\$298,712	\$316,640	\$1,160,167	\$30,300,499
Capital paid-in	51,633,520	63,460,338	125,259,583	272,704,493
Accumulated undistributed net investment income	151,007	212,594	303,781	—
Accumulated net realized gain/(loss) on investments	(3,921,004)	(2,729,049)	(626,720)	—
Net unrealized appreciation/(depreciation) of investments, written options and short sales	22,215,953	(8,120,398)	8,658,081	—
Net assets	\$70,378,188	\$53,140,125	\$134,754,892	\$303,004,992
By share class:				
Net assets				
Class A:	\$70,018,682	\$42,447,400	\$110,699,366	\$303,004,992
Class B:	\$267,090	\$9,344,561	\$—	\$—
Class C:	\$92,416	\$1,348,164	\$12,590,583	\$—
Class I:	\$—	\$—	\$11,464,943	\$—
NAV (par value \$0.10 per share)				
Class A:	\$23.56	\$16.95	\$11.77	\$1.00
Class B:	\$23.48	\$16.08	\$—	\$—
Class C:	\$23.02	\$16.66	\$11.58	\$—
Class I:	\$—	\$—	\$10.34	\$—
Capital shares outstanding⁸ (unlimited number of Shares has been authorized)				
Class A:	2,971,729	2,504,471	9,405,164	303,004,992
Class B:	11,374	580,982	—	—
Class C:	4,014	80,944	1,087,182	—
Class I:	—	—	1,109,322	—

* The payables for short sales include proceeds received for the following amounts: Burnham Financial Industries Fund \$15,638,244.

** The payables for options written include premiums received for the following amounts: Burnham Fund \$20,604, Burnham Financial Services Fund \$230,418, and Burnham Financial Industries Fund \$1,253,797.

Statements of Operations For the year ended December 31, 2009

	Burnham Fund	Burnham Financial Services Fund	Burnham Financial Industries Fund	Burnham U.S. Government Money Market Fund
Investment Income				
Interest	\$3,430	\$2,530	\$2,913	\$1,194,567
Dividends*	1,052,767	1,574,256	3,268,885	—
Securities lending (net of fees) ⁹	77,194	87,474	45,609	194,753
Income on cash collateral for securities sold short	—	—	6,937	—
Other income	—	7,861	24	—
Total income	1,133,391	1,672,121	3,324,368	1,389,320
Expenses				
Administration fees ¹	91,928	73,609	143,123	402,181
Investment advisory fees ²	367,712	368,046	858,795	1,169,264
Performance fees	—	—	47,321	—
Interest expense on securities sold short	—	—	223,044	—
Dividends on securities sold short	—	—	533,918	—
Service fees (Class B) ³	745	22,351	—	—
Service fees (Class C) ³	54	2,334	23,139	—
Distribution fees (Class A) ³	152,415	97,997	257,681	—
Distribution fees (Class B) ³	2,235	67,053	—	—
Distribution fees (Class C) ³	161	7,001	69,416	—
Transfer agent fees	97,537	116,831	167,052	77,765
Audit and legal fees	66,775	73,434	94,830	77,467
Reports to shareholders	11,152	11,868	41,947	7,975
Trustees' fees and expenses	18,318	14,361	26,191	100,863
Custodian fees	14,350	34,764	49,066	46,727
Registration fees and expenses	8,591	5,068	11,010	30,700
Fund accounting expenses	26,974	23,974	29,159	72,370
Miscellaneous expenses	72,500	63,518	86,297	157,407
Total expenses before reimbursement	931,447	982,209	2,661,989	2,142,719
Plus net contractual reimbursement by adviser ⁵	(41,626)	(64,409)	(59,227)	—
Plus net voluntary reimbursement by adviser ⁵	—	—	—	(812,687)
Recoupment of prior expenses reimbursed	50,879	12,372	10,114	5,471
Total expenses after reimbursement	940,700	930,172	2,612,876	1,335,503
<i>Net investment income</i>	<i>\$192,691</i>	<i>\$741,949</i>	<i>\$711,492</i>	<i>\$53,817</i>
Net Realized and Unrealized Gain/(Loss) on Investments, Written Options & Short Sales				
Realized gain/(loss) from securities, written options and short sales transactions:⁶				
Realized gain/(loss) on securities	(91,211)	(1,219,655)	982,204	—
Realized gain on written options	91,853	2,009,563	6,457,802	—
Realized gain on short sales	—	—	1,722,456	—
Net increase from payments by affiliates for the disposal of investments in violation of restrictions ¹⁷	—	3,742	—	—
Net realized gain from securities, written options and short sales transactions	642	793,650	9,162,462	—
Unrealized appreciation/(depreciation) on:				
Net unrealized appreciation on investments	16,949,249	7,623,387	19,386,939	—
Net unrealized depreciation on written options transactions	(42,540)	(672,156)	(3,156,266)	—
Net unrealized depreciation on short sales transactions	—	—	(620,024)	—
Net unrealized appreciation of investments, written options and short sales transactions	16,906,709	6,951,231	15,610,649	—
Net realized and unrealized gain on investments, written options and short sales transactions	16,907,351	7,744,881	24,773,111	—
<i>Net increase in net assets resulting from operations</i>	<i>\$17,100,042</i>	<i>\$8,486,830</i>	<i>\$25,484,603</i>	<i>\$53,817</i>

*Net of foreign taxes withheld of \$1,042 for the Burnham Fund.

See Notes to Financial Statements

OPERATIONS 21

Statements of Changes in Net Assets

	Burnham Fund		Burnham Financial Services Fund	
	For the Year Ended December 31, 2009	For the Year Ended December 31, 2008	For the Year Ended December 31, 2009	For the Year Ended December 31, 2008
Increase/(Decrease) in Net Assets				
From operations:				
Net investment income	\$192,691	\$187,407	\$741,949	\$1,414,961
Net realized gain/(loss) from transactions	642	(3,962,917)	793,650	(2,688,178)
Unrealized appreciation/(depreciation)	16,906,709	(34,896,587)	6,951,231	(9,718,713)
Net increase/(decrease) in net assets resulting from operations	17,100,042	(38,672,097)	8,486,830	(10,991,930)
Distributions to Shareholders				
From net investment income:				
Class A shares	—	(559,834)	(386,531)	(1,187,416)
Class B shares	—	—	(27,573)	(236,109)
Class C shares	—	—	(5,772)	(24,809)
Class I shares	—	—	—	—
Total distributions from net investment income	—	(559,834)	(419,876)	(1,448,334)
From return of capital:				
Class A shares	—	—	—	(147,525)
Class B shares	—	—	—	(39,583)
Class C shares	—	—	—	(3,797)
Class I shares	—	—	—	—
Total distributions from return of capital	—	—	—	(190,905)
From realized gains from securities transactions:				
Class A shares	—	(869,777)	—	(347,247)
Class B shares	—	(6,209)	—	(93,172)
Class C shares	—	(309)	—	(8,938)
Class I shares	—	—	—	—
Total distributions from realized gains	—	(876,295)	—	(449,357)
Total distributions to shareholders	—	(1,436,129)	(419,876)	(2,088,596)
Increase/(decrease) in net assets derived from capital share transactions	(4,867,264)	(7,145,905)	(3,418,444)	(12,731,894)
Redemption fees ¹⁴	64	473	2,905	9,992
Increase/(decrease) in net assets for the year	12,232,842	(47,253,658)	4,651,415	(25,802,428)
Net Assets				
Beginning of year	58,145,346	105,399,004	48,488,710	74,291,138
<i>End of year</i>	<u>\$70,378,188</u>	<u>\$58,145,346</u>	<u>\$53,140,125</u>	<u>\$48,488,710</u>
<i>Undistributed net investment income/(loss), end of year</i>	<u>\$151,007</u>	<u>\$31,245</u>	<u>\$212,594</u>	<u>\$(17,418)</u>

