

# REYNOLDS BLUE CHIP GROWTH FUND

The Reynolds Blue Chip Growth Fund (the “Fund”) is a No-Load mutual fund that emphasizes investments in “blue chip” growth companies. Since the Fund is No-Load, you do not pay any commissions or deferred sales loads.

Please read this Prospectus and keep it for future reference. It contains important information, including information on how the Fund invests and the services it offers to shareholders.

Included with this Prospectus you should receive an Annual Report (or Semiannual report when appropriate) describing the holdings of the Fund. In addition you can request an IRA kit or other retirement plan information that will have all the applications and forms to invest in your IRA.

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**The Securities and Exchange Commission has not approved or disapproved these securities or determined if this prospectus is accurate or complete. Any representation to the contrary is a criminal offense.**

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(800) 773-9665

c/o U.S. Bancorp Fund Services, LLC

• 615 East Michigan Street

(800) 7REYNOLDS

• Milwaukee, Wisconsin 53202



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### SUMMARY INFORMATION ABOUT THE FUND

#### Investment Objective

Reynolds Blue Chip Growth Fund seeks long-term capital appreciation.

#### Principal Equity Investment Strategies

The Fund generally invests in common stocks of United States companies and generally invests in “growth” companies. These are companies that our investment adviser believes will have growth that is faster than the average publicly traded company. Our investment adviser believes that when a company grows faster than the economy in general, the market will eventually recognize this successful long-term record by valuing the company’s stock at a higher price.

Most of these companies are well-established growth companies commonly referred to as “blue chip” companies. The “blue chip” companies invest-

ed in by the Fund are important factors in their respective industries and their stocks are widely held by individual and institutional investors. When purchasing “blue chip” companies for the Fund our investment adviser looks for companies that have some or all of the following attributes:

- a presence in expanding industries
- a superior and pragmatic growth strategy
- proprietary products, processes or services
- a potential for above-average unit and earnings growth

The Fund may invest in companies which are not now “blue chip” companies, but which our investment adviser believes have the potential to become “blue chip” companies. Many of these companies are smaller capitalization companies. When purchasing companies that are not now “blue chip” companies, but which have the potential to become “blue chip” companies, our investment adviser looks for companies that may be:

- leading companies in smaller industries
- lesser known companies moving from a lower to a higher market share position within their industry group

Our investment adviser will generally sell a portfolio security when the investment adviser believes:

- the security has achieved its value potential
- changing fundamentals signal a deteriorating value potential
- other securities have a better performance potential

Our investment adviser bases investment decisions on company specific factors (bottom-up investment approach) and general economic conditions (top-down approach) when selecting investments for the Fund. The Fund is widely diversified and our investment adviser will try to have the Fund invest in a number of industries. Our investment adviser also be-

believes in investing in a number of companies in each industry if the companies meet his investment criteria.

## Principal Risks

Investors in the Fund may lose money. There are risks associated with investments in the types of securities in which the Fund invests. These risks include:

- **Stock Market Risk:** The prices of the securities in which the Fund invests may decline for a number of reasons. The price declines of common stocks, in particular, may be steep, sudden and/or prolonged.
- **Growth Investing Risk:** The investment adviser may be wrong in his assessment of a company's potential for growth and the stocks the Fund holds do not grow as the investment adviser anticipates. From time to time "growth" investing falls out of favor with investors. During these periods, the Fund's relative performance may suffer.
- **Technology Companies Risk:** The Fund may invest in technology companies. Technology companies may be subject to greater business risks and more sensitive to changes in economic conditions than other companies. Company earnings in this sector may fluctuate more than those of other companies because of short product cycles (technological obsolescence) and competitive pricing. Investors' enthusiasm for technology stocks can also change dramatically. Accordingly technology stock prices may fall sharply.
- **Medium Capitalization Companies Risk:** The Fund may invest in medium capitalization companies. The securities of medium capitalization companies generally trade in lower volumes than those of large capitalization companies and tend to be more volatile because mid-cap companies tend to be more susceptible to adverse business or economic events than larger more established companies.
- **Smaller Capitalization Companies Risk:** The Fund may invest in smaller capitalization companies. Smaller capitalization companies typically have relatively lower revenues, limited product lines and lack of management depth, and may have a smaller share of the market for their products or services than larger capitalization companies. The stocks of smaller capitalization companies tend to have less trading volume than stocks of larger capitalization companies. Less trading volume may make it more difficult for our investment adviser to sell securities of smaller capitalization companies at quoted market prices. Finally, there are periods when investing in smaller capitalization stocks falls out of favor with investors and the stocks of smaller capitalization companies underperform.
- **High Portfolio Turnover Risk:** The Fund may incur high portfolio turnover as a consequence of taking temporary defensive positions. Also some investors in the Fund may engage in market timing strategies which may necessitate portfolio transactions by the Fund. High portfolio turnover necessarily results in correspondingly greater transaction costs (such as brokerage commissions or markups or markdowns) which the Fund must pay and increased realized gains (or losses) to investors. Distributions to shareholders of short-term capital gains are taxed as ordinary income under Federal income tax laws.
- **Market Timing Risk:** Frequent purchases and redemptions of Fund shares by a shareholder may harm other shareholders of the Fund by interfering with the efficient management of the Fund's portfolio, increasing brokerage and administrative costs, and potentially diluting the value of their shares. The Fund's Board of Directors has determined not to adopt policies and procedures that discourage frequent purchases

