

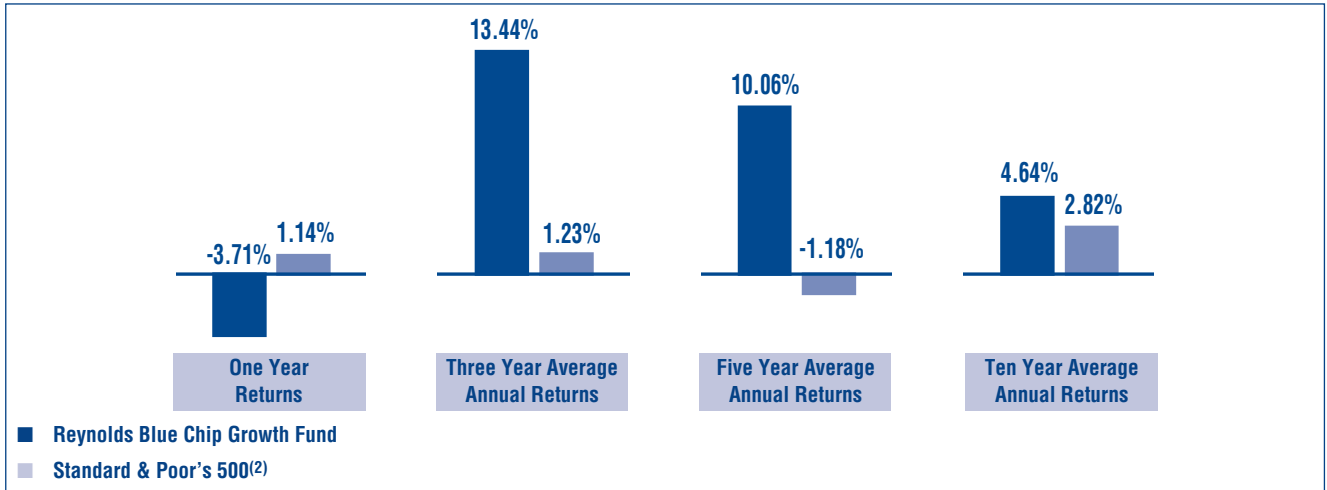
REYNOLDS BLUE CHIP GROWTH FUND

November 23, 2011

Dear Fellow Shareholders:

Performance highlights (September 30, 2011)

The Reynolds Blue Chip Growth Fund has a 5 Star⁽¹⁾ overall rating from Morningstar. This is Morningstar's highest overall mutual fund rating. The performance of the Reynolds Blue Chip Growth Fund (the "Fund" or the "Blue Chip Fund") in the twelve months ended September 30, 2011 was -3.71%. The performance of the Standard & Poor's 500 Index⁽²⁾ during that same period was +1.14%. The annualized average total returns of the Reynolds Blue Chip Growth Fund for the 3-year, 5-year and 10-year periods through September 30, 2011 were +13.44%, +10.06%, and +4.64%, respectively. The annualized average total returns for the Fund's benchmark, the Standard & Poor's 500, for the 3-year, 5-year and 10-year periods through September 30, 2011 were +1.23%, -1.18%, and +2.82%, respectively.



- (1) The Reynolds Blue Chip Growth Fund has an Overall Morningstar Rating of 5 Stars. This is out of 1,479 funds in Morningstar's Large Growth Category which is the Fund's Morningstar Category. The Overall Morningstar Rating for a fund is derived from a weighted-average of the performance figures associated with its three-, five-, and ten -year (if applicable) ratings, based on risk-adjusted returns. For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. Past performance is no guarantee of future results.
- (2) The Standard & Poor's 500 Index consists of 500 selected common stocks, most of which are listed on the New York Stock Exchange. The Standard & Poor's Ratings Group designates the stocks to be included in the Index on a statistical basis. A particular stock's weighting in the Index is based on its relative total market value (i.e. its market price per share times the number of shares outstanding.) Stocks may be added or deleted from the Index from time to time.

Investment Strategy

Ideally I would always invest in stocks for the long-term and have low turnover. However, it is very important to closely analyze intermediate-term potential economic cycles and resulting stock market problems or positives. In October 2007, I became increasingly concerned regarding several potential economic problems. I believed that one of these potential problems was high housing prices, and the increasingly speculative financial instruments that had evolved in this segment of the economy. As a result, I began implementing a strong "defensive investment strategy" for the Reynolds Blue Chip Growth Fund by selling equities held in the Fund and raising the cash position. The beginning of the implementation of this defensive investment strategy coincided within a few days of the intermediate top of the stock market in October 2007. I began purchasing equities for the Blue Chip Fund in March 2009, as I believed that the prices of many high

quality equities had declined to attractive long-term buying ranges and the massive amount of stimulus that was being implemented worldwide would be a positive. The beginning of the implementation of this more “normal investment strategy” also coincided within a few days of the intermediate bottom of the stock market.

The U.S. Economy

The U.S. economic recovery that started in mid-2009 has continued so far in 2011. The U.S. economy is growing, but at a lower than ideal rate. For example, growth of 3% or better is needed to begin meaningfully reducing unemployment which is at 9%. In the last two months the economy has been growing faster than was forecast a few months ago. U.S. Gross Domestic Product (GDP) is estimated to have expanded at an inflation-adjusted annual rate of 2.5% in the quarter ended September 30, 2011 helped by stronger than expected consumer spending and business investment. Americans spent more on services such as health care, restaurants and finance. This is the most robust quarterly performance in a year and eased anxiety that the recovery may be stalling. U.S. GDP is forecast to expand at a 2.2% rate in the quarter ended December 31, 2011. U.S. GDP increased at a 1.3% rate in the quarter ended June 30, 2011; at a 0.4% rate in the quarter ended March 31, 2011; at a 2.3% rate in the quarter ended December 31, 2010; at a 2.5% rate in the quarter ended September 30, 2010; at a 3.8% rate in the quarter ended June 30, 2010; at a 3.9% rate in the quarter ended March 31, 2010, at a 5.0% rate in the quarter ended December 31, 2009; and at a 1.6% rate in the quarter ended September 30, 2009. Prior to that, the economy decreased for four consecutive quarters. For the next six months the outlook remains for good but less than ideal growth accompanied by high unemployment, modest inflation pressures and no change in the Federal Reserve policy on the federal funds rate. The economy will continue to be characterized by large fiscal deficits. The Fed completed the second round of economic stimulus in June 2011. The Fed recently began “Operation Twist” by purchasing longer term maturity Treasury Bonds and selling shorter term maturity Treasury Bonds. This tends to moderately lower longer term interest rates. This should add a moderate amount to economic growth.

There are some current and potential economic and investment negatives at the present time including: (1) hiring continues cautious and unemployment at 9% is still high, more than two and one half years after the economy started growing; (2) high oil prices including higher gasoline prices continue to negatively affect economic growth, although prices have recently declined; (3) mortgage rates are low, but mortgage credit is still somewhat tight; (4) federal, state and local government spending remains weak; (5) inflation, while modest, continues to creep upward; (6) the U.S. deficit needs to be reduced; (7) there are major economic problems with some individual Euro-zone countries such as Greece, Italy, Ireland, Portugal, and Spain which may spread to other countries; (8) the European Commission recently lowered its Euro-zone forecast for 2012 to 0.5% from 1.8%; (9) the Euro-zone economy may slip into a recession in the near term; (10) Euro-zone problems and uncertainties may continue for some time; and (11) economic problems in Europe may negatively affect U.S. economic growth.