Statements of Changes in Net Assets — continued

Burnham Financial Industries Fund		Burnham U.S. Government Money Market Fund	
For the Year Ended December 31, 2009	For the Year Ended December 31, 2008	For the Year Ended December 31, 2009	For the Year Ended December 31, 2008
\$711,492	\$1,303,965	\$53,817	\$3,837,420
9,162,462	(3,506,170)	—	—
15,610,649	(6,700,990)	—	—
25,484,603	(8,903,195)	53,817	3,837,420
—	(1,212,744)	(53,817)	(3,837,420)
—	—	—	—
—	(87,714)	—	—
—	—	—	—
—	(1,300,458)	(53,817)	(3,837,420)
—	—	—	—
—	—	—	—
—	—	—	—
—	—	—	—
(178,476)	(3,026,830)	—	—
—	—	—	—
(20,560)	(311,777)	—	—
—	—	—	—
(199,036)	(3,338,607)	—	—
(199,036)	(4,639,065)	(53,817)	(3,837,420)
30,276,910	65,817,968	(5,552,374)	(51,230,790)
7,397	27,993	—	—
55,569,874	52,303,701	(5,552,374)	(51,230,790)
79,185,018	26,881,317	308,557,366	359,788,156
\$134,754,892	\$79,185,018	\$303,004,992	\$308,557,366
\$303,781	\$—	\$—	\$—

Statements of Changes in Net Assets — Capital Stock Activity

	Burnham Fund		Burnham Financial Services Fund	
	For the Year Ended December 31, 2009	For the Year Ended December 31, 2008	For the Year Ended December 31, 2009	For the Year Ended December 31, 2008
Dollar Amounts				
Class A				
Net proceeds from sale of shares	\$937,428	\$1,032,512	\$14,186,350	\$21,432,339
Net asset value of shares issued to shareholders in reinvestment of dividends	—	1,287,545	350,146	1,586,084
Cost of shares redeemed	(5,684,666)	(8,756,201)	(16,707,503)	(33,532,289)
<i>Net increase/(decrease)</i>	<u><u>\$(4,747,238)</u></u>	<u><u>\$(6,436,144)</u></u>	<u><u>\$(2,171,007)</u></u>	<u><u>\$(10,513,866)</u></u>
Class B				
Net proceeds from sale of shares	\$—	\$—	\$—	\$—
Net asset value of shares issued to shareholders in reinvestment of dividends	—	6,089	25,151	337,810
Cost of shares redeemed	(187,096)	(684,053)	(1,558,985)	(3,352,528)
<i>Net decrease</i>	<u><u>\$(187,096)</u></u>	<u><u>\$(677,964)</u></u>	<u><u>\$(1,533,834)</u></u>	<u><u>\$(3,014,718)</u></u>
Class C				
Net proceeds from sale of shares	\$67,070	\$—	\$814,584	\$1,767,362
Net asset value of shares issued to shareholders in reinvestment of dividends	—	315	4,950	32,882
Cost of shares redeemed	—	(32,112)	(533,137)	(1,003,554)
<i>Net increase/(decrease)</i>	<u><u>\$67,070</u></u>	<u><u>\$(31,797)</u></u>	<u><u>\$286,397</u></u>	<u><u>\$796,690</u></u>
Class I				
Net proceeds from sale of shares	\$—	\$—	\$—	\$—
Net asset value of shares issued to shareholders in reinvestment of dividends	—	—	—	—
Cost of shares redeemed	—	—	—	—
<i>Net increase</i>	<u><u>\$—</u></u>	<u><u>\$—</u></u>	<u><u>\$—</u></u>	<u><u>\$—</u></u>
<i>Net increase/(decrease) in net assets derived from capital share transactions</i>	<u><u>\$(4,867,264)</u></u>	<u><u>\$(7,145,905)</u></u>	<u><u>\$(3,418,444)</u></u>	<u><u>\$(12,731,894)</u></u>
Share Transactions				
Class A				
Shares sold	44,530	42,599	978,875	1,335,517
Shares issued for reinvestments	—	70,512	21,416	113,616
Shares redeemed	(288,989)	(378,600)	(1,143,241)	(2,127,282)
<i>Net increase/(decrease)</i>	<u><u>(244,459)</u></u>	<u><u>(265,489)</u></u>	<u><u>(142,950)</u></u>	<u><u>(678,149)</u></u>
Class B				
Shares sold	—	—	—	—
Shares issued for reinvestments	—	329	1,621	25,476
Shares redeemed	(10,027)	(27,275)	(113,271)	(220,964)
<i>Net decrease</i>	<u><u>(10,027)</u></u>	<u><u>(26,946)</u></u>	<u><u>(111,650)</u></u>	<u><u>(195,488)</u></u>
Class C				
Shares sold	2,915	—	53,281	108,503
Shares issued reinvestments	—	17	308	2,392
Shares redeemed	—	(1,554)	(37,610)	(72,286)
<i>Net increase/(decrease)</i>	<u><u>2,915</u></u>	<u><u>(1,537)</u></u>	<u><u>15,979</u></u>	<u><u>38,609</u></u>
Class I				
Shares sold	—	—	—	—
Shares issued reinvestments	—	—	—	—
Shares redeemed	—	—	—	—
<i>Net increase</i>	<u><u>—</u></u>	<u><u>—</u></u>	<u><u>—</u></u>	<u><u>—</u></u>

Statements of Changes in Net Assets — Capital Stock Activity – continued

Burnham Financial Industries Fund		Burnham U.S. Government Money Market Fund	
For the Year Ended December 31, 2009	For the Year Ended December 31, 2008	For the Year Ended December 31, 2009	For the Year Ended December 31, 2008
\$72,492,490	\$91,001,628	\$230,265,558	\$307,961,706
162,974 (56,372,979)	4,022,613 (33,052,214)	54,200 (235,872,132)	3,836,141 (363,028,637)
<u>\$16,282,485</u>	<u>\$61,972,027</u>	<u>\$(5,552,374)</u>	<u>\$(51,230,790)</u>
\$—	\$—	\$—	\$—
—	—	—	—
<u>\$—</u>	<u>\$—</u>	<u>\$—</u>	<u>\$—</u>
\$5,831,150	\$6,391,452	\$—	\$—
18,041 (3,051,219)	337,902 (2,883,413)	—	—
<u>\$2,797,972</u>	<u>\$3,845,941</u>	<u>\$—</u>	<u>\$—</u>
\$11,196,453	\$—	\$—	\$—
—	—	—	—
<u>\$11,196,453</u>	<u>\$—</u>	<u>\$—</u>	<u>\$—</u>
<u>\$30,276,910</u>	<u>\$65,817,968</u>	<u>\$(5,552,374)</u>	<u>\$(51,230,790)</u>
7,193,055	9,134,852	230,265,558	307,961,706
14,435 (5,792,779)	466,662 (3,789,131)	54,200 (235,872,132)	3,836,141 (363,028,637)
<u>1,414,711</u>	<u>5,812,383</u>	<u>(5,552,374)</u>	<u>(51,230,790)</u>
—	—	—	—
—	—	—	—
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
591,719	651,972	—	—
1,622 (320,093)	39,568 (306,826)	—	—
<u>273,248</u>	<u>384,714</u>	<u>—</u>	<u>—</u>
1,109,322	—	—	—
—	—	—	—
<u>1,109,322</u>	<u>—</u>	<u>—</u>	<u>—</u>

Financial Highlights For a share outstanding throughout each period.