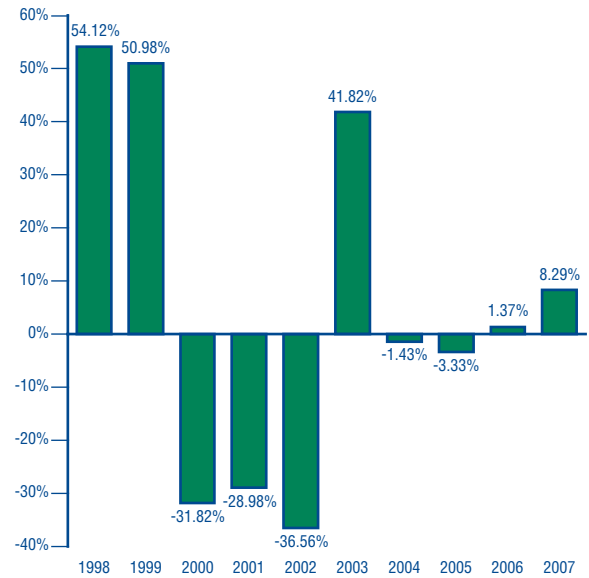
and redemptions of Fund shares. The officers of the Fund receive reports on a regular basis as to purchases and redemptions of Fund shares and review these reports to determine if there is any unusual trading in Fund shares. The officers of the Fund will report to the Board of Directors any such unusual trading in Fund shares that is disruptive to the Fund. In such event, the Fund's Board of Directors may reconsider its decision not to adopt policies and procedures.

Because of these risks the Fund is a suitable investment only for those investors who have long-term investment goals. Prospective investors who are uncomfortable with an investment that will fluctuate in value should not invest in the Fund.

### Performance

The bar chart and table that follow provide some indication of the risks of investing in the Fund by showing changes in its performance from year to year and how its average annual returns over various periods compare to the performance of the Standard & Poor's Composite Index of 500 Stocks. Please remember that the Fund's past performance (before and after taxes) is not necessarily an indication of its future performance. It may perform better or worse in the future.

### REYNOLDS BLUE CHIP GROWTH FUND (Total return per calendar year)



Note: During the ten year period shown on the bar chart, the Fund's highest total return for a quarter was 33.53% (quarter ended December 31, 1999) and the lowest total return for a quarter was -26.18% (quarter ended December 31, 2000).

After-tax returns are calculated using the historical highest individual federal margin income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as individual retirement accounts. The Fund's return after taxes on distributions and sale of Fund shares may be higher than its returns before taxes and after taxes on distributions because it may include a tax benefit resulting from the capital losses that would have been incurred.

<b>Average Annual Total Returns (for the periods ending December 31, 2007)</b>	<b>Past Year</b>	<b>Past 5 Years</b>	<b>Past 10 Years</b>
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Reynolds Blue Chip Growth Fund			
Return Before Taxes	8.29%	8.21%	0.59%
Return After Taxes on Distributions	8.16%	8.18%	0.54%
Return After Taxes on Distributions and Sale of Fund Shares	5.50%	7.12%	0.49%
<u>S&amp;P 500<sup>(1)(2)</sup></u>	5.49%	12.82%	5.91%

(1) The S&P 500 is the Standard & Poor's Composite Index of 500 Stocks, a widely recognized unmanaged index of common stock prices.

(2) Reflects no deduction for fees, expenses or taxes.

## FEES AND EXPENSES

The table below describes the fees and expenses that you may pay if you buy and hold shares of the Fund.

### SHAREHOLDER FEES

(fees paid directly from your investment)

Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of offering price)	No Sales Charge
Maximum Deferred Sales Charge (Load)	No Deferred Sales Charge
Maximum Sales Charge (Load) Imposed on Reinvested Dividends And Distributions	No Sales Charge
Redemption Fee	None <sup>(1)</sup>
Exchange Fee	None

### ANNUAL FUND OPERATING EXPENSES

(expenses that are deducted from Fund assets)

Management Fees	1.00%
Distribution and/or Service (12b-1) Fees	0.08%
Other Expenses	
Interest Expense	0.02%
All Remaining Other Expenses	1.15%
Total Other Expenses	1.17%
Total Annual Fund Operating Expenses	2.25%
Expense Reimbursement	0.23% <sup>(2)</sup>
<u>Net Expenses</u>	2.02%

- (1) Our transfer agent charges a fee of \$15.00 for each wire redemption.
- (2) The Adviser has agreed to reimburse the Fund to the extent necessary to insure that Total Annual Fund Operating Expenses (less interest expense) do not exceed 2.00%.

## EXAMPLE

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds.

The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of these periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
\$205	\$629	\$1,079	\$2,327

## INVESTMENT OBJECTIVE AND STRATEGIES

The Fund seeks long-term capital appreciation. The Fund may change its investment objective without obtaining shareholder approval. Please remember that an investment objective is not a guarantee. An investment in the Fund might not appreciate and investors could lose money.