Some current and potential economic and investment positives are: (1) the Conference Board’s confidence gauge and the Thomson/Reuters/University of Michigan index of consumer sentiment recently improved; (2) consumer spending, which accounts for about 71% of the economy, has recently increased; (3) manufacturing demand and output are showing gains; (4) capital spending on equipment and software has been increasing; (5) employment and payrolls are increasing although at a modest rate; (6) there is modest growth in commercial and residential construction; (7) near term energy costs including gasoline have recently decreased; (8) there has recently been a modest increase in new home sales; (9) productivity has recently increased; (10) there has been an increase in the willingness of companies to commit capital as evidenced by the increase in merger and acquisition activity; (11) the economy has grown in the last eight quarters through the September 30, 2011 quarter and growth should continue in the near term; (12) growth in the service sector is broadening; (13) businesses have been able to use the credit markets to strengthen their balance sheets; (14) short-term interest rates remain low helped by a low Fed Funds rate; (15) long-term Treasury rates have fallen in response to the problems in Europe; (16) many companies reported revenue growth, not just earnings growth from cutting expenses in the most recent quarters; (17) European leaders agreed to expand a bailout fund; (18) the European Central Bank (ECB) recently cut its benchmark interest rate by 0.25% to 1.25% to boost growth; and (19) the current valuation of stocks is at the low end of historical ranges.

The U.S. economic recovery continues to be affected by a number of secular factors that are altering the pace and composition of growth. The economy in 2011 is being affected by greater prudence and less speculation in lending, high unemployment and less leverage for consumer spending. GDP increased 3.0% in 2010 after decreasing 3.6% in calendar 2009, after no change (0.0%) in calendar 2008, and increasing 2.1% in 2007, 2.8% in 2006, 3.1% in 2005, 3.9% in 2004, 2.7% in 2003, 1.9% in 2002, 0.8% in 2001 and 3.7% in 2000. GDP is forecast to increase 1.65% in 2011 and 2.7% in 2012.

U.S. inflation numbers have been helped in the last few years by such factors as: (1) global competition; (2) advances in technology resulting in increasing productivity; and (3) technology innovations that are helping to lower production and distribution costs. Inflation, as measured by the Consumer Price Index, increased 1.6% in 2010 after decreasing 0.3% in 2009, and increasing 3.8% in 2008, 2.9% in

2007, 3.2% in 2006, 3.4% in 2005, 2.7% in 2004, 2.3% in 2003, 1.6% in 2002, 2.8% in 2001 and 3.4% in 2000. U.S. inflation is forecast to increase 1.85% in 2011 and 1.75% in 2012.

The World Economy

The global economic recovery that started in mid-2009 has continued in 2011. Growth is slowing, but outside of Europe, most economies do not appear to be contracting. The expansion today, except for the Euro-zone, appears to be more sustainable than it was a year ago because domestic demand is better in many economies and accommodative financial conditions remain largely in place in most countries. Recovery is strongest in Asia with China having the strongest growth. However, China's growth rate has recently slowed to 9%. Other Asian countries are having good growth rates as well. Recovery is also occurring in Latin America and Brazil. Some developing countries in the world have been growing faster than the U.S. in the last few years. Their economies continued to grow faster than the U.S. during the most recent worldwide economic slowdown and their economies are continuing to grow faster. The biggest risk to Euro-zone economic growth is related to the potential sovereign government debt crises that have appeared. Europe needs significant fiscal retrenchment in the next few years which is slowing their economic growth. The Euro-zone may slip into a recession and real GDP may decrease 1% over the next two quarters.

The World Economy increased 4.8% in 2010 after decreasing 0.8% in 2009 and is forecast to increase 3.4% in 2011 and 3.1% in 2012. Among "advanced economies": (1) Japan increased 4.0% in 2010 after decreasing 5.2% in 2009 and is forecast to decrease 0.7% in 2011 and increase 1.8% in 2012; (2) the Euro-zone increased 1.7% in 2010 after decreasing 4.0% in 2009 and is forecast to increase 1.5% in 2011 and 0.5% in 2012; (3) the United Kingdom increased 1.3% in 2010 after decreasing 4.9% in 2009 and is forecast to increase 0.8% in 2011 and 1.0% in 2012; (4) Canada increased 3.1% in 2010 after decreasing 2.6% in 2009 and is forecast to increase 2.2% in 2011 and 2.1% in 2012; and (5) Korea increased 6.2% in 2010 after increasing 0.2% in 2009 and is forecast to increase 3.7% in 2011 and 3.8% in 2012.

The biggest developing economies are many times referred to as the "BRIC" economies, which is short for Brazil, Russia, India, and China. China's population is approximately 19% of the world's total population of approximately seven billion. Many economists believe that China has a particularly good long-term outlook. In the second quarter of 2010 China overtook Japan and became the world's second largest economy after the U.S. It is the world's fastest growing major economy. China was one of the first countries to show a pickup in growth as the recession was ending in 2009 and it helped to lead the world out of recession. China's strong growth is resulting in policy makers withdrawing record fiscal and monetary stimulus. For example, bank lending has been tightened and interest rates have been raised several times. GDP increased 10.4% in 2010 after increasing 8.5% in 2009 and is forecast to increase 9.1% in 2011 and 8.1% in 2012.

India's population is approximately 17% of the world's population. It is the world's second fastest growing economy. India's economy increased 8.4% in 2010 after increasing 6.8% in 2009 and is forecast to increase 7.3% in 2011 and 7.4% in 2012.

Brazil is Latin America's biggest economy. Brazil emerged from its first recession since 2003 in the second quarter of 2009. GDP increased 7.5% in 2010 after decreasing 0.2% in 2009 and is forecast to increase 3.2% in 2011 and 3.5% in 2012. Russia's economy grew at 4.0% in 2010 after decreasing 7.9% in 2009 and is forecast to increase 4.0% in 2011 and 3.2% in 2012.

Many worldwide larger multinational companies should be well positioned to benefit long-term from worldwide growth. To the extent that some of these companies' U.S. earnings are growing slower, this could be somewhat offset by their possible stronger foreign earnings. The long-term strategy of the Reynolds Blue Chip Growth Fund is to be structured to benefit from this worldwide growth by investing in many of these leading multinational growth companies.

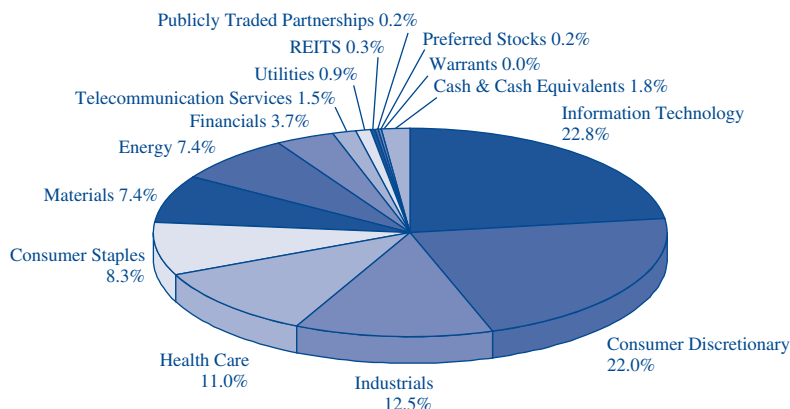
The Blue Chip Fund is positioned to participate in long-term worldwide growth trends through investments in multinational U.S. headquartered companies. In addition, the Fund has investments in leading foreign headquartered companies, whose stocks or American Depositary Receipts (ADRs) trade in the United States. These ADRs are denominated in dollars and they must use GAAP (Generally Accepted Accounting Principles) accounting to qualify as an ADR. The Blue Chip Fund may hold up to 35% of its assets in ADRs.

Opportunistic Investing in Companies of Various Sizes and Diversified Among Various Industries

The Reynolds Blue Chip Growth Fund usually invests in companies of various sizes as classified by their market capitalizations. A company's market capitalization is calculated by taking the number of shares the company has outstanding multiplied by its current market price. Other considerations in selecting companies for the Fund include revenue growth rates, product innovations, financial strength, management's knowledge and experience plus the overall economic and geopolitical environments and interest rates. The Fund's investments are diversified among various industries.