	Income from investment operations				Less distributions			
	Net asset value, beginning of period	Net investment income (loss) ^b	Net realized and unrealized gain (loss) on securities and options	Total from investment operations	Dividends from net investment income	Distributions from return of capital	Distributions from capital gains (from securities and options transactions)	Total Distributions
Burnham Fund								
CLASS A SHARES								
12/31/09	\$17.95	\$0.06	\$5.55	\$5.61	\$—	\$—	\$—	\$—
12/31/08	29.84	0.06	(11.50)	(11.44)	(0.18)	—	(0.27)	(0.45)
12/31/07	26.89	0.08	4.03	4.11	(0.05)	—	(1.11)	(1.16)
12/31/06	26.97	0.18	2.02	2.20	(0.15)	—	(2.13)	(2.28)
12/31/05	26.60	0.11	1.38	1.49	(0.09)	—	(1.03)	(1.12)
CLASS B SHARES								
12/31/09	\$18.03	\$(0.05)	\$5.50	\$5.45	\$—	\$—	\$—	\$—
12/31/08	29.90	(0.12)	(11.48)	(11.60)	—	—	(0.27)	(0.27)
12/31/07	27.10	0.01	3.90	3.91	—	—	(1.11)	(1.11)
12/31/06	27.23	(0.03)	2.03	2.00	—	—	(2.13)	(2.13)
12/31/05	26.96	(0.05)	1.35	1.30	—	—	(1.03)	(1.03)
CLASS C SHARES								
12/31/09	\$17.68	\$(0.09)	\$5.43	\$5.34	\$—	\$—	\$—	\$—
12/31/08	29.32	(0.13)	(11.24)	(11.37)	—	—	(0.27)	(0.27)
12/31/07	26.59	0.10	3.74	3.84	—	—	(1.11)	(1.11)
12/31/06	26.75	(0.05)	2.02	1.97	—	—	(2.13)	(2.13)
12/31/05	26.50	(0.06)	1.34	1.28	—	—	(1.03)	(1.03)
Burnham Financial Services Fund								
CLASS A SHARES								
12/31/09	\$14.39	\$0.25	\$2.46 ^h	\$2.71	\$(0.15)	\$—	\$—	\$(0.15)
12/31/08	17.70	0.43	(3.07)	(2.64)	(0.47)	(0.06)	(0.14)	(0.67)
12/31/07	22.56	0.12	(3.30)	(3.18)	(0.08)	—	(1.60)	(1.68)
12/31/06	21.15	0.17	3.42	3.59	(0.17)	—	(2.01)	(2.18)
12/31/05	22.51	0.25	(0.18)	0.07	(0.22)	—	(1.21)	(1.43)
CLASS B SHARES								
12/31/09	\$13.67	\$0.13	\$2.33 ^h	\$2.46	\$(0.05)	\$—	\$—	\$(0.05)
12/31/08	16.84	0.28	(2.90)	(2.62)	(0.35)	(0.06)	(0.14)	(0.55)
12/31/07	21.61	(0.03)	(3.14)	(3.17)	—	—	(1.60)	(1.60)
12/31/06	20.35	0.00 ^c	3.27	3.27	—	—	(2.01)	(2.01)
12/31/05	21.68	0.09	(0.16)	(0.07)	(0.05)	—	(1.21)	(1.26)
CLASS C SHARES								
12/31/09	\$14.18	\$0.14	\$2.41 ^h	\$2.55	\$(0.07)	\$—	\$—	\$(0.07)
12/31/08	17.47	0.44	(3.15)	(2.71)	(0.38)	(0.06)	(0.14)	(0.58)
12/31/07	22.36	(0.03)	(3.26)	(3.29)	—	—	(1.60)	(1.60)
12/31/06	21.05	(0.02)	3.42	3.40	(0.08)	—	(2.01)	(2.09)
12/31/05 ^e	20.60	0.11	1.78	1.89	(0.23)	—	(1.21)	(1.44)

Financial Highlights *For a share outstanding throughout each period.*

Ratios to average net assets %

Redemption fee ^{b,c}	Net asset value, end of period	Total return %	Net assets, end of period (in \$000's)	Ratio of total expenses after reimbursement / recovery	Ratio of total expenses before reimbursement / recovery	Ratio of net investment income (loss)	Portfolio Turnover Rate %
\$0.00	\$23.56	31.11	\$70,019	1.53	1.52	0.32	48.4
0.00	17.95	(38.30)	57,740	1.39	1.44	0.23	45.3
0.00	29.84	15.31	103,876	1.39	1.38	0.28	61.5
0.00	26.89	8.11	99,031	1.39	1.41	0.65	79.0
0.00	26.97	5.55	110,562	1.39	1.39	0.43	76.3
\$0.00	\$23.48	30.08	\$267	2.27	2.27	(0.28)	48.4
0.00	18.03	(38.74)	386	2.14	2.19	(0.47)	45.3
0.00	29.90	14.40	1,446	2.14	2.13	0.04	61.5
0.00	27.10	7.34	1,951	2.14	2.16	(0.10)	79.0
—	27.23	4.77	2,682	2.14	2.14	(0.20)	76.3
\$0.00	\$23.02	30.13	\$92	2.28	2.26	(0.44)	48.4
0.00	17.68	(38.75)	19	2.14	2.19	(0.51)	45.3
0.00	29.32	14.46	77	2.14	2.13	0.35	61.5
0.00	26.59	7.32	6	2.14	2.16	(0.18)	79.0
—	26.75	4.77	10	2.14	2.14	(0.22)	76.3
\$0.00	\$16.95	18.90	\$42,447	1.75	1.85	1.66	180.6
0.00	14.39	(14.78)	38,099	1.60	1.85	2.65	190.2
0.00	17.70	(13.96)	58,878	1.60	1.64	0.58	137.8
0.00	22.56	17.02	127,139	1.57	1.57	0.74	125.9
0.00	21.15	0.37	121,889	1.59	1.59	1.17	129.9
\$0.00	\$16.08	17.99	\$9,345	2.49	2.60	0.94	180.6
0.00	13.67	(15.46)	9,469	2.35	2.60	1.86	190.2
0.00	16.84	(14.57)	14,953	2.35	2.39	(0.16)	137.8
0.00	21.61	16.15	26,930	2.32	2.32	0.00	125.9
—	20.35	(0.34)	28,538	2.34	2.34	0.43	129.9
\$0.00	\$16.66	18.12	\$1,348	2.50	2.59	0.96	180.6
0.00	14.18	(15.45)	921	2.35	2.60	2.88	190.2
0.00	17.47	(14.58)	460	2.35	2.39	(0.15)	137.8
0.00	22.36	16.15	632	2.32	2.32	(0.11)	125.9
0.00	21.05	9.19 ^a	190	2.34 ^d	2.34 ^d	0.75 ^d	129.9

Financial Highlights *For a share outstanding throughout each period.*

Income from investment operations

Less distributions

	Net asset value, beginning of period	Net investment income (loss) ^b	Net realized and unrealized gain (loss) on securities and options	Total from investment operations	Dividends from net investment income	Distributions from return of capital	Distributions from capital gains (from securities and options transactions)	Total Distributions
Burnham Financial Industries Fund								
CLASS A SHARES								
12/31/09	\$9.00	\$0.07	\$2.72	\$2.79	\$—	\$—	\$(0.02)	\$(0.02)
12/31/08	10.32	0.25	(1.00)	(0.75)	(0.16)	—	(0.41)	(0.57)
12/31/07	12.41	0.16	(0.31)	(0.15)	(0.19)	—	(1.75)	(1.94)
12/31/06	11.52	0.10	1.84	1.93	(0.11)	—	(0.93)	(1.04)
12/31/05	11.33	0.13	0.82	0.95	(0.10)	—	(0.66)	(0.76)
CLASS C SHARES								
12/31/09	\$8.92	\$0.01	\$2.67	\$2.68	\$—	\$—	\$(0.02)	\$(0.02)
12/31/08	10.25	0.17	(0.97)	(0.80)	(0.12)	—	(0.41)	(0.53)
12/31/07	12.33	0.07	(0.31)	(0.24)	(0.09)	—	(1.75)	(1.84)
12/31/06	11.44	0.01	1.84	1.85	(0.03)	—	(0.93)	(0.96)
12/31/05	11.26	0.05	0.82	0.87	(0.03)	—	(0.66)	(0.69)
CLASS I SHARES								
12/31/09 ^f	\$10.00	\$0.08	\$0.26	\$0.34	\$—	\$—	\$—	\$—
Burnham U.S. Government Money Market Fund^e								
CLASS A SHARES								
12/31/09	\$1.00	\$0.000 ^c	\$—	\$0.000 ^c	\$(0.000) ^c	\$—	\$—	\$(0.000) ^c
12/31/08	1.00	0.012	—	0.012	(0.012)	—	—	(0.012)
12/31/07	1.00	0.043	—	0.043	(0.043)	—	—	(0.043)
12/31/06	1.00	0.042	—	0.042	(0.042)	—	—	(0.042)
12/31/05	1.00	0.023	—	0.023	(0.023)	—	—	(0.023)

Financial Highlights For a share outstanding throughout each period.