The Fund mainly invests in common stocks of United States companies. However, the Fund may, in response to adverse market, economic, political or other conditions, take temporary defensive positions. This means the Fund will invest some or all of its assets in money market instruments (such as U.S. Treasury Bills, commercial paper or repurchase agreements). The Fund will not be able to achieve its investment objective of capital appreciation to the extent that it invests in money market instruments since these securities earn interest but do not appreciate in value. When the Fund is not taking a temporary defensive position, it still will hold some cash

and money market instruments so that it can pay its expenses, satisfy redemption requests or take advantage of investment opportunities.

When making investment decisions, our investment adviser considers the tax consequences of the Fund's portfolio transactions. For example, once our investment adviser has determined that a particular company warrants inclusion in the portfolio of the Fund, he may have the Fund hold that company's stock even if the stock is temporarily underperforming.

## DISCLOSURE OF PORTFOLIO HOLDINGS

The Statement of Additional Information for the Fund, which is incorporated by reference into this Prospectus, contains a description of the Fund's policies and procedures respecting disclosure of its portfolio holdings.

## MANAGEMENT OF THE FUND

### **Reynolds Capital Management manages the Fund's investments.**

Reynolds Capital Management (the "Adviser") is the investment adviser to the Fund. The Adviser's address is:

2580 Kekaa Drive #115  
Lahaina, Hawaii 96761

As the investment adviser to the Fund, the Adviser manages the investment portfolio of the Fund. The Adviser makes the decisions as to which securities to buy and which securities to sell. During the last fiscal year, the Fund paid the Adviser an annual investment advisory fee equal to 1.00% of the average net assets.

A discussion regarding the basis for the Board of Directors approving the investment advisory agreement for the Fund with the Adviser is available in the Fund's semi-annual report to shareholders for the most recent period ended March 31.

Frederick L. Reynolds is primarily responsible for the day-to-day management of the portfolio of the Fund and has been so since its inception. He is its portfolio manager. Mr. Reynolds is the sole proprietor of the Adviser and has been conducting an investment advisory business as Reynolds Capital Management since 1985.

The Statement of Additional Information for the Fund, which is incorporated by reference into this Prospectus, provides additional information about the portfolio manager's compensation, other accounts managed by the portfolio manager and the portfolio manager's ownership of securities in the Fund.

### **Distribution Fees**

The Fund has adopted a distribution plan pursuant to Rule 12b-1 under the Investment Company Act. This Plan allows the Fund to use up to 0.25% of its average daily net assets to pay sales, distribution and other fees for the sale of its shares and for services provided to investors. Because these fees are paid out of the Fund's assets, over time these fees will increase the cost of your investment and may cost you more than paying other types of sales charges.

## THE FUND'S SHARE PRICE

The price at which investors purchase shares of the Fund and at which shareholders redeem shares of the Fund is called its net asset value. The Fund normally calculates its net asset value as of the close of regular trading on the New York Stock Exchange (normally 4:00 p.m. Eastern Time) on each day the New York Stock Exchange is open for trading. The New York Stock Exchange is closed on national holidays and weekends. The Fund calculates its net asset value based on the market prices of the securities (other than money market instruments) it holds. The Fund values most money market instruments it holds, which mature in 60 days or less, at their amortized

cost. The Fund will process purchase orders and redemption orders that it receives in good order prior to the close of regular trading on a day that the New York Stock Exchange is open at the net asset value determined **later that day** and it will process purchase orders and redemption orders that it receives in good order **after** the close of regular trading at the net asset value calculated on the next day the New York Stock Exchange is open. If an investor sends a purchase order or redemption request to the Fund's corporate address, instead of to its transfer agent, the Fund will forward it to the transfer agent and the effective date of the purchase order or redemption request will be delayed until the purchase order or redemption request is received by the transfer agent.

If market quotations are not readily available, the Fund will value securities at their fair value pursuant to procedures established by and under the supervision of the Board of Directors. The fair value of a security is the amount which the Fund might reasonably expect to receive upon a current sale. The fair value of a security may differ from the last quoted price and the Fund may not be able to sell a security at the fair value. Market quotations may not be available, for example, if trading in particular securities was halted during the day and not resumed prior to the close of trading on the New York Stock Exchange.

## PURCHASING SHARES

### How to Purchase Shares from the Fund

1. Read this Prospectus carefully.
2. Determine how much you want to invest keeping in mind the following minimums:
  - a. **New accounts**
    - All accounts \$1,000
  - b. **Existing accounts**
    - Dividend reinvestment No Minimum
    - Automatic Investment Plan \$ 50
    - All other accounts \$ 100

3. Complete a Purchase Application for the Fund, carefully following the instructions. For additional investments, complete the remittance form attached to your individual account statements. (The Fund has additional Purchase Applications and remittance forms if you need them.) If you have any questions, please call 1-800-773-9665 or 1-414-765-4124.