The long-term strategy of the Reynolds Blue Chip Growth Fund is to emphasize investment in worldwide "blue chip" growth companies. These companies are defined as companies with a minimum market capitalization of \$1 billion. In the long-term these companies build value as their earnings grow. This growth in value should ultimately be recognized in higher stock prices for these companies.

Industry Sectors⁽³⁾ as of September 30, 2011



(3) The Global Industry Classification Standard (“GICS®”) was developed by and/or is the exclusive property of MSCI, Inc. and Standard & Poor’s Financial Services LLC (“S&P”). GICS® is a service mark of MSCI and S&P and has been licensed for use by U.S. Bancorp Fund Services, LLC.

Low Long-Term Interest Rates by Historical Standards are a Significant Positive for Stock Valuations

Long-term interest rates remain near historically low levels. Low long-term interest rates usually result in higher stock valuations for many reasons including:

- (1) Long-term borrowing costs of corporations are lower resulting in higher business confidence and profits.
- (2) Long-term borrowing costs of individuals are lower which increases consumer confidence and spending.
- (3) A company’s stock is usually valued by placing a present value on that company’s future stream of earnings and dividends. The present value is higher when interest and inflation rates are low.

Linked Money Market Fund

The First American Treasury Obligations Fund is a money market fund offered by an affiliate of our transfer agent, U.S. Bancorp Fund Services, LLC. This Fund is offered as a money market alternative to our shareholders. The First American Treasury Obligations Fund offers many free shareholder conveniences including automatic investment and withdrawal plans and check writing access to your funds and is linked to your holdings in the Reynolds Blue Chip Growth Fund. This Fund is also included on your quarterly statements.

Information about the Reynolds Blue Chip Growth Fund and the First American Treasury Obligations Fund

Reynoldsfunds.com website: You can access current information about your investment holdings via our website, reynoldsfunds.com. You must first request a personal identification number (PIN) by calling our shareholder service representatives at (800) 773-9665. You will be able to view your account list, account detail (including balances), transaction history, distributions, and the current Reynolds Blue Chip Growth Fund net asset value. Additional information available (PIN number not needed) includes quarterly updates of the returns of the Blue Chip Fund, top ten holdings and industry percentages. Also, detailed statistics and graphs of past performances from a link to Morningstar for the Blue Chip Fund.

For automatic current daily net asset values: Call 1-800-773-9665 (1-800-7REYNOLDS) twenty-four hours a day, seven days a week and press “any key” then “1”. The updated current net asset value for the Blue Chip Fund is usually available each business day after 5 P.M. (PST).

For the Reynolds Blue Chip Growth Fund shareholders to automatically access their current account information: Call 1-800-773-9665 (twenty-four hours a day, seven days a week), press “any key” then “2” and enter your 16 digit account number which appears at the top right of your statement.

To speak to a Fund representative regarding the current daily net asset value, current account information and any other questions: Call 1-800-773-9665 and press “0” from 6 A.M. to 5 P.M. (PST).

Shareholder statement frequency: Consolidated statements summarizing the Blue Chip Fund and First American Treasury Obligations Fund accounts held by a shareholder are sent quarterly. In addition, individual Blue Chip Fund statements are sent whenever a transaction

occurs. These transactions are: (1) statements are sent for the Blue Chip Fund or First American Treasury Obligations Fund when a shareholder purchases or redeems shares; (2) Blue Chip Fund statements are sent twice a year if, and when, any ordinary income or capital gains are distributed.

Tax reporting: Individual 1099 forms, which summarize any dividend income and any long- or short-term capital gains, are sent annually to shareholders each January. The percentage of income earned from various government securities, if any, for the Blue Chip Fund and the First American Treasury Obligations Fund are also reported in January.

Minimum investment: \$1,000 for regular and retirement accounts (\$100 for additional investments for all accounts – except for the Automatic Investment Plan, which is \$50 for regular and retirement plan accounts).

Retirement plans: All types are offered including Traditional IRA, Roth IRA, Coverdell Education Savings Account, SIMPLE IRA Plan, and SEP IRA.

Automatic Investment Plan: There is no charge to automatically debit your checking account to invest in the Blue Chip Fund or the First American Treasury Obligations Fund (\$50 minimum for either of these Funds) at periodic intervals to make automatic purchases in either of these Funds. This is useful for dollar cost averaging for the Blue Chip Fund.

Systematic Withdrawal Plan: For shareholders with a \$10,000 minimum starting balance, there is no charge to automatically redeem shares (\$100 minimum) in the Blue Chip Fund or the First American Treasury Obligations Fund as often as monthly and send a check to you or transfer funds to your bank account.

Free Check Writing: Free check writing (\$100 minimum) is offered for accounts invested in the First American Treasury Obligations Fund.

Exchanges or regular redemptions between the Blue Chip Fund and the First American Treasury Obligations Fund: As often as desired – no charge.

NASDAQ symbols: Reynolds Blue Chip Growth Fund – RBCGX and First American Treasury Obligations Fund – FATXX.

Portfolio Manager: Frederick Reynolds is the portfolio manager of the Reynolds Blue Chip Growth Fund.

The Reynolds Blue Chip Growth Fund and the First American Treasury Obligations Fund are No-Load: No front-end sales commissions or deferred sales charges (“loads”) are charged. Over 40% of all mutual funds impose these marketing charges that are ultimately paid by the shareholder. These marketing charges are either: (1) a front-end fee or “load” in which up to 5% of a shareholder’s assets are deducted from the original investment (some funds even charge a fee when a shareholder reinvests capital gains or dividends); or (2) a back-end penalty fee or “load” which is typically deducted from a shareholder’s account if a shareholder redeems within five years of the original investment. These fees reduce a shareholder’s return. The Blue Chip Fund and First American Treasury Obligations Fund are No-Load as they do not have these extra charges.

We appreciate your continued confidence in the Reynolds Blue Chip Growth Fund and would like to welcome our new shareholders. We look forward to strong results in the future.

Sincerely,



Frederick L. Reynolds
President

This report is not authorized for use as an offer of sale or a solicitation of an offer to buy shares of the Reynolds Blue Chip Growth Fund unless accompanied or preceded by the Fund’s current prospectus. Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor’s shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by visiting www.reynoldsfunds.com.

This shareholder letter is unaudited.

Reynolds Blue Chip Growth Fund
COST DISCUSSION (Unaudited)

As a shareholder of the Reynolds Blue Chip Growth Fund, you do not incur (except as described below) transaction costs, including sales charges (loads) on purchase payments, reinvested dividends, or other distributions; redemption fees; and exchange fees, but do incur ongoing costs, including management fees; distribution [and/or service] (12b-1) fees; and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from April 1, 2011 through September 30, 2011.

Actual Expenses

The first line of the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled “Expenses Paid During Period” to estimate the expenses you paid on your account during this period.

In addition to the costs highlighted and described below, the only Fund transaction costs you might currently incur would be wire fees (\$15 per wire), if you choose to have proceeds from a redemption wired to your bank account instead of receiving a check. Additionally, U.S. Bank charges an annual processing fee (\$15) if you maintain an IRA account with the Fund. To determine your total costs of investing in the Fund, you would need to add any applicable wire or IRA processing fees you’ve incurred during the period to the costs provided in the example below.