Redemption fee ^b	Net asset value, end of period	Total return %	Net assets, end of period (in \$000's)	Ratio of total expenses after reimbursement / recovery ⁵	Ratios to average net assets %					
					Ratio of total expenses before reimbursement / recovery ⁵	Ratio of total expenses after reimbursement / recovery and without dividend and interest expense on short sales ⁵	Ratio of total expenses before reimbursement / recovery and without dividend and interest expense on short sales ⁵	Ratio of net investment income	Ratio of net investment income without dividend and interest expense on short sales ⁵	Portfolio Turnover Rate %
\$0.00	\$11.77	31.00	\$110,699	2.67	2.72	1.88	1.93	0.75	1.54	229.0
0.00	9.00	(6.99)	71,926	2.24	2.45	1.82	2.03	2.61	3.04	278.7
0.00	10.32	(1.04)	22,482	2.31	2.63	1.85	2.17	1.25	1.71	236.1
0.00	12.41	16.74	32,822	2.19	2.48	1.81	2.10	0.77	1.15	210.9
0.00	11.52	8.38	28,781	1.79	2.01	1.79	2.01	1.15	1.15	271.1
\$0.00	\$11.58	30.04	\$12,591	3.38	3.43	2.58	2.63	0.09	0.89	229.0
0.00	8.92	(7.63)	7,259	2.94	3.16	2.52	2.73	1.76	2.19	278.7
0.00	10.25	(1.75)	4,400	3.01	3.33	2.55	2.87	0.56	1.02	236.1
0.00	12.33	16.14	5,290	2.89	3.18	2.51	2.80	0.09	0.47	210.9
0.00	11.44	7.65	4,220	2.49	2.70	2.49	2.70	0.43	0.43	271.1
\$—	\$10.34	3.40 ^a	\$11,465	1.78 ^d	1.78 ^d	1.36 ^d	1.36 ^d	20.56 ^d	20.98 ^d	229.0
\$—	\$1.00	0.02	\$303,005	0.46	0.73	0.46	0.73	0.02	0.02	—
—	1.00	1.14	308,557	0.75	0.75	0.75	0.75	1.21	1.21	—
—	1.00	4.35	359,788	—	0.72	—	0.72	4.24	4.24	—
—	1.00	4.24	275,502	—	0.76	—	0.76	4.16	4.16	—
—	1.00	2.41	230,362	—	0.77	—	0.77	2.38	2.38	—

^a Total return is not annualized for periods less than one year, assumes dividend reinvestment and does not reflect the effect of sales charges. Total return would have been lower in the absence of the expense waiver.

^b Per shares values have been calculated using the average share method.

^c Less than \$0.001 per share.

^d Annualized.

^e Formerly the Burnham U.S. Treasury Money Market Fund.

^f Commenced operations on December 16, 2009.

^g Commenced operations on April 29, 2005.

^h The Adviser reimbursed the Burnham Financial Services Fund for a loss on a transaction not meeting the fund's investment guidelines, which otherwise would have reduced the amount by \$0.001.

NOTES TO FINANCIAL STATEMENTS

Administrative Fees

- The Burnham Fund, Burnham Financial Services Fund, Burnham Financial Industries Fund, and Burnham U.S. Government Money Market Fund pay the administrator 0.15% of average daily net assets up to \$150 million, 0.125% of average daily net assets from \$150 million to \$300 million, and 0.10% of average daily net assets above \$300 million.

Management Fees

- Burnham Asset Management Corporation (the "Adviser") serves as the adviser to the funds. The Adviser is entitled to a monthly fee at an annual rate based upon a percentage of the average daily net assets of each fund at the following rates:

Burnham Fund	0.60%
Burnham Financial Services Fund	0.75%
Burnham Financial Industries Fund	0.90%
Burnham U.S. Government Money Market Fund	0.40%

The Adviser's basic fee with respect to the Burnham Financial Industries Fund may be adjusted upward or downward (by up to 0.10% of the fund's average daily net assets) depending on whether and to what extent the fund's performance for the relevant performance period, which consists of the current month and the prior 35 months, or such shorter period since commencement of the fund's operations, exceeds or is exceeded by the performance of the KBW Bank Index. This performance comparison is made at the end of each month. For the year ended December 31, 2009, the Adviser's fee for the Burnham Financial Industries Fund was adjusted upward by 0.05%.

Distribution Fees and Commissions

- Burnham Securities Inc. (the "Distributor") serves as principal distributor to the funds pursuant to a distribution agreement. The funds (other than the Burnham U.S. Government Money Market Fund) have adopted distribution plans under the Investment Company Act of 1940, as amended, to reimburse the Distributor for services provided for distributing shares of the funds.

The following funds pay the Distributor a distribution fee of:

	Class A	Class B	Class C
Burnham Fund	0.25%	0.75%	0.75%
Burnham Financial Services Fund	0.25%	0.75%	0.75%
Burnham Financial Industries Fund	0.30%	—	0.75%

The following funds pay the Distributor a service fee of:

	Class B	Class C
Burnham Fund	0.25%	0.25%
Burnham Financial Services Fund	0.25%	0.25%
Burnham Financial Industries Fund	—	0.25%

For the year ended December 31, 2009, the Distributor also received fees from shareholder transactions and portfolio trades:

	Class A Sales Commission/ CDSC	Class B CDSC	Class C CDSC	Broker Commissions
Burnham Fund	\$1,547	\$287	\$—	\$77,485
Burnham Financial Services Fund	\$10,364	\$3,207	\$3,439	\$—
Burnham Financial Industries Fund	\$40,394	\$—	\$13,369	\$—

Offering Price

- For Class A shares, the offering price, with maximum 5% sales charge was \$24.80, \$17.84 and \$12.39 for the

Burnham Fund, Burnham Financial Services Fund and Burnham Financial Industries Fund, respectively. The redemption price is NAV. For Class B and Class C shares, the offering price is NAV and the redemption price varies with any CDSC charged.

Expenses

- The Adviser adopted a contractual Expense Limitation Agreement (the "Agreement") for the Burnham Fund, Burnham Financial Services Fund and the Burnham Financial Industries Fund. Under the Agreement, the Adviser contractually limits the following funds' total annual expenses to the rates below based on average net assets for Class A, Class B and Class C:

	Class A	Class B	Class C
Burnham Fund	1.59%	2.34%	2.34%
Burnham Financial Services Fund	1.80%	2.55%	2.55%

Under the Agreement, the Adviser contractually limits the Burnham Financial Industries Fund's total annual operating expenses by limiting "other expenses" to 0.65%. The expense limitations will terminate on April 30, 2010 and may be continued from year to year thereafter, if agreed by all parties to the Agreement.