In compliance with the USA PATRIOT Act of 2001, please note that the transfer agent will verify certain information on your account application as part of the Fund's Anti-Money Laundering Program. As requested on the application, you must supply your full name, date of birth, social security number and permanent street address. Mailing addresses containing only a P.O. Box will not be accepted. Please contact the transfer agent if you need additional assistance with your application.

If the Fund does not have a reasonable belief of the identity of a customer, the account will be rejected or the customer will not be allowed to perform a transaction on the account until such information is received. The Fund may also reserve the right to close the account within 5 business days if clarifying information/documentation is not received.

4. Make your check payable to the Reynolds Blue Chip Growth Fund. All checks must be in U.S. dollars drawn on U.S. banks. The Fund will not accept payment in cash or money orders. The Fund also does not accept cashier's checks in amounts of less than \$10,000. To prevent check fraud, the Fund will not accept third party checks, Treasury checks, credit card checks, traveler's checks or starter checks for the purchase of shares. The Fund is unable to accept post dated checks, post dated on-line bill pay checks, or any conditional order or payment. **U.S. Bancorp Fund Services, LLC, the Fund's transfer agent, will charge a \$25 fee against a share-**

**holder's account for any payment check returned to the transfer agent. The shareholder will also be responsible for any losses suffered by the Fund as a result.**

5. Send the application and check to:

**BY FIRST CLASS MAIL**

Reynolds Blue Chip Growth Fund  
c/o U.S. Bancorp Fund Services, LLC  
P.O. Box 701  
Milwaukee, WI 53201-0701



**BY OVERNIGHT DELIVERY SERVICE OR EXPRESS MAIL**

Reynolds Blue Chip Growth Fund  
c/o U.S. Bancorp Fund Services, LLC  
3rd Floor  
615 East Michigan Street  
Milwaukee, WI 53202-5207



**Please do not send letters by overnight delivery service or express mail to the Post Office Box address.**

You may purchase shares by wire transfer.

*Initial Investment by Wire* – If you wish to open an account by wire, please call 1-800-773-9665 or 1-414-765-4124 before you wire funds in order to make arrangements with a telephone service representative to submit your completed application via mail, overnight delivery, or facsimile. Upon receipt of your application, your account will be established and a service representative will contact you within 24 hours to provide an account number and wiring instructions. You may then contact your bank to initiate the wire using the instructions you were given.

*Subsequent Investments by Wire* – Please call 1-800-773-9665 or 1-414-765-4124 before you wire funds in order to advise the transfer agent of your intent to wire funds. This will ensure prompt and accurate credit upon receipt of your wire. **You should wire funds to:**

U.S. Bank, N.A.  
777 East Wisconsin Avenue  
Milwaukee, WI 53202  
ABA #075000022

**Credit:**

U.S. Bancorp Fund Services, LLC  
Account #112-952-137

**Further Credit:**

Reynolds Blue Chip Growth Fund  
(shareholder registration)  
(shareholder account number)

**Please remember that U.S. Bank, N.A. must receive your wired funds prior to the close of regular trading on the New York Stock Exchange for you to receive same day pricing. The Fund and U.S. Bank, N.A. are not responsible for the consequences of delays resulting from the banking or Federal Reserve Wire system, or from incomplete wiring instructions.**

6. If you wish to make subsequent investments by telephone, you must complete the appropriate section of the Purchase Application. Only bank accounts held at domestic financial institutions that are Automated Clearing House (ACH) members may be used for telephone transactions. The option will become effective approximately 15 business days after the application form is received by U.S. Bancorp Fund Services, LLC. Subsequent investments may be made by calling 1-800-773-9665. Purchases must be in amounts of \$100 or more and may not be used for initial purchases of the Fund's shares. Your shares will be purchased at the net asset value calculated on the day of your purchase order.



**Purchasing Shares from Broker-dealers, Financial Institutions and Others**

Some broker-dealers may sell shares of the Fund. These broker-dealers may charge investors a fee either at the time of purchase or redemption. The fee,

if charged, is retained by the broker-dealer and not remitted to the Fund or the Adviser. Some broker-dealers may purchase and redeem shares on a three day settlement basis.

The Fund may enter into agreements with broker-dealers, financial institutions or other service providers (“Servicing Agents”) that may include the Fund as an investment alternative in the programs they offer or administer. Servicing agents may:

- Become shareholders of record of the Fund. This means all requests to purchase additional shares and all redemption requests must be sent through the Servicing Agent. This also means that purchases made through Servicing Agents are not subject to the Fund’s minimum purchase requirements.
- Use procedures and impose restrictions that may be in addition to, or different from, those applicable to investors purchasing shares directly from the Fund.
- Charge fees to their customers for the services they provide them. Also, the Fund and/or the Adviser may pay fees to Servicing Agents to compensate them for the services they provide their customers.
- Be allowed to purchase shares by telephone with payment to follow the next day. If the telephone purchase is made prior to the close of regular trading on the New York Stock Exchange, it will receive same day pricing.
- Be authorized to receive purchase orders on behalf of the Fund (and designate other Servicing Agents to accept purchase orders on the Fund’s behalf). If the Fund has entered into an agreement with a Servicing Agent pursuant to which the Servicing Agent (or its designee) has been authorized to accept purchase orders on the Fund’s behalf, then all purchase orders received in good order by the Servicing Agent (or its designee) before 4:00 p.m. Eastern Time will receive that day’s net asset value, and all pur-

chase orders received in good order by the Servicing Agent (or its designee) after 4:00 p.m. Eastern Time will receive the next day’s net asset value.