Hypothetical Example for Comparison Purposes

The second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an assumed 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), redemption or exchange fees. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

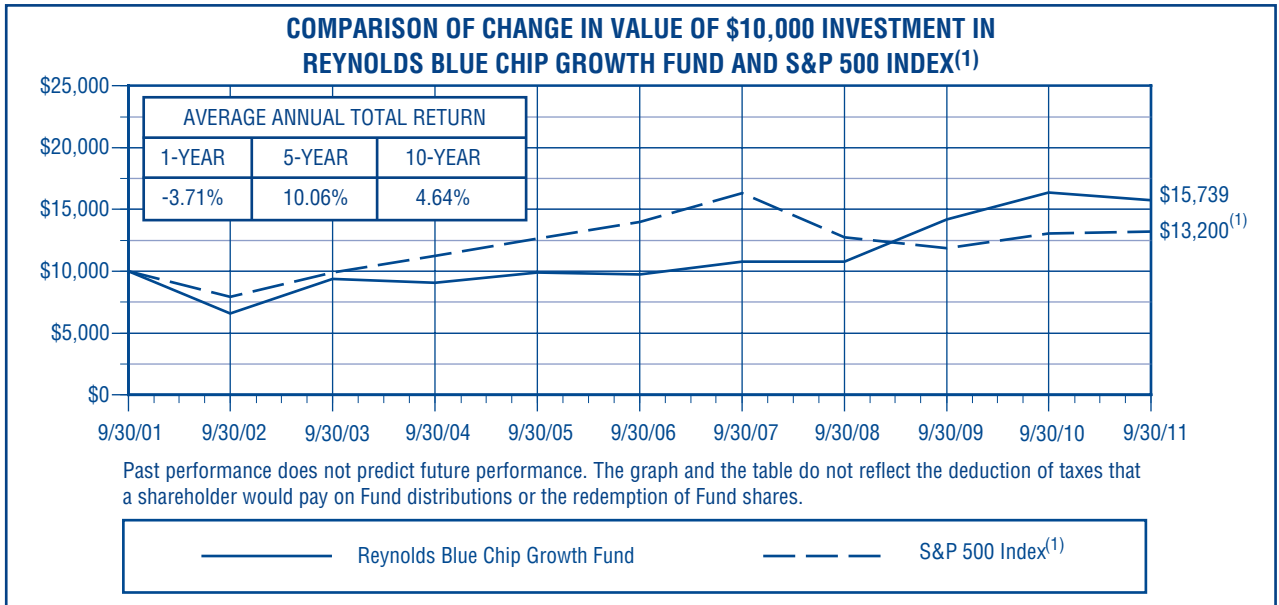
	<u>Beginning Account Value 4/01/11</u>	<u>Ending Account Value 9/30/11</u>	<u>Expenses Paid During Period* 4/01/11-9/30/11</u>
Reynolds Blue Chip Growth Fund Actual	\$1,000.00	\$ 792.80	\$6.92
Hypothetical (5% return before expenses)	\$1,000.00	\$1,017.30	\$7.79

* Expenses are equal to the Fund’s annualized expense ratio of 1.54% multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period between April 1, 2011 and September 30, 2011).

MANAGEMENT’S DISCUSSION OF FUND PERFORMANCE (Unaudited)

The Reynolds Blue Chip Growth Fund and the Standard & Poor’s 500 Index both appreciated in the first half of the Fund’s fiscal year ended March 31, 2011. This was due to several reasons including: (1) interest rates were at historically low levels; (2) the continued positive effects of the stimulus program; (3) Gross Domestic Product (GDP) and corporate profits increased during this period; and (4) the consensus economic forecast was for continued moderate growth. The Reynolds Blue Chip Growth Fund outperformed the Standard & Poor’s 500 Index (the Fund’s benchmark) during this period. One reason for this was that many of the Fund’s largest holdings outperformed the benchmark. Some of these largest holdings were: (1) Amazon; (2) Apple; (3) AutoZone; (4) Baidu; (5) Caterpillar; (6) Coca-Cola; (7) Costco; (8) Deere; (9) Hansen Natural; (10) McDonalds; (11) Nordstrom; and (12) Whole Foods Market. In addition, good individual stock selection in general was an important contributor to this good performance. Examples were: (1) Chipotle Mexican Grill; (2) Citrix Systems; (3) Dollar Tree; (4) Herbalife; (5) IBM; (6) Joy Global; (7) Norfolk and Southern; (8) Priceline; (9) Ross Stores; (10) Tempur-Pedic; (11) Union Pacific; (12) VM Ware; (13) VeriFone; and (14) Whiting Petroleum. Also, Financial Services companies were underweighted in the Fund and they underperformed the Index.

In the second half of the Reynolds Blue Chip Growth Fund’s fiscal year ended September 30, 2011, the stock market was in a correction mode and the Fund and the Standard & Poor’s 500 Index both depreciated. This was due to several reasons including: (1) the second stimulus program expired on June 30, 2011; (2) near term GDP and some industry and company forecasts were lowered; (3) heightened concern about Greece’s problems; and (4) increased concern about other Euro-zone problems. The Blue Chip Fund underperformed the S&P 500 benchmark during this period. The main reason for this underperformance was that many of the same stocks held in the Fund that outperformed in the first half underperformed the benchmark in the second half. Most of these companies that outperformed the benchmark in the first half are high quality growth companies whose earnings are growing faster than the overall market. As a result, more is expected of these companies. They can be more volatile than the market during correction periods and they were during this period.



(1) The S&P 500 is the Standard & Poor’s Composite Index of 500 stocks, a widely recognized unmanaged index of common stock prices and includes the reinvestment of all dividends. Investors cannot invest directly in an index or benchmark.

Reynolds Blue Chip Growth Fund

STATEMENT OF ASSETS AND LIABILITIES

September 30, 2011

ASSETS:

Investments in securities, at value (cost \$216,592,689)	\$195,661,758
Cash	1,006,934
Receivable from investments sold	3,223,078
Receivable from shareholders for purchases	345,492
Dividends receivable	158,944
Total assets	<u>\$200,396,206</u>

LIABILITIES:

Payable to shareholders for redemptions	\$ 916,281
Payable to adviser for management fees	178,722
Payable for distribution expenses	34,000
Other liabilities	84,664
Total liabilities	<u>1,213,667</u>

NET ASSETS:

Capital Stock, \$0.01 par value; 40,000,000 shares authorized; 4,283,447 shares outstanding	225,677,270
Net unrealized depreciation on investments	(20,930,931)
Accumulated net realized loss on investments	<u>(5,563,800)</u>
Net assets	199,182,539
Total liabilities and net assets	<u>\$200,396,206</u>

CALCULATION OF NET ASSET VALUE PER SHARE:

Net asset value, offering and redemption price per share ($\$199,182,539 \div 4,283,447$ shares outstanding)	<u>\$ 46.50</u>
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The accompanying notes to financial statements are an integral part of this statement.

SCHEDULE OF INVESTMENTS

September 30, 2011

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
LONG-TERM INVESTMENTS — 98.2% (a)		Aerospace & Defense — 1.9% (Continued)	
COMMON STOCKS — 97.5% (a)		2,300	L-3 Communications Holdings, Inc. .. \$ 142,531
Aerospace & Defense — 1.9%		1,300	Lockheed Martin Corp. 94,432
7,400	BE Aerospace, Inc.* \$ 245,014	2,600	Northrop Grumman Corp. 135,616
7,200	The Boeing Co. 435,672	600	Precision Castparts Corp. 93,276
600	Embraer S.A. - SP-ADR 15,222	1,500	Raytheon Co. 61,305
1,200	Esterline Technologies Corp.* 62,208	1,900	Rockwell Collins, Inc. 100,244
3,300	General Dynamics Corp. 187,737	1,600	Spirit AeroSystems Holdings Inc.* ... 25,520
4,600	Goodrich Corp. 555,128	4,600	TransDigm Group, Inc.* 375,682
9,400	Hexcel Corp.* 208,304	4,600	Triumph Group, Inc. 224,204
5,300	Honeywell International Inc. 232,723	6,400	United Technologies Corp. 450,304
1,000	ITT Corporation 42,000		<u>3,687,122</u>

The accompanying notes to financial statements are an integral part of this schedule.