Pursuant to the Agreement, any waivers and reimbursements made by the Adviser to a fund are subject to recoupment by the Adviser within the following three years provided the fund is able to effect repayment and remain in compliance with applicable expense limitations. Extraordinary expenses (e.g., proxy expenses) and other non-operating expenses (e.g., dividend expenses for securities sold short and acquired fund fees) as defined in the Agreement, are not applicable to the funds' expense caps. For the year ended December 31, 2009, the dividend expense and interest expense for securities sold short were \$533,918 and \$223,044 for the Burnham Financial Industries Fund. For the year ended December 31, 2009, there were no extraordinary expenses allocated to the funds.

The Adviser may from time to time voluntarily agree to waive all or a portion of its management fee from the Burnham U.S. Government Money Market Fund. Any such waiver by the Adviser may be discontinued or modified by the Adviser at any time. The amount of any waived fees is subject to recoupment by the Adviser from the Burnham U.S. Government Money Market Fund within the same calendar year in which the fees were waived and the three subsequent calendar years, provided that no amount may be recouped that would cause the Burnham U.S. Government Money Market Fund's total expense ratio as a result of such recoupment to exceed 1.00%. In no event shall the recoupment exceed 0.10% of daily net assets of the Burnham U.S. Government Money Market Fund.

For the year ended December 31, 2009, the Adviser's net recoupment or net reimbursement was as follows:

	Recoupment	Reimbursement	Subject to Recoupment
Burnham Fund	\$50,879	\$41,626	\$50,631
Burnham Financial Services Fund	\$12,372	\$64,409	\$237,787
Burnham Financial Industries Fund	\$10,114	\$59,227	\$360,950
Burnham U.S. Government Money Market Fund	\$5,471	\$812,687	\$812,687

NOTES TO FINANCIAL STATEMENTS

Securities and Written Options Transactions

6. The aggregate cost of purchases and proceeds from sales of securities, excluding short-term investments, for the year ended December 31, 2009, were as follows:

	<u>Purchases</u>	<u>Sales</u>
Burnham Fund	\$35,747,303	\$33,541,341
Burnham Financial Services Fund	\$110,596,262	\$107,583,877
Burnham Financial Industries Fund	\$241,322,670	\$207,484,449

Written option activity for the funds was as follows:

Burnham Fund

<u>Written options</u>	<u>Number of contracts</u>	<u>Premiums</u>
Outstanding at December 31, 2008	300	\$45,544
Written	600	71,326
Expired	(300)	(45,544)
Closed	(500)	(50,722)
Outstanding at December 31, 2009	<u>100</u>	<u>\$20,604</u>

Burnham Financial Services Fund

<u>Written options</u>	<u>Number of contracts</u>	<u>Premiums</u>
Outstanding at December 31, 2008	9,592	\$1,263,269
Written	27,974	3,495,789
Expired	(19,362)	(2,493,803)
Closed	(6,710)	(923,958)
Exercised	(8,719)	(1,110,879)
Outstanding at December 31, 2009	<u>2,775</u>	<u>\$230,418</u>

Burnham Financial Industries Fund

<u>Written options</u>	<u>Number of contracts</u>	<u>Premiums</u>
Outstanding at December 31, 2008	35,976	\$5,959,411
Written	88,155	10,461,985
Expired	(54,050)	(7,750,613)
Closed	(29,405)	(4,070,042)
Exercised	(27,251)	(3,346,944)
Outstanding at December 31, 2009	<u>13,425</u>	<u>\$1,253,797</u>

Distributions and Taxes

7. It is each fund's intention to qualify as a regulated investment company by complying with the requirements of the Internal Revenue Code of 1986, as amended, applicable to regulated investment companies and by distributing substantially all of its earnings to its shareholders. Therefore, no federal income tax provision is required.

Management has reviewed the tax positions for each of the three open tax years as of December 31, 2009 and has determined that no provisions for income taxes is required.

Income distributions and capital gain distributions are determined in accordance with income tax regulations, which may differ from generally accepted accounting principles. The character of distributions paid on a tax basis during 2009 and 2008 is as follows:

<u>2009</u>	<u>Burnham Fund</u>	<u>Burnham Financial Services Fund</u>	<u>Burnham Financial Industries Fund</u>
Distributions paid from:			
Ordinary Income	\$—	\$419,876	\$199,036
Long-Term Capital Gain	—	—	—
	<u>\$—</u>	<u>\$419,876</u>	<u>\$199,036</u>

<u>2008</u>	<u>Burnham Fund</u>	<u>Burnham Financial Services Fund</u>	<u>Burnham Financial Industries Fund</u>
Distributions paid from:			
Ordinary Income	\$559,834	\$1,749,248	\$4,639,065
Long-Term Capital Gain	876,295	148,443	—
Return of Capital	—	190,905	—
	<u>\$1,436,129</u>	<u>\$2,088,596</u>	<u>\$4,639,065</u>

As of December 31, 2009, the components of distributable earnings on a tax basis were as follows:

<u>2009</u>	<u>Burnham Fund</u>	<u>Burnham Financial Services Fund</u>	<u>Burnham Financial Industries Fund</u>
Ordinary Income	\$ 131,739	\$ 236,448	\$ 1,429,553
Capital Loss Carryforward	\$(3,718,421)	\$(1,844,208)	\$ —
Post October Losses	\$ —	\$ (118,710)	\$ (80,544)
Other Book/Tax Temporary Differences	\$ (183,315)	\$ (789,985)	\$(1,815,698)
Unrealized Appreciation/ (Depreciation)	\$22,215,953	\$(8,120,398)	\$ 8,658,081

The following funds had net capital loss carryforwards of approximately:

<u>Fund</u>	<u>Capital Loss Carryforward</u>	<u>Expiration Date</u>	<u>Post October Losses</u>
Burnham Fund	\$1,499,924	12/31/2016	\$ —
	2,218,497	12/31/2017	—
Burnham Financial Services Fund	209,807	12/31/2016	118,710
	1,634,401	12/31/2017	—
Burnham Financial Industries Fund	—	—	80,544

Net investment income and realized gain and loss for federal tax purposes differ from that reported in the financial statements because of temporary and permanent book and tax differences. These differences are primarily related to differing treatment of wash sales, REITS and the tax practice known as equalization. As of December 31, 2009, the permanent book and tax basis differences were as follows:

<u>2009</u>	<u>Burnham Fund</u>	<u>Burnham Financial Services Fund</u>	<u>Burnham Financial Industries Fund</u>
Increase/(Decrease) Undistributed Net Investment Income/(Loss)	\$(72,929)	\$(92,061)	\$ (407,711)
Increase/(Decrease) Accumulated Net Realized Gain/(Loss)	\$ 97,544	\$ 85,625	\$(1,002,102)
Increase/(Decrease) to Paid-in Capital	\$(24,615)	\$ 6,436	\$ 1,409,813
Increase/(Decrease) Net Unrealized Appreciation/(Depreciation)	\$ —	\$ —	\$ —

The Burnham U.S. Government Money Market Fund did not have any book/tax differences for distributions paid during 2009 and 2008. All distributions from the U.S. Government Money Market Fund are classified as ordinary income.

Officers and Trustees Interests

8. Officers and trustees owned a portion of the following funds' outstanding shares as of December 31, 2009:

Burnham Fund	0.66%
Burnham Financial Services Fund	0.39%
Burnham Financial Industries Fund	0.29%
Burnham U.S. Government Money Market Fund	0.01%

Substantially all of the assets of the Burnham U.S. Government Money Market Fund are owned by customers of the fund's distributor and affiliates.