If you decide to purchase shares through Servicing Agents, please carefully review the program materials provided to you by the Servicing Agent. Investors purchasing or redeeming through a Servicing Agent need to check with the Servicing Agent to determine whether the Servicing Agent has entered into an agreement with the Fund. When you purchase shares of the Fund through a Servicing Agent, it is the responsibility of the Servicing Agent to place your order with the Fund on a timely basis. If the Servicing Agent does not, or if it does not pay the purchase price to the Fund within the period specified in its agreement with the Fund, it may be held liable for any resulting fees or losses.

### **Other Information about Purchasing Shares of the Fund**

The Fund may reject any Purchase Application for any reason. The Fund will not accept purchase orders made by telephone unless a shareholder has elected the telephone purchase option or the purchase order is from a Servicing Agent which has an agreement with the Fund. Shares of the Fund have not been registered for sale outside of the United States. The Fund generally does not sell shares to investors residing outside of the United States, even if they are U.S. citizens or lawful permanent residents, except to investors with U.S. military APO or FPO addresses.

The Fund will not issue certificates evidencing shares purchased. Instead, the Fund will send investors a written confirmation for all purchases of shares.

The Fund offers an automatic investment plan allowing shareholders to make purchases on a regular and convenient basis. The Fund also offers the following retirement plans:

- Traditional IRA
- Roth IRA
- Coverdell Education Savings Account
- SEP-IRA
- Simple IRA



Investors can obtain further information about the automatic investment plan and the retirement plans by calling the Fund at 1-800-773-9655. The Fund recommends that investors consult with a competent financial and tax advisor regarding the retirement plans before investing through them.

## REDEEMING SHARES

### How to Redeem (Sell) Shares by Mail

1. Prepare a letter of instruction containing:
  - the name of the Fund
  - account number(s)
  - the amount of money or number of shares being redeemed
  - the name(s) on the account
  - daytime phone number
  - additional information that the Fund may require for redemptions by corporations, executors, administrators, trustees, guardians, or others who hold shares in a fiduciary or representative capacity. Please contact the Fund's transfer agent, U.S. Bancorp Fund Services, LLC, in advance, at 1-800-773-9655 or 1-414-765-4124 if you have any questions.
2. Sign the letter of instruction exactly as the shares are registered. Joint ownership accounts must be signed by all owners.
3. A signature guarantee assures that a signature is genuine. It protects shareholders from unauthorized account transfers. You may obtain a signature guarantee



from domestic banks, brokers-dealers, credit unions, national securities exchanges, registered securities associations, clearing agencies and savings associations as well as from participants in the New York Stock Exchange Medallion Signature Program and the Securities Transfer Agents Medallion Program. Have the signatures guaranteed in the following situations:

- The redemption request exceeds \$25,000.
- The redemption proceeds are sent to any person, address or bank account not on record.
- If a change of address was received by U.S. Bancorp Fund Services, LLC within the last 30 days.
- When ownership on an account is changed.
- When establishing or modifying certain services on an account.

In addition to the instances described above, the Fund and/or the transfer agent may require a signature guarantee in other cases based on the facts and circumstances relative to the particular situation.

**A notarized signature is not an acceptable substitute for a signature guarantee.**

4. Send the letter of instruction to:

#### **BY FIRST CLASS MAIL**

Reynolds Blue Chip Growth Fund  
 c/o U.S. Bancorp Fund Services, LLC  
 Shareholder Services Center  
 P.O. Box 701  
 Milwaukee, WI 53201-0701

#### **BY OVERNIGHT DELIVERY SERVICE OR EXPRESS MAIL**

Reynolds Blue Chip Growth Fund  
 c/o U.S. Bancorp Fund Services, LLC  
 3rd Floor  
 615 East Michigan Street  
 Milwaukee, WI 53202-5207

**Please do not send letters of instruction by overnight delivery service or express mail to the Post Office Box address.**

### **How to Redeem (Sell) Shares by Telephone**



1. Instruct U.S. Bancorp Fund Services, LLC that you want the option of redeeming shares by telephone. This can be done by completing the appropriate section on the Purchase Application. If you have already opened an account, you may write to U.S. Bancorp Fund Services, LLC requesting this option. When you do so, please sign the request exactly as your account is registered. You may also be required to have your signature guaranteed. We suggest calling U.S. Bancorp Fund Services, LLC at 1-800-773-9665 before sending your request. Shares held in retirement plans cannot be redeemed by telephone.
2. Assemble the same information that you would include in the letter of instruction for a written redemption request.
3. Call U.S. Bancorp Fund Services, LLC at 1-800-773-9665 or 1-414-765-4124. **Please do not call the Fund or the Adviser.**
4. Telephone redemptions must be in amounts of \$1,000 or more but may not exceed \$25,000.
5. **Once a telephone transaction has been placed, it cannot be canceled or modified.**

### **How to Redeem (Sell) Shares through Servicing Agents**

If your shares are held by a Servicing Agent, you must redeem your shares through the Servicing Agent. Contact the Servicing Agent for instructions on how to do so.