Reynolds Blue Chip Growth Fund

SCHEDULE OF INVESTMENTS (Continued)

September 30, 2011

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
LONG-TERM INVESTMENTS — 98.2% (a) (Continued)		Beverages — 2.5%	
COMMON STOCKS — 97.5% (a) (Continued)		2,000 Anheuser-Busch	
Air Freight & Logistics — 0.5%		InBev N.V. - SP-ADR	\$ 105,960
2,900 C. H. Robinson Worldwide, Inc.	\$ 198,563	3,200 The Boston Beer Company, Inc.*	232,640
4,200 Expeditors International		17,200 The Coca-Cola Co.	1,162,032
of Washington, Inc.	170,310	6,100 Coca-Cola Enterprises Inc.	151,768
3,400 FedEx Corp.	230,112	4,000 Coca-Cola Femsa, S.A.B.	
5,200 United Parcel Service, Inc. CI B	328,380	de C.V. - SP-ADR	354,920
	<u>927,365</u>	1,900 Compania Cervecerias	
Airlines — 0.3%		Unidas S.A. - SP-ADR	98,135
1,700 Alaska Air Group, Inc.*	95,693	5,600 Constellation Brands, Inc.*	100,800
2,200 Allegiant Travel Co.*	103,686	18,600 Cott Corp.*	126,666
3,800 AMR Corp.*	11,248	1,700 Craft Brewers Alliance Inc.*	9,537
2,700 China Eastern Airlines		4,100 Diageo PLC - SP-ADR	311,313
Corporation Ltd. - SP-ADR*	41,688	6,200 Dr Pepper Snapple Group, Inc.	240,436
8,700 China Southern Airlines		6,100 Fomento Economico Mexicano,	
Company Ltd. - SP-ADR*	196,011	S.A.B. de C.V. - SP-ADR	395,402
4,500 Delta Air Lines, Inc.*	33,750	9,800 Hansen Natural Corp.*	855,442
5,400 Hawaiian Holdings, Inc.*	22,734	1,200 Heineken N. V. - ADR	26,556
4,000 JetBlue Airways Corp.*	16,400	2,700 Molson Coors Brewing Co.	106,947
5,900 Southwest Airlines Co.	47,436	11,600 PepsiCo, Inc.	718,040
1,200 United Continental Holdings Inc.*	23,256		<u>4,996,594</u>
2,800 US Airways Group, Inc.*	15,400	Biotechnology — 1.5%	
	<u>607,302</u>	7,400 Alexion Pharmaceuticals, Inc.*	474,044
Auto Components — 0.6%		6,300 Alkermes PLC*	96,138
6,900 BorgWarner, Inc.*	417,657	3,400 Amgen Inc.	186,830
1,900 China Automotive Systems, Inc.*	8,968	4,800 Amylin Pharmaceuticals, Inc.*	44,304
18,330 The Goodyear Tire & Rubber Co.*	184,950	39,300 ARIAD Pharmaceuticals, Inc.*	345,447
3,300 Johnson Controls, Inc.	87,021	4,400 Biogen Idec Inc.*	409,860
700 Magna International Inc.	23,079	3,500 Celgene Corp.*	216,720
8,000 Tenneco Inc.*	204,880	11,000 Cell Therapeutics, Inc.*	11,660
4,900 TRW Automotive Holdings Corp.*	160,377	6,600 Dendreon Corp.*	59,400
	<u>1,086,932</u>	5,700 Gilead Sciences, Inc.*	221,160
Automobiles — 0.5%		6,700 Human Genome Sciences, Inc.*	85,023
18,100 Ford Motor Co.*	175,027	20,200 Incyte Corp.*	282,194
2,200 General Motors Co.*	44,396	2,900 InterMune, Inc.*	58,580
6,400 Harley-Davidson, Inc.	219,712	1,500 Myriad Genetics, Inc.*	28,110
2,800 Honda Motor Co., Ltd. - SP-ADR	81,620	2,000 Onyx Pharmaceuticals, Inc.*	60,020
15,800 Tata Motors Ltd. - SP-ADR	243,004	500 Pharmasset, Inc.*	41,185
2,200 Tesla Motors, Inc.*	53,658	10,300 SciClone Pharmaceuticals, Inc.*	39,243
1,200 Toyota Motor Corp. - SP-ADR	81,912	5,500 Seattle Genetics, Inc.*	104,830
	<u>899,329</u>	3,100 United Therapeutics Corporation*	116,219

The accompanying notes to financial statements are an integral part of this schedule.

Reynolds Blue Chip Growth Fund

SCHEDULE OF INVESTMENTS (Continued)

September 30, 2011

Shares		Value	Shares		Value
LONG-TERM INVESTMENTS — 98.2% (a) (Continued)			Chemicals — 3.0% (Continued)		
COMMON STOCKS — 97.5% (a) (Continued)					
Biotechnology — 1.5% (Continued)					
1,800	Vertex Pharmaceuticals Inc.*	\$ 80,172	8,600	The Dow Chemical Co.	\$ 193,156
8,700	Vical Inc.*	21,576	7,100	E.I. du Pont de Nemours and Co.	283,787
		<u>2,982,715</u>	2,900	Eastman Chemical Co.	198,737
Building Products — 0.1%			5,900	Ferro Corporation*	36,285
8,600	Masco Corp.	61,232	4,300	FMC Corporation	297,388
3,300	Owens Corning Inc.*	71,544	8,300	W.R. Grace & Co.*	276,390
		<u>132,776</u>	2,600	Huntsman Corporation	25,142
Capital Markets — 1.2%			10,100	International Flavors	
1,100	Affiliated Managers Group, Inc.*	85,855		& Fragrances Inc.	567,822
900	Ameriprise Financial, Inc.	35,424	8,900	Intrepid Potash, Inc.*	221,343
1,400	The Bank of New York Mellon Corp.	26,026	4,200	Koppers Holdings, Inc.	107,562
3,600	BGC Partners, Inc.	21,708	7,000	Kraton Performance Polymers, Inc.*	113,260
2,100	Deutsche Bank AG	72,681	7,300	Kronos Worldwide, Inc.	117,384
7,300	E*Trade Financial Corp.*	66,503	6,800	LyondellBasell Industries N.V.	166,124
5,900	Financial Engines, Inc.*	106,849	7,600	Monsanto Company	456,304
2,500	Franklin Resources, Inc.	239,100	7,100	The Mosaic Company	347,687
5,000	The Goldman Sachs Group, Inc.	472,750	3,100	Nalco Holding Co.	108,438
2,300	Invesco Limited	35,673	600	NewMarket Corporation	91,122
11,100	Janus Capital Group Inc.	66,600	8,100	Olin Corp.	145,881
2,100	Legg Mason, Inc.	53,991	7,000	Potash Corporation	
4,700	Morgan Stanley	63,450		of Saskatchewan Inc.	302,540
2,400	Piper Jaffray Companies, Inc.*	43,032	4,800	PPG Industries, Inc.	339,168
6,000	T. Rowe Price Group Inc.	286,620	3,100	Praxair, Inc.	289,788
4,700	Raymond James Financial, Inc.	122,012	6,200	RPM International, Inc.	115,940
2,000	Safeguard Scientifics, Inc.*	30,000	1,700	The Scotts Miracle-Gro Company	75,820
3,500	The Charles Schwab Corporation	39,445	3,800	Sigma-Aldrich Corp.	234,802
1,200	SEI Investments Co.	18,456	7,500	Solutia Inc.*	96,375
2,600	State Street Corp.	83,616	3,200	The Valspar Corp.	99,872
10,800	TD Ameritrade Holding Corp.	158,814	500	Yara International ASA - SP-ADR	19,350
4,500	Virtus Investment Partners Inc.*	241,290			<u>5,959,502</u>
3,900	Waddell & Reed Financial, Inc.	97,539	Commercial Banks — 0.6%		
		<u>2,467,434</u>	2,400	Banco Santander S.A. - SP-ADR	19,296
Chemicals — 3.0%			1,100	Bank of Hawaii Corp.	40,040
3,700	Agrium Inc.	246,642	1,089	Bank of Montreal	60,821
800	Airgas, Inc.	51,056	6,000	Bank of the Ozarks, Inc.	125,580
3,500	Albemarle Corporation	141,400	3,000	Barclays PLC - SP-ADR	29,340
1,000	Celanese Corporation	32,530	2,200	BB&T Corp.	46,926
1,300	CF Industries Holdings, Inc.	160,407	7,200	East West Bancorp, Inc.	107,352
			10,700	Fifth Third Bancorp	108,070
			3,000	Hudson City Bancorp, Inc.	16,980
			18,500	Huntington Bancshares Inc.	88,800