Securities Lending

9. At December 31, 2009, securities or a portion of these securities are out on loan. The aggregate market value of these loaned securities and the value of the cash collateral the funds received are as follows:

	Loaned Securities Market Value	% of Net Assets	Value of Cash Collateral
Burnham Fund	\$9,723,118	13.82%	\$9,999,508
Burnham Financial Services Fund	\$3,134,186	5.90%	\$3,535,164
Burnham Financial Industries Fund	\$26,290,889	19.51%	\$27,857,213

Disclosure of Certain Commitments and Contingencies

10. In the normal course of business, the funds may enter into contracts and agreements that contain a variety of representations and warranties, which provide general indemnifications. The maximum exposure to the funds under these arrangements is unknown, as this would involve future claims that may be made against the funds that have not yet occurred. However, based on experience, the funds expect the risk of loss to be remote.

Transactions with Affiliated Securities

11. During the year ended December 31, 2009, the Burnham Financial Services Fund and the Burnham Financial Industries Fund owned shares of the following affiliated securities. An affiliated security is a security in which the fund has ownership of at least 5% of the voting securities.

Affiliate	Value at 12/31/08	Cost of Purchases	Cost of Sales	Value at 12/31/09	Realized Gain/(Loss)	Dividend Income
<i>Burnham Financial Services Fund:</i>						
Peregrine Holdings Ltd.	\$295,107	\$7,839	\$—	\$302,946	\$—	\$—
<i>Western Liberty Bancorp</i>						
	\$—	\$2,725,530	\$—	\$2,128,882	\$—	\$—
<i>Burnham Financial Industries Fund:</i>						
<i>Western Liberty Bancorp</i>						
	\$—	\$11,024,034	\$—	\$8,823,757	\$—	\$—

Restricted Securities

12. With the exception of the Burnham U.S. Government Money Market Fund, the funds may not invest more than 15% of net assets in securities subject to legal or contractual risks (“restricted securities”). At December 31, 2009, the Burnham Financial Services Fund owned the following restricted securities, which may not be publicly sold without registration under the Securities Act of 1933, as amended (the “1933 Act”). The value of these securities is determined using quotations supplied by a pricing service or broker, or if not available, is determined in good faith pursuant to procedures adopted by the Board of Trustees. Certain of these securities may be offered and sold to “qualified institutional buyers” under Rule 144A of the 1933 Act.

Description, Date of Purchase, % of Net Assets	Shares/ Face Value	Cost	Value
Bank of Atlanta 05/08/06 1.18%	228,572	\$1,600,004	\$628,573
Peregrine Holdings Ltd. 05/31/02 0.57%	275,000	\$302,946	\$302,946

Industry Risk

13. The Burnham Fund may hold a large concentration of investments within the energy sector. The fund may be disproportionately affected by events in the energy sector. Events affecting the energy sector may include the following:

- Change in national and international economic and political conditions
- Companies in the energy sector may fall out of favor
- Concentration of investments may increase volatility of the value of the fund's investments

The Burnham Financial Services Fund and Burnham Financial Industries Fund may be disproportionately affected by events affecting the financial services sector. Events affecting the financial services sector may include the following:

- Bank viability/liquidity
- Change in income conditions and interest rates
- Financial companies may fall out of favor
- Concentration of investments may increase volatility of the fund

Short-term Trading (Redemption Fee)

14. Shareholders in the Burnham Fund, Burnham Financial Services Fund and the Burnham Financial Industries Fund are subject to a redemption fee equal to 2.0% of the proceeds for the redeemed shares within 30 days of purchase. All redemption fees are retained by the applicable fund and accounted for as an addition to paid-in capital.

Fair Value of Financial Instruments

15. Effective January 1, 2008, the funds adopted the Accounting Standards Codification 820 — Fair Value Measurements and Disclosures (“ASC 820”). ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, under current market conditions. ASC 820 establishes a hierarchy that prioritizes the inputs to valuation methods giving the highest priority to readily available unadjusted quoted prices in an active market for identical assets (Level 1) and the lowest priority to significant unobservable inputs (Level 3) generally when market prices are not readily available or are unreliable. Based on the valuation inputs, the securities or other investments are tiered into one of three levels. Changes in valuation methods may result in transfers in or out of an investment's assigned level:

Level 1 — Prices are determined using exchange-traded prices in active markets for identical securities. This technique is used for exchange-traded domestic common and preferred equities and certain options.

Level 2 — Prices are determined using significant observable inputs. Observable inputs may include quoted prices for similar securities, interest rates. Prepayment speeds and credit risk. Prices for securities valued using these techniques are received from independent pricing vendors and are based on an evaluation of the inputs described. These techniques are used for certain domestic preferred equities, unlisted rights and warrants and certain options.

NOTES TO FINANCIAL STATEMENTS

Level 3 — Prices are determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable, such as when there is little or no market activity for an investment, unobservable inputs may be used. Unobservable inputs reflect the trust's valuation committee's own assumptions about the factors that market participants would use in pricing an investment and would be based on the best information available. These inputs include, but are not limited to, any available market prices for the security or for securities deemed comparable; the cost of the security at the date of purchase; fundamental analytical data relating to the issuer of the security, the type of security and relevant financial statements; special reports, if any, prepared by qualified analysts; and the nature and duration of restrictions, if any, on disposition of the security. Securities using this technique are generally thinly traded or privately placed, and may be valued using broker quotes, which many not only use observable or unobservable inputs but may also include the use of the brokers' own judgments about the assumptions that market participants would use.

The following is a summary of the tiered valuation input levels, as of December 31, 2009. The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities. Because of the inherent uncertainties of valuation, the values reflected in the financial statements may materially differ from the value received upon actual sale of those investments.

At December 31, 2009	Level I	Level II	Level III	Total
Burnham Fund				
Common Stock:				
Consumer				
Discretionary	\$7,856,228	\$—	\$—	\$7,856,228
Consumer Staples	3,282,500	—	—	3,282,500
Energy	13,485,753	—	—	13,485,753
Financial Services	7,139,850	—	—	7,139,850
Health Care	2,180,480	—	—	2,180,480
Industrials	6,181,850	—	—	6,181,850
Information				
Technology	12,841,240	—	—	12,841,240
Materials	4,423,900	—	—	4,423,900
Telecommunications				
Services	2,921,100	—	—	2,921,100
Utilities	1,180,500	—	—	1,180,500
Exchange				
Traded Fund	4,292,400	—	—	4,292,400
Registered				
Investment				
Company	846,600	—	—	846,600
Other Debt				
Obligations	—	14,174,014	—	14,174,014
Written Option	(19,600)	—	—	(19,600)
Burnham Financial Services Fund				
Common Stock:				
Banks	\$17,820,116	\$259,913	\$—	\$18,080,029
Diversified				
Financials	16,275,188	—	302,946	16,578,134
Thriffs & Mortgage				
Finance	14,048,046	562,054	628,573	15,238,673
Preferred Stock	—	913,850	—	913,850
Other Debt				
Obligations	—	5,748,459	—	5,748,459
Written Options	(52,425)	(2,362)	—	(54,787)

At December 31, 2009	Level I	Level II	Level III	Total
Burnham Financial Industries Fund				
Common Stock:				
Banks	\$36,359,645	\$310,477	\$—	\$36,670,122
Diversified				
Financials	56,028,330	—	—	56,028,330
Thriffs & Mortgage				
Finance	35,236,895	1,657,389	—	36,894,284
Preferred Stock	—	1,827,700	—	1,827,700
Other Debt				
Obligations	—	32,065,330	—	32,065,330
Short Sales	(16,094,912)	—	—	(16,094,912)
Written Options	(602,600)	(3,625)	—	(606,225)
Burnham U.S. Government Money Market Fund				
U.S. Government				
Agency Obligations	\$—	\$175,949,089	\$—	\$175,949,089
U.S. Government				
Asset Backed				
Commercial Paper	—	35,066,953	—	35,066,953
Commercial Paper	—	11,999,220	—	11,999,220
Certificate of Deposit	—	9,500,084	—	9,500,084
Repurchase Agreements	—	70,600,000	—	70,600,000

The following table summarizes the change in value associated with Level III financial instruments carried at fair value for the period ended December 31, 2009:

Burnham Financial Services Fund	Level III assets, net
Common Stock:	
Balance, January 1, 2009	\$1,490,539
Purchases	7,839
Unrealized loss	(566,859)
Balance, December 31, 2009	<u>\$931,519</u>

Disclosures about Derivative Instruments and Hedging Activities

16. Effective January 1, 2009, the funds adopted Accounting Standards Codification 815 — Disclosures about Derivative Instruments and Hedging Activities ("ASC 815"). ASC 815 requires enhanced disclosures to provide information about the reasons the funds invest in derivative instruments, the accounting treatment of derivatives and the effect derivatives have on financial performance.