### **Redemption Price**

The redemption price per share you receive for redemption requests is the next determined net asset value after:

- U.S. Bancorp Fund Services, LLC receives your written request in good order with all required information and documents as necessary. Shareholders should contact U.S. Bancorp Fund Services, LLC for further information concerning documentation required for redemption of Fund shares for certain account types.
- If the Fund has entered into an agreement with a Servicing Agent pursuant to which the Servicing Agent (or its designee) has been authorized to accept redemption requests on behalf of the Fund, then all redemption requests received in good order by the Servicing Agent (or its designee) before 4:00 p.m. Eastern Time will receive that day's net asset value, and all redemption requests received in good order by the Servicing Agent (or its designee) after 4:00 p.m. Eastern Time will receive the next day's net asset value.

### **Payment of Redemption Proceeds**

- For those shareholders who redeem shares by mail, U.S. Bancorp Fund Services, LLC will mail a check in the amount of the redemption proceeds no later than the seventh day after it receives the redemption request in proper form with all required information.
- For those shareholders who redeem by telephone, U.S. Bancorp Fund Services, LLC will either mail a check in the amount of the redemption proceeds no later than the seventh day after it receives the redemption request, or transfer the redemption proceeds to your designated bank account if you have elected to receive redemption proceeds by either Electronic Funds Transfer or wire. An Electronic Funds Transfer generally takes up to 3 business days to reach the shareholder's account whereas U.S. Bancorp Fund Services, LLC generally wires redemption proceeds on the business day following the calculation of the redemption price.

However, the Fund may direct U.S. Bancorp Fund Services, LLC to pay the proceeds of a telephone redemption on a date no later than the seventh day after the redemption request.

- For those shareholders who redeem shares through Servicing Agents, the Servicing Agent will transmit the redemption proceeds in accordance with its redemption procedures.

### Other Redemption Considerations

When redeeming shares of the Fund, shareholders should consider the following:



- The redemption may result in a taxable gain.
- Shareholders who redeem shares held in an IRA must indicate on their redemption request whether or not to withhold federal income taxes. If not, these redemptions, as well as redemptions of other retirement plans not involving a direct rollover to an eligible plan, will be subject to federal income tax withholding.
- The Fund may delay the payment of redemption proceeds for up to seven days in all cases.
- If you purchased shares by check, the Fund may delay the payment of redemption proceeds until it is reasonably satisfied the check has cleared (which may take up to 15 days from the date of purchase).
- U.S. Bancorp Fund Services, LLC will send the proceeds of telephone redemptions only to a pre-determined bank account or to the address of record. Payment to any other address or account will require a written redemption request with signatures guaranteed.
- The Fund reserves the right to refuse a telephone redemption request if it believes it is advisable to do so. The Fund and U.S. Bancorp Fund Services, LLC may modify or terminate their procedures for telephone redemptions at any time. Neither the Fund nor U.S. Bancorp

Fund Services, LLC will be liable for following instructions for telephone redemption transactions that they reasonably believe to be genuine, provided they use reasonable procedures to confirm the genuineness of the telephone instructions. They may be liable for unauthorized transactions if they fail to follow such procedures. These procedures include requiring some form of personal identification prior to acting upon the telephone instructions and recording all telephone calls. During periods of substantial economic or market change, you may find telephone redemptions difficult to implement. If a shareholder cannot contact U.S. Bancorp Fund Services, LLC by telephone, he or she should make a redemption request in writing in the manner described earlier.

- U.S. Bancorp Fund Services, LLC currently charges a fee of \$15 when transferring redemption proceeds to your designated bank account by wire but does not charge a fee when transferring redemption proceeds by Electronic Funds Transfer.
- If your account balance falls below \$500 because you redeem shares, you will be given 60 days to make additional investments so that your account balance is \$500 or more. If you do not, the Fund may close your account and mail the redemption proceeds to you.
- The Fund may pay redemption requests “in kind.” This means that the Fund may pay redemption requests entirely or partially with liquid securities rather than cash. Shareholders who receive a redemption “in kind” may incur costs to dispose of such securities.

### MARKET TIMING PROCEDURES

Frequent purchases and redemptions of shares of the Fund by a shareholder may harm other shareholders by interfering with the efficient management

of the Fund's portfolio, increasing brokerage and administrative costs, and potentially diluting the value of their shares. Notwithstanding the foregoing, the Fund's Board of Directors has determined not to adopt policies and procedures that discourage frequent purchases and redemptions of shares of the Fund because the Fund currently is not experiencing frequent purchases and redemptions of shares that are disruptive to the Fund.

The officers of the Fund receive reports on a regular basis as to purchases and redemptions of shares of the Fund and review these reports to determine if there is any unusual trading in shares of the Fund. The officers of the Fund will report to the Board of Directors any such unusual trading in shares of the Fund that is disruptive to the Fund. In such event, the Fund's Board of Directors may reconsider its decision not to adopt policies and procedures.