The accompanying notes to financial statements are an integral part of this schedule.

Reynolds Blue Chip Growth Fund

SCHEDULE OF INVESTMENTS (Continued)

September 30, 2011

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
LONG-TERM INVESTMENTS — 98.2% (a) (Continued)		Communications	
COMMON STOCKS — 97.5% (a) (Continued)		Equipment — 2.3% (Continued)	
Commercial Banks — 0.6% (Continued)		4,500	Ituran Location and Control Ltd. \$ 52,425
9,600	KeyCorp \$ 56,928	43,700	JDS Uniphase Corp.* 435,689
24,300	Regions Financial Corp. 80,919	6,700	Juniper Networks, Inc.* 115,642
5,600	SunTrust Banks, Inc. 100,520	1,820	Loral Space & Communications Inc.* 91,182
5,000	Synovus Financial Corp. 5,350	2,200	Motorola Solutions, Inc. 92,180
1,100	The Toronto-Dominion Bank 78,045	7,000	NETGEAR, Inc.* 181,230
3,800	U.S. Bancorp 89,452	3,200	Plantronics, Inc. 91,040
5,900	Wells Fargo & Co. 142,308	8,100	Polycom, Inc.* 148,797
3,400	Zions Bancorporation 47,838	10,500	QUALCOMM, Inc. 510,615
	1,244,565	1,600	Research In Motion Limited* 32,480
Commercial Services & Supplies — 0.9%		9,400	Riverbed Technology, Inc.* 187,624
7,600	Copart, Inc.* 297,312	5,500	Sierra Wireless Inc.* 37,675
10,800	A. T. Cross Company* 121,824	5,100	Tellabs, Inc. 21,879
1,800	R. R. Donnelley & Sons Company 25,416	3,800	ViaSat, Inc.* 126,578
6,200	Iron Mountain Incorporated 196,044	9,900	Westell Technologies, Inc.* 21,384
4,600	KAR Auction Services Inc.* 55,706		4,522,279
3,900	Herman Miller, Inc. 69,654	Computers & Peripherals — 5.6%	
1,700	Pitney Bowes Inc. 31,960	22,750	Apple Inc.* 8,671,845
2,300	Progressive Waste Solutions Ltd. 47,334	9,200	Dell Inc.* 130,180
13,400	RINO International Corp.* 2,412	7,600	Electronics for Imaging, Inc.* 102,372
12,750	Rollins, Inc. 238,552	16,000	EMC Corp.* 335,840
25,600	The Standard Register Co. 64,768	1,300	Hewlett-Packard Co. 29,185
1,500	Stericycle, Inc.* 121,080	3,600	International Business
11,400	Waste Connections, Inc. 385,548		Machines Corp. 630,108
3,400	Waste Management, Inc. 110,704	2,600	Lexmark International, Inc.* 70,278
	1,768,314	6,700	NetApp, Inc.* 227,398
Communications Equipment — 2.3%		3,800	QLogic Corp.* 48,184
3,100	Acme Packet, Inc.* 132,029	10,300	SanDisk Corp.* 415,605
4,100	ADTRAN, Inc. 108,486	11,900	Seagate Technology PLC 122,332
6,600	Alcatel-Lucent - SP-ADR* 18,678	4,800	Silicon Graphics
13,900	Aruba Networks Inc.* 290,649		International Corporation* 57,216
14,700	Brocade Communications	2,100	STEC Inc.* 21,294
	Systems, Inc.* 63,504	2,900	Teradata Corp.* 155,237
22,400	Ciena Corp.* 250,880	6,600	Western Digital Corp.* 169,752
12,300	Cisco Systems, Inc. 190,527		11,186,826
16,000	L. M. Ericsson Telephone Co. 152,800	Construction & Engineering — 0.4%	
6,700	F5 Networks, Inc.* 476,035	5,800	Chicago Bridge & Iron
34,175	Finisar Corp.* 599,429		Company N. V. NYS 166,054
1,000	Harris Corp. 34,170	10,300	Fluor Corp. 479,465
7,600	Infinera Corporation* 58,672	7,900	Foster Wheeler AG* 140,541

The accompanying notes to financial statements are an integral part of this schedule.

Reynolds Blue Chip Growth Fund

SCHEDULE OF INVESTMENTS (Continued)

September 30, 2011

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
LONG-TERM INVESTMENTS — 98.2% (a) (Continued)		Electrical Equipment — 1.0%	
COMMON STOCKS — 97.5% (a) (Continued)		4,900	The Babcock & Wilcox Co.* \$ 95,795
Construction &		3,800	Cooper Industries PLC 175,256
Engineering — 0.4% (Continued)		4,200	Emerson Electric Co. 173,502
2,000	Jacobs Engineering Group Inc.* \$ 64,580	1,500	Harbin Electric, Inc.* 30,975
1,400	The Shaw Group Inc.* 30,436	5,900	Hubbell Incorporated, CL B 292,286
	881,076	3,500	Polypore International, Inc.* 197,820
Construction Materials — 0.0%		4,700	Rockwell Automation, Inc. 263,200
1,200	Vulcan Materials Company 33,072	4,200	Roper Industries, Inc. 289,422
Consumer Finance — 0.6%		7,000	Sensata Technologies Holding N.V.* 185,220
11,430	American Express Co. 513,207	2,400	A. O. Smith Corp. 76,872
2,800	Capital One Financial Corp. 110,964	4,000	Thomas & Betts Corp.* 159,640
23,900	Discover Financial Services 548,266		1,939,988
	1,172,437	Electronic Equipment, Instruments	
Consumer Services – Diversified — 0.2%		& Components — 1.1%	
7,700	Coinstar, Inc.* 308,000	7,900	Agilent Technologies, Inc.* 246,875
2,300	H&R Block, Inc. 30,613	1,700	Arrow Electronics, Inc.* 47,226
2,000	New Oriental Education &	3,400	Coherent, Inc.* 146,064
	Technology Group, Inc. - SP-ADR* 45,940	3,900	Corning Inc. 48,204
1,000	Sotheby's 27,570	3,500	Fabrinet* 65,450
	412,123	8,200	Flextronics International Ltd.* 46,166
Containers & Packaging — 0.3%		3,900	FLIR Systems, Inc. 97,695
5,200	Ball Corp. 161,304	4,400	Hitachi, Ltd. 217,448
30,700	Boise, Inc. 158,719	6,400	Jabil Circuit, Inc. 113,856
7,500	Crown Holdings, Inc.* 229,575	10,900	LeCroy Corporation* 86,110
1,200	Owens-Illinois, Inc.* 18,144	1,400	Littelfuse, Inc. 56,294
2,500	Sealed Air Corp. 41,750	1,100	Maxwell Technologies, Inc.* 20,251
1,000	Sonoco Products Company 28,230	4,000	Molex Inc. 81,480
	637,722	3,600	OSI Systems, Inc.* 120,672
Distributors — 0.1%		10,600	Sanmina-SCI Corp.* 70,808
5,600	Genuine Parts Co. 284,480	4,200	TE Connectivity Limited 118,188
Electric Utilities — 0.2%		3,800	Tech Data Corp.* 164,274
1,400	Duke Energy Corporation 27,986	3,100	Trimble Navigation Ltd.* 104,005
1,200	El Paso Electric Company 38,508	1,700	Universal Display Corporation* 81,498
2,000	Exelon Corporation 85,220	14,200	Vishay Intertechnology, Inc.* 118,712
1,000	NextEra Energy, Inc. 54,020	2,600	Vishay Precision Group Inc.* 34,268
1,600	Progress Energy, Inc. 82,752		2,085,544
100	Westar Energy, Inc. 2,642	Energy Equipment & Services — 2.7%	
	291,128	4,700	Atwood Oceanics, Inc.* 161,492
		6,200	Baker Hughes Inc. 286,192
		8,700	Cameron International Corp.* 361,398
		11,100	CGG-Veritas - SP-ADR* 195,582