The following is a summary of the fair valuations of the funds' derivative instruments categorized by risk exposure as of December 31, 2009:

Fair Value of Derivative Instruments			
As of December 31, 2009			
Liability Derivatives			
Derivatives not accounted for as hedging instruments under ASC 815	Statement of Assets & Liabilities Location	Fund	Fair Value
Equity Contracts	Liabilities	Burnham Fund	\$19,600
		Burnham Financial	54,787
		Services Fund	
		Burnham Financial	606,225
		Industries Fund	

NOTES TO FINANCIAL STATEMENTS

The Effect of Derivative Instruments on the Statement of Operations For the Period Ended December 31, 2009

Change in Derivatives not accounted for as hedging instruments under ASC 815	Location of Gain or (Loss) on Derivatives Recognized in Income	Fund	Realized Gain or (Loss) on Derivatives Recognized in Income	Unrealized Appreciation or (Depreciation) Recognized in Income
Equity Contracts	Realized gain (loss) from written options	Burnham Fund	\$91,853	\$—
		Burnham Financial Services Fund	2,009,563	—
		Burnham Financial Industries Fund	6,457,802	—
	Net unrealized appreciation (depreciation) of written option transactions	Burnham Fund	—	(42,540)
		Burnham Financial Services Fund	—	(672,156)
		Burnham Financial Industries Fund	—	(3,156,266)

Payments by Affiliates

17. On November 23, 2009, the Adviser reimbursed the Burnham Financial Services Fund for a \$3,742 loss incurred on a transaction in June 2009 not meeting the fund's investment guidelines.

Subsequent Events

18. The Adviser has evaluated events and transactions for potential recognition or disclosure and has determined that there are no material events that would require additional disclosure through the date the financial statements were issued.

Recently Issued Accounting Pronouncements

- 19 In January 2010, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") No. 2010-06 "Improving Disclosures about Fair Value Measurements." ASU No. 2010-06 clarifies existing disclosure and requires additional disclosures regarding fair value measurements. Effective for interim and annual reporting periods beginning after December 15, 2009, entities will be required to disclose significant transfers into and out of Level 1 and 2 measurements in the fair value hierarchy and the reasons for those transfers. Effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years, entities will need to disclose information about purchases, sales, issuances and settlements of Level 3 securities on a gross basis, rather than as a net number as currently required. The Adviser is currently evaluating the impact ASU No. 2010-06 will have on the financial statement disclosures.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Trustees of
Burnham Investors Trust:

In our opinion, the accompanying statement of assets and liabilities, including the schedule of portfolio holdings, and the related statements of operations and of changes in net assets and the financial highlights, present fairly, in all material respects, the financial position of Burnham Investors Trust (constituting Burnham Fund, Burnham Financial Services Fund, Burnham Financial Industries Fund, and Burnham U.S. Government Money Market Fund, hereafter referred to as the “Funds”) at December 31, 2009, the results of each of their operations for the year then ended, the changes in each of their net assets for each of the two years in the period then ended and the financial highlights for each of the periods indicated, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as “financial statements”) are the responsibility of the Funds’ management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at December 31, 2009 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.



PricewaterhouseCoopers LLP

Boston, Massachusetts

February 24, 2010

OTHER INFORMATION (UNAUDITED)

UNDERSTANDING YOUR FUND EXPENSES

As a shareholder of the Burnham Fund, Burnham Financial Services Fund, Burnham Financial Industries Fund, or the Burnham U.S. Government Money Market Fund (the “funds”), you incur two types of costs: (1) transaction costs, including redemption fees and sales charges (loads) on purchases of Class A shares; and (2) ongoing costs, including management fees, distribution and/or service fees, and other fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the funds 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 July 1, 2009 to December 31, 2009.

Actual Expenses

The first section of the table below provides information about actual account values and actual expenses. You may use the information in these columns, 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.

Hypothetical Example for Comparison Purposes

The second section of the table below provides information about hypothetical account values and hypothetical expenses based on the fund’s actual expense ratio and an assumed rate of return of 5% per year 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. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the 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 sales charges (loads). Therefore, the hypothetical section of the table is useful in comparing ongoing costs only, and will not help you compare the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	Actual Expenses			Hypothetical (5% Return Before Expenses)			
	Beginning Account Value 7/1/2009	Ending Account Value 12/31/2009	Expenses Paid During Period* 7/1/2009- 12/31/2009	Beginning Account Value 7/1/2009	Ending Account Value 12/31/2009	Expenses Paid During Period* 7/1/2009- 12/31/2009	Expense Ratio
Burnham Fund							
Class A	\$1,000	\$1,228	\$9.10	\$1,000	\$1,017	\$8.24	1.62%
Class B	1,000	1,224	13.28	1,000	1,013	12.03	2.37%
Class C	1,000	1,224	13.31	1,000	1,013	12.05	2.37%
Burnham Financial Services Fund							
Class A	\$1,000	\$1,128	\$9.67	\$1,000	\$1,016	\$9.16	1.80%
Class B	1,000	1,123	13.66	1,000	1,012	12.95	2.55%
Class C	1,000	1,124	13.67	1,000	1,012	12.95	2.55%
Burnham Financial Industries Fund							
Class A	\$1,000	\$1,160	\$14.23	\$1,000	\$1,012	\$13.25	2.61%
Class C	1,000	1,157	18.06	1,000	1,008	16.82	3.32%
Class I	1,000	1,034	0.75	1,000	1,001	0.73**	1.78%
Burnham U.S. Government Money Market Fund							
	\$1,000	\$1,000	\$1.45	\$1,000	\$1,024	\$1.47	0.29%

* Expenses are equal to each Fund’s annualized expense ratio, multiplied by the average account value over the period, multiplied by the 184 days in the most recent fiscal half-year, divided by 365 days in the year (to reflect the one-half year period).

** Commenced operations on December 16, 2009. Expenses paid during the period reflect the short length of the fiscal period. Expenses paid over a full half-year period would have been proportionately higher.

Proxy Voting Policies and Procedures

A description of the policies and procedures that the funds use to determine how to vote proxies and information regarding how the funds voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available (1) without charge, upon request, by calling (800) 874-3863; (2) on the funds’ website located at <http://www.burnhamfunds.com>; and (3) on the U.S. Securities and Exchange Commission’s (“SEC”) website located at <http://www.sec.gov>.

Portfolio Holdings

The funds file their complete schedule of portfolio holdings with the U.S. Securities and Exchange Commission for the first and third quarters of each fiscal year on Form N-Q. The funds’ Form N-Q is available (1) by calling (800) 874-3863; (2) on the funds’ website located at <http://www.burnhamfunds.com>; (3) on the SEC’s website at <http://www.sec.gov>; and (4) for review and copying at the SEC’s Public Reference Room (“PRR”) in Washington, DC. Information regarding the operation of the PRR may be obtained by calling 1-800-SEC-0330.

Tax Information

Of the distributions made by the following funds, the corresponding percentages represent the amount of each distribution, which will qualify for the 15% dividend income tax rate available as of December 31, 2009.

<i>Burnham Financial Services Fund</i>	100.00%
<i>Burnham Financial Industries Fund</i>	100.00%

Of the distributions made by the following funds, the corresponding percentages represent the amount of each distribution, which may qualify for the dividends received deduction available to corporate shareholders.