## EXCHANGING SHARES

Shares of the Fund may be exchanged for the First American Treasury Obligation Fund at the relative net asset value. An affiliate of U.S. Bancorp Fund Services, LLC advises First American Treasury Obligations Fund. Neither U.S. Bancorp Fund Services, LLC nor First American Treasury Obligations Fund is affiliated with the Fund or the Adviser.



You may have a taxable gain or loss as a result of an exchange because the Internal Revenue Code treats an exchange as a sale of shares. The registration of both the account from which the exchange is being made and the account to which the exchange is being made must be identical.

### How to Exchange Shares

1. Read this Prospectus (and the prospectus for the First American Treasury Obligations Fund, if applicable) carefully.
2. Determine the number of shares you want to exchange keeping in mind that exchanges are subject to a \$1,000 minimum.
3. Call U.S. Bancorp Fund Services, LLC at 1-800-773-9665. You may also make an exchange by writing to Reynolds Blue Chip Growth Fund, c/o U.S. Bancorp Fund Services, LLC, P.O. Box 701, Milwaukee, Wisconsin 53201-0701.

This exchange privilege does not constitute an offering or recommendation on the part of the Fund or the Adviser of an investment in the First American Treasury Obligations Fund.

## DIVIDENDS, DISTRIBUTIONS AND TAXES

The Fund distributes substantially all of its net investment income and substantially all of its capital gains annually. You have four distribution options:



- **All Reinvestment Option** – Both dividend and capital gains distributions will be reinvested in additional Fund shares.
- **Partial Reinvestment Option** – Dividends will be paid in cash and capital gains distributions will be reinvested in additional Fund shares.
- **Partial Reinvestment Option** – Dividends will be reinvested in additional Fund shares and capital gains distributions will be paid in cash.
- **All Cash Option** – Both dividend and capital gains distributions will be paid in cash.

You may make this election on the Purchase Application. You may change your election by writing to U.S. Bancorp Fund Services, LLC or by calling 1-800-773-9665.

If you elect to receive distributions and capital gains paid in cash and the U.S. Postal Service cannot deliver the check, or if a check remains outstanding for six months, the Fund reserves the right to reinvest the distribution check in your account. The reinvestment will be at the Fund's current net asset value and all subsequent distributions will also be reinvested.

The Fund's distributions, whether received in cash or additional shares of the Fund, may be subject to federal and state income tax. These distributions may be taxed as ordinary income, dividend income and capital gains (which may be taxed at different rates depending on the length of time the Fund holds the assets generating the capital gains). The Fund expects that its distributions will consist primarily of long-term capital gains.

## ACCOUNT SERVICES AND POLICIES

### Immediate Balance Information

Through an electronic Voice Response Unit (VRU) the Fund offers 24-hour-a-day shareholder service both by telephone and on the Internet. Just call 1-800-773-9665 for an update on your account balance or latest share prices. The VRU will guide you to your desired information. Remember to have your account number handy.

### Web Site

Visit the Fund's site at:

<http://www.reynoldsfunds.com>

You can view your account list, account detail (including account balances), transaction history, distributions and Fund prices through the Fund's Web site. The Fund is committed to protecting your personal financial security and has strict measures in place to ensure that others will never have access to your personal financial information.

Once you have established an account and you have received your account number, you can go to our website at [www.reynoldsfunds.com](http://www.reynoldsfunds.com) to establish a personal identification number ("PIN") which allows you to access your account information online. If you forget, misplace or have difficulty establishing your PIN online, please contact a Shareholder Services Representative at 1-800-773-9665.

## FINANCIAL HIGHLIGHTS

The financial highlights table is intended to help you understand the Fund's financial performance for the past five fiscal years. Certain information reflects financial results for a single Fund share. The total returns in the table represent the rate that an in-

vestor would have earned or lost on an investment in the Fund (assuming reinvestment of all dividends and distributions). This information has been audited by PricewaterhouseCoopers LLP, whose report, along with the Fund's financial statements, is included in the Annual Report which is available upon request.

	For the Years Ended September 30,				
	2007	2006	2005	2004	2003
<b>PER SHARE OPERATING PERFORMANCE:</b>					
Net asset value, beginning of year	\$28.98	\$29.48	\$26.98	\$27.93	\$19.61
Income from investment operations:					
Net investment income (loss)	0.17	(0.17)	(0.34)	(0.40)	(0.22)
Net realized and unrealized gain (losses) on investments	2.90	(0.33)	2.84	(0.55)*	8.54
Total from investment operations	3.07	(0.50)	2.50	(0.95)	8.32
Less distributions:					
Distributions from net investment income	—	—	—	—	—
Distributions from net realized gains	—	—	—	—	—
Total from distributions	—	—	—	—	—
Net asset value, end of year	<u>\$32.05</u>	<u>\$28.98</u>	<u>\$29.48</u>	<u>\$26.98</u>	<u>\$27.93</u>
<b>TOTAL RETURN</b>	10.59%	(1.70%)	9.27%	(3.44%)	42.43%
<b>RATIOS/SUPPLEMENTAL DATA:</b>					
Net assets, end of year (in 000s \$)	26,670	38,288	54,441	84,210	138,903
Ratio of expenses (after reimbursement) to average net assets**	2.02%	2.01%	1.80%	1.63%	1.74%
Ratio of net investment income (loss) to average net assets***	0.55%	(0.55%)	(1.18%)	(1.33%)	(0.88%)
Portfolio turnover rate	313.0%	280.9%	167.6%	94.0%	83.7%

\* The amount shown may not correlate with the aggregate gains and losses of portfolio securities due to the timing of subscriptions and redemptions of Fund shares.