The accompanying notes to financial statements are an integral part of this schedule.

Reynolds Blue Chip Growth Fund

SCHEDULE OF INVESTMENTS (Continued)

September 30, 2011

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
LONG-TERM INVESTMENTS — 98.2% (a) (Continued)		Food & Staples Retailing — 2.0%	
COMMON STOCKS — 97.5% (a) (Continued)		1,800	Casey's General Stores, Inc. \$ 78,570
Energy Equipment & Services — 2.7% (Continued)		20,300	Costco Wholesale Corp. 1,667,036
1,200	Complete Production Services, Inc.* . . \$ 22,620	9,100	CVS Caremark Corp. 305,578
3,900	Diamond Offshore Drilling, Inc. 213,486	13,800	The Great Atlantic & Pacific Tea Company, Inc.* 2,415
4,000	Dresser-Rand Group, Inc.* 162,120	8,800	PriceSmart, Inc. 548,416
1,300	Dril-quip, Inc.* 70,083	4,400	Safeway Inc. 73,172
1,000	EnSCO PLC - SP-ADR 40,430	12,700	SUPERVALU Inc. 84,582
4,800	FMC Technologies, Inc.* 180,480	6,100	United Natural Foods, Inc.* 225,944
11,500	Halliburton Co. 350,980	3,900	Walgreen Co. 128,271
5,300	Helmerich & Payne, Inc. 215,180	1,200	Wal-Mart Stores, Inc. 62,280
2,700	Hercules Offshore, Inc.* 7,884	12,000	Whole Foods Market, Inc. 783,720
3,800	Lufkin Industries, Inc. 202,198	1,600	Winn-Dixie Stores, Inc.* 9,472
10,000	Nabors Industries Ltd.* 122,600		3,969,456
7,500	National-Oilwell Varco Inc. 384,150	Food Products — 1.7%	
2,500	Newpark Resources, Inc.* 15,225	11,700	B & G Foods Inc. 195,156
54	Ocean Rig UDW, Inc.* 825	1,600	Bunge Limited 93,264
1,800	Oil States International, Inc.* 91,656	1,000	Campbell Soup Company 32,370
17,200	Parker Drilling Co.* 75,508	3,200	Chiquita Brands International, Inc.* 26,688
12,100	Patterson-UTI Energy, Inc. 209,814	4,700	Dean Foods Company* 41,689
3,100	Pioneer Drilling Company* 22,258	3,400	Diamond Foods, Inc. 271,286
12,400	Precision Drilling Corporation* 102,796	1,200	General Mills, Inc. 46,164
10,000	Rowan Companies, Inc.* 301,900	3,800	Green Mountain Coffee Roasters, Inc.* 353,172
3,900	RPC, Inc. 63,648	11,000	The Hain Celestial Group, Inc.* 336,050
15,789	Schlumberger Ltd. 943,077	6,900	The Hershey Co. 408,756
5,700	Tenaris S.A. - SP-ADR 145,065	2,500	Hormel Foods Corporation 67,550
7,100	Transocean Ltd. 338,954	1,100	Kellogg Co. 58,509
3,800	Weatherford International Ltd.* 46,398	2,800	Kraft Foods Inc. 94,024
	5,333,999	4,000	McCormick & Company, Inc. 184,640
Financial Services – Diversified — 0.5%		3,700	Mead Johnson Nutrition Company 254,671
9,200	Bank of America Corp. 56,304	1,200	Ralcorp Holdings, Inc.* 92,052
1,900	Citigroup Inc. 48,678	4,600	Sara Lee Corp. 75,210
400	CME Group Inc. 98,560	5,800	The J. M. Smucker Co. 422,762
3,200	ING Groep N.V. - SP-ADR* 22,560	1,700	TreeHouse Foods, Inc.* 105,128
10,000	JPMorgan Chase & Co. 301,200	7,400	Unilever PLC - SP-ADR 230,806
7,200	Leucadia National Corporation 163,296		3,389,947
3,000	Moody's Corporation 91,350	Gas Utilities — 0.3%	
3,500	The NASDAQ OMX Group, Inc.* 80,990	9,800	ONEOK, Inc. 647,192
13,800	NewStar Financial, Inc.* 128,892		
1,400	NYSE Euronext 32,536		
	1,024,366		

The accompanying notes to financial statements are an integral part of this schedule.

Reynolds Blue Chip Growth Fund

SCHEDULE OF INVESTMENTS (Continued)