<i>Burnham Financial Services Fund</i>	100.00%
<i>Burnham Financial Industries Fund</i>	100.00%

For the fiscal year ended December 31, 2009, there were no long-term capital gains distributed by the funds.

THE FUNDS'

BOARD OF TRUSTEES

The tables below provide information on the individuals who serve as trustees and officers of Burnham Investors Trust (to which all funds in this report belong). The Board of Trustees oversees the funds' business and investment activities and is responsible for protecting the interests of fund shareholders.

Two of the trustees are considered affiliated or "interested" persons under the Investment Company Act of 1940, as amended. This category is defined as including any person who is an officer, director, or employee of Burnham Asset Management Corp., the funds' investment advisor, or Burnham Securities Inc., the funds' distributor, as well as anyone who — individually or otherwise — owns, controls, or has voting power over 5% or more of the securities of the Burnham companies mentioned above or of any of the funds.

Although Burnham Investors Trust was formed in 1999, the dates of service shown below include any time spent as trustee of the trust's predecessor organization, Burnham Fund, which was formed in June 1975. All trustees oversee

four active portfolios, as disclosed in this report. Each trustee serves until his or her resignation, retirement or termination. Each officer serves at the pleasure of the Board of Trustees or until successor is elected. During the year covered by this report, the Board of Trustees met four times. For purposes of trust business, the address for all trustees is c/o Burnham Investors Trust, 1325 Avenue of the Americas, 26th Floor, New York, NY 10019.

Jon M. Burnham and Debra B. Hyman are father and daughter, respectively.

You can find more information about the trustees in the Statement of Additional Information for the funds, which is available for free by calling 1-800-874-FUND (3863).

AFFILIATED TRUSTEES

Name, Year Born	Trust Position(s); Year Elected Trustee	Principal Occupation(s) and All Directorships during the Last Five Years
Jon M. Burnham 1936	Chairman, President CEO, 1989	Chairman and CEO of Burnham Asset Management Corp., since 1995; Director of Burnham Asset Management Corp., since 1989
George Stark 1944	Trustee; 2002	Senior Managing Director, Burnham Asset Management Corp., Burnham Securities Inc., since 1989; Director, Burnham Financial Group, since 2002; Director, Anti-Defamation League Foundation, since 2005 (non-profit); Director, Menil Foundation, since 2006 (non-profit); President, CEO, Stark Capital Management, since 2002

PRINCIPAL OFFICERS OF THE TRUST WHO ARE NOT TRUSTEES

Name, Year Born	Office(s) Held; Year Appointed	Principal Occupation(s) and All Directorships during the Last Five Years
Michael E. Barna 1961	Executive Vice President, Chief Financial Officer and Secretary; 1989	EVP of Burnham Asset Management Corp., since 1997; Assistant Secretary of Burnham Asset Management Corp., since 1989
Debra B. Hyman 1961	Executive Vice President; 1989	Vice President and Director of Burnham Asset Management Corp. and Burnham Securities Inc., since 1989
Pat A. Colletti 1958	First Vice President and Treasurer; 2004	First Vice President, Burnham Asset Management Corp., since 2004
Frank A. Passantino 1964	First Vice President, Assistant Secretary; 1990 and Anti-Money Laundering Compliance Officer; 1999	First Vice President of Burnham Asset Management Corp. and Burnham Securities Inc., since 1990

PRINCIPAL OFFICERS OF THE TRUST WHO ARE NOT TRUSTEES *Continued*

Name, Year Born	Office(s) Held; Year Appointed	Principal Occupation(s) and All Directorships during the Last Five Years
Ronald M. Geffen 1952	Vice President; 1990	Managing Director of Burnham Asset Management Corp. and Burnham Securities Inc., since 1990
Thomas N. Calabria 1968	Chief Compliance Officer; since 2006	Chief Compliance Officer of Burnham Asset Management Corp., since 2007; Vice President of Burnham Asset Management Corp. and Burnham Securities Inc., 2005 to Present; Assistant Vice President and Regulatory Administrator, PNC Global Investment Servicing (formerly PFPC, Inc.), 1998-2005

INDEPENDENT TRUSTEES

Name, Year Born	Year Elected Trustee	Principal Occupation(s) and All Directorships during the Last Five Years
Joyce E. Heinzerling 1956	2004	President, Meridian Fund Advisers, LLC., since 2009; General Counsel, Archery Capital, LLC., 2000-2009 (private investment fund); Director, Value Line Funds, since 2008
Suzanne D. Jaffe 1943	2006	Consultant, SDJ Associates, since 1997 (financial services); Director, Axel Johnson Inc., since 1997 (industrial); Research Corp., since 1997 (science grants)
David L. Landsittel 1940	2004	Certified Public Accountant, Independent Consultant on Auditing and Financial Reporting, since 1997; Chairman, Committee of Sponsoring Organizations, since 2009 (private sector governance); Director and Audit Committee Chair, Molex, Incorporated, since 2005 (manufacturing); CPA Endowment Fund of Illinois, since 2003 (non-profit); Director, Secretary and Treasurer, Hydrangea, Ltd., since 1999 (retail); Director, American Express Bank, Ltd. 2004-2008
John C. McDonald 1936	1989	President, MBX Inc., since 1991 (telecommunications)
Donald B. Romans 1931	1975	President, Romans and Co., since 1987 (private investment, financial consulting); Director, Cadogen Opportunistic Alternatives Fund, since 2007; Director, The Phoenix Funds, 1999-2006
Robert F. Shapiro 1934	1989	Vice Chairman, Partner, Klingenstein, Fields & Co., LLC since 1996 (investment management); Director, TJX Companies, since 1974 (retail); Director, Genaera, 1996-2009 (research)

MODERN PORTFOLIO THEORY STATISTICS TERMS

Beta

A measure of a fund's sensitivity to market movements, relative to the S&P 500. (By definition, the beta of the S&P 500 is 1.00.)

R²

Reflects the percentage of a fund's movements that are explained by movements in its benchmark index. An R² of 100 means that all movements are explained by the benchmark.

Alpha

Measures the difference between the fund's actual returns and its expected performance, given its level of risk.

Standard Deviation

A statistical measure of the range of a fund's performance. The greater the standard deviation, the greater the fund's volatility.

Sharpe Ratio

Risk-adjusted measure using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the fund's historical risk-adjusted performance.

THIS PAGE INTENTIONALLY LEFT BLANK



Distributor:

Burnham Securities, Inc.

1325 Avenue of the Americas, 26th Floor
New York, NY 10019

phone: 1-800-874-FUND (3863)

internet: www.burnhamfunds.com

email: contact@burnhamfunds.com

This report was prepared for current shareholders of the Burnham Family of Funds, which are all part of Burnham Investors Trust. To be distributed to potential shareholders, it must be accompanied by a current prospectus.

Because this report gives data about the past, the funds' holdings and the managers' views may have changed since this report was prepared. None of the information in this report is intended as investment advice for individual investors, or as market predictions or securities recommendations, either explicit or implicit.

OFFICERS OF THE TRUST

Jon M. Burnham

President and Chief Executive Officer

Michael E. Barna

Executive Vice President, Chief Financial Officer and Secretary

Debra B. Hyman

Executive Vice President

Pat A. Colletti

First Vice President and Treasurer

Frank A. Passantino

First Vice President, Assistant Secretary and Anti-Money Laundering Officer

Ronald M. Geffen

Vice President

Thomas N. Calabria

Chief Compliance Officer

BOARD OF TRUSTEES

Chairman

Jon M. Burnham

Trustees

Joyce E. Heinzerling

Suzanne D. Jaffe

David L. Landsittel

John C. McDonald

Donald B. Romans

Robert F. Shapiro

George Stark