\*\* Computed after giving effect to Adviser's expense limitation undertaking. If the Fund had paid all of its expenses for the year ended September 30, 2007, the ratio would have been 2.25%.

\*\*\* If the Fund had paid all of its expenses, for the year ended September 30, 2007, the ratio would have been 0.32%.

## **Not Part of the Prospectus**

### **REYNOLDS FUNDS, INC. PRIVACY POLICY**

We collect the following nonpublic personal information about you:

- Information we receive from you on or in applications or other forms, correspondence or conversations.
- Information about your transactions with us, our affiliates, or others.

We do not disclose any nonpublic personal information about our current or former shareholders to anyone, except as permitted by law. For example, we are permitted by law to disclose all of the information we collect, as described above, to our transfer agent to process your transactions. Furthermore, we restrict access to your nonpublic personal information to those persons who require such information to provide products or services to you. We maintain physical, electronic and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

In the event that you hold shares of the Fund through a financial intermediary, including, but not limited to, a broker-dealer, bank or trust company, the privacy policy of your financial intermediary may govern how your nonpublic personal information would be shared with nonaffiliated third parties.

**REYNOLDS BLUE CHIP GROWTH FUND**

c/o U.S. BANCORP FUND SERVICES, LLC  
615 East Michigan Street  
Milwaukee, Wisconsin 53202  
www.reynoldsfunds.com

**Board of Directors**

DENNIS N. MOSER  
FREDERICK L. REYNOLDS  
ROBERT E. STAUDER

**Investment Adviser**

REYNOLDS CAPITAL MANAGEMENT  
2580 Kekaa Drive #115  
Lahaina, Hawaii 96761

**Administrator**

FIDUCIARY MANAGEMENT, INC.  
100 East Wisconsin Avenue  
Suite 2200  
Milwaukee, Wisconsin 53202

**Transfer Agent and  
Dividend Disbursing Agent**

U.S. BANCORP FUND SERVICES, LLP  
615 East Michigan Street  
Milwaukee, Wisconsin 53202  
**1-800-773-9665**  
**or 1-800-7REYNOLDS**  
1-414-765-4124

**Custodian**

U.S. BANK N.A.  
Custody Operations  
1555 North RiverCenter Drive, Suite 302  
Milwaukee, Wisconsin 53212

**Independent Registered Public Accounting Firm**

PRICEWATERHOUSECOOPERS LLP  
100 East Wisconsin Avenue  
Suite 1800  
Milwaukee, Wisconsin 53202

**Legal Counsel**

FOLEY & LARDNER LLP  
777 East Wisconsin Avenue  
Milwaukee, Wisconsin 53202



To learn more about the Fund you may want to read the Fund's Statement of Additional Information (or "SAI") which contains additional information about the Fund. The Fund has incorporated by reference the SAI into the Prospectus. This means that you should consider the contents of the SAI to be part of the Prospectus.

You also may learn more about the Fund's investments by reading the Fund's annual and semi-annual reports to shareholders. The annual report includes a discussion of the market conditions and investment strategies that significantly affected the performance of the Fund during its last fiscal year.

The SAI and the annual and semi-annual reports are all available to shareholders and prospective investors without charge, simply by calling 1-800-773-9665. The Fund also makes available the SAI and the annual and semi-annual reports, free of charge, on its Internet website (<http://www.reynoldsfunds.com>).

Prospective investors and shareholders who have questions about the Fund may also call the above number or write to the following address:

Reynolds Blue Chip Growth Fund  
c/o U.S. Bancorp Fund Services, LLC  
615 East Michigan Street  
Milwaukee, WI 53202  
[www.reynoldsfunds.com](http://www.reynoldsfunds.com)

The general public can review and copy information about the Fund (including the SAI) at the Securities and Exchange Commission's Public Reference Room in Washington, D.C. (Please call 1-202-942-8090 for information on the operations of the Public Reference Room.) Reports and other information about the Fund are also available on the EDGAR database at the Securities and Exchange Commission's Internet site at <http://www.sec.gov> and copies of this information may be obtained, upon payment of a duplicating fee, by electronic request at the following E-mail address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov), or by writing to:

Public Reference Section  
Securities and Exchange Commission  
Washington, D.C. 20549-0102

Please refer to the Fund's Investment Company Act File No. 811-05549, when seeking information about the Fund from the Securities and Exchange Commission.

**REYNOLDS  
BLUE CHIP  
GROWTH FUND**

**Seeking Long-Term Capital Appreciation**

**A No-Load Mutual Fund**

**1-800-773-9665**  
**[www.reynoldsfunds.com](http://www.reynoldsfunds.com)**