September 30, 2011

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
LONG-TERM INVESTMENTS — 98.2% (a) (Continued)		Health Care Providers & Services — 3.0% (Continued)	
COMMON STOCKS — 97.5% (a) (Continued)			
Health Care Equipment & Supplies — 2.0%			
3,400 C.R. Bard, Inc.	\$ 297,636	3,900 Health Net Inc.*	\$ 92,469
8,300 Baxter International Inc.	465,962	3,500 HEALTHSOUTH Corp.*	52,255
1,900 Becton, Dickinson & Co.	139,308	5,400 Healthspring, Inc.*	196,884
2,900 CareFusion Corporation*	69,455	9,400 Humana Inc.	683,662
3,100 Cyberonics, Inc.*	87,730	1,100 Laboratory Corporation of America Holdings*	86,955
1,200 DENTSPLY International Inc.	36,828	1,600 Lincare Holdings Inc.	36,000
3,400 Edwards Lifesciences Corp.*	242,352	1,600 Magellan Health Services, Inc.*	77,280
4,200 Endologix, Inc.*	42,168	4,200 McKesson Corp.	305,340
820 Gen-Probe Incorporated*	46,945	1,700 Medco Health Solutions, Inc.*	79,713
4,900 Haemonetics Corporation*	286,552	11,800 Molina Healthcare Inc.*	182,192
6,200 Hologic, Inc.*	94,302	2,900 Owens & Minor, Inc.	82,592
3,800 IDEXX Laboratories, Inc.*	262,086	5,800 Patterson Companies Inc.	166,054
300 Intuitive Surgical, Inc.*	109,284	4,400 PSS World Medical, Inc.*	86,636
700 MAKO Surgical Corp.*	23,954	2,200 Quest Diagnostics Inc.	108,592
5,700 Medtronic, Inc.	189,468	5,100 Henry Schein, Inc.*	316,251
1,600 ResMed Inc.*	46,064	17,500 Tenet Healthcare Corp.*	72,275
3,200 Sirona Dental Systems, Inc.*	135,712	5,200 UnitedHealth Group Inc.	239,824
7,800 St. Jude Medical, Inc.	282,282	2,200 Universal Health Services, Inc.	74,800
4,300 Stryker Corp.	202,659	8,500 WellCare Health Plans Inc.*	322,830
7,400 Varian Medical Systems, Inc.*	385,984	4,200 WellPoint Inc.	274,176
2,100 Zimmer Holdings, Inc.*	112,350		6,042,343
10,000 Zoll Medical Corporation*	377,400	Health Care Technology — 0.7%	
	3,936,481	2,000 Allscripts Healthcare Solutions, Inc.* ..	36,040
Health Care Providers & Services — 3.0%		1,300 athenahealth Inc.*	77,415
5,100 Aetna Inc.	185,385	8,800 Cerner Corp.*	602,976
2,700 AMERIGROUP Corporation*	105,327	1,600 Omnicell, Inc.*	22,048
6,300 AmerisourceBergen Corp.	234,801	5,700 Quality Systems, Inc.	552,900
3,800 Cardinal Health, Inc.	159,144		1,291,379
800 Catalyst Health Solutions, Inc.*	46,152	Home Building — 0.1%	
2,400 Centene Corporation*	68,808	3,400 KB Home	19,924
9,100 CIGNA Corp.	381,654	4,000 Lennar Corp.	54,160
1,500 Community Health Systems Inc.*	24,960	9,500 Pulte Group Inc.*	37,525
1,400 CorVel Corporation*	59,500	8,100 The Ryland Group, Inc.	86,265
11,700 Coventry Health Care, Inc.*	337,077	5,100 Toll Brothers, Inc.*	73,593
2,600 The Ensign Group, Inc.	60,086		271,467
2,000 Express Scripts, Inc.*	74,140	Hotels, Restaurants & Leisure — 5.3%	
9,700 Fresenius Medical Care AG & Co. KGaA - SP-ADR	655,041	900 7 Days Group Holdings Ltd. - SP-ADR*	11,394
16,400 Health Management Associates, Inc.* ..	113,488	7,200 Arcos Dorados Holdings, Inc.	166,968

The accompanying notes to financial statements are an integral part of this schedule.

Reynolds Blue Chip Growth Fund

SCHEDULE OF INVESTMENTS (Continued)

September 30, 2011

Shares	Value	Shares	Value
LONG-TERM INVESTMENTS — 98.2% (a) (Continued)		Hotels, Restaurants & Leisure — 5.3% (Continued)	
COMMON STOCKS — 97.5% (a) (Continued)			
Hotels, Restaurants & Leisure — 5.3% (Continued)			
1,000	Bob Evans Farms, Inc. \$	2,900	The Wendy's Company
19,900	Boyd Gaming Corp.*	8,900	Wyndham Worldwide Corp.
6,100	Brinker International, Inc.	6,450	Wynn Resorts Ltd.
2,300	Buffalo Wild Wings Inc.*	11,900	Yum! Brands, Inc.
17,200	Caribou Coffee Company, Inc.*		587,741
4,200	Carnival Corp.		10,446,190
7,000	The Cheesecake Factory Inc.*	Household Durables — 1.2%	
2,000	Chipotle Mexican Grill, Inc.*	1,800	Ethan Allen Interiors Inc.
9,200	Ctrip.com International, Ltd. - SP-ADR*	800	Fortune Brands, Inc.
6,800	Darden Restaurants, Inc.	2,300	Garmin Ltd.
2,900	DineEquity, Inc.*	3,200	Harman International Industries, Inc. .
23,700	Domino's Pizza, Inc.*	5,300	iRobot Corporation*
4,700	Home Inns & Hotels Management, Inc. - SP-ADR*	14,500	La-Z-Boy Inc.*
5,500	Hyatt Hotels Corp.*	1,200	Leggett & Platt, Incorporated
2,000	InterContinental Hotels Group PLC - SP-ADR	1,600	M.D.C. Holdings, Inc.
4,700	International Game Technology	9,700	Newell Rubbermaid Inc.
57,630	Jamba, Inc.*	1,800	Panasonic Corporation
25,250	Krispy Kreme Doughnuts, Inc.*	10,400	SodaStream International Ltd.*
24,300	Las Vegas Sands Corp.*	3,700	Sony Corp. - SP-ADR
1,200	LIFE TIME FITNESS, Inc.*	4,330	Stanley Black & Decker Inc.
6,700	Marriott International Inc.	14,100	Tempur-Pedic International Inc.*
9,300	McDonald's Corp.	7,100	Tupperware Brands Corp.
3,600	Melco Crown Entertainment Ltd. - SP-ADR*		381,554
31,000	MGM Resorts International*		2,406,187
6,500	P.F. Chang's China Bistro, Inc.	Household Products — 0.7%	
4,000	Panera Bread Co.*	5,200	Church & Dwight Co., Inc.
9,200	Papa John's International, Inc.*	2,600	The Clorox Co.
8,800	Peet's Coffee & Tea Inc.*	1,600	Colgate-Palmolive Co.
4,100	Royal Caribbean Cruises Ltd.*	2,600	Energizer Holdings, Inc.*
34,690	Ruth's Hospitality Group Inc.*	4,100	Kimberly-Clark Corp.
13,000	Starbucks Corp.	4,900	The Procter & Gamble Co.
6,400	Starwood Hotels & Resorts Worldwide, Inc.	2,900	WD-40 Co.
12,100	Tim Hortons, Inc.		115,536
			1,433,189
		Independent Power Producers & Energy Traders — 0.1%	
		4,700	Constellation Energy Group Inc.
		Industrial Conglomerates — 0.5%	
		4,700	3M Co.
		16,100	General Electric Co.
		1,038	Koninklijke Philips Electronics N.V. NYS
			18,622

The accompanying notes to financial statements are an integral part of this schedule.

Reynolds Blue Chip Growth Fund

SCHEDULE OF INVESTMENTS (Continued)

September 30, 2011

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
LONG-TERM INVESTMENTS — 98.2% (a) (Continued)		Internet Software & Services — 3.4% (Continued)	
COMMON STOCKS — 97.5% (a) (Continued)			
Industrial			
Conglomerates — 0.5% (Continued)			
11,700	McDermott International, Inc.*	\$	125,892
700	Siemens AG - SP-ADR		62,853
10,400	Textron Inc.		183,456
			973,600
Insurance — 0.8%			
1,200	Aflac, Inc.		41,940
700	The Allstate Corporation		16,583
25,000	Ambac Financial Group, Inc.*		1,600
1,600	Berkshire Hathaway Inc. Cl B*		113,664
1,700	Brown & Brown, Inc.		30,260
2,700	China Life Insurance Company, Ltd. - SP-ADR		95,877
1,900	The Chubb Corporation		113,981
8,900	Genworth Financial Inc.*		51,086
1,400	The Hartford Financial Services Group, Inc.		22,596
5,000	Marsh & McLennan Companies, Inc.		132,700
19,900	MBIA Inc.*		144,673
1,400	MetLife, Inc.		39,214
5,700	Prudential Financial, Inc.		267,102
7,950	Torchmark Corp.		277,137
4,100	The Travelers Companies, Inc.		199,793
			1,548,206
Internet & Catalog Retail — 1.4%			
6,100	Amazon.com, Inc.*		1,319,003
1,200	Blue Nile, Inc.*		42,336
10,300	Expedia, Inc.		265,225
4,100	Netflix Inc.*		463,956
1,300	Priceline.com Inc.*		584,298
3,000	Shutterfly, Inc.*		123,540
			2,798,358
Internet Software & Services — 3.4%			
3,600	Akamai Technologies, Inc.*		71,568
3,700	Ancestry.com, Inc.*		86,950
18,000	Baidu, Inc. - SP-ADR*		1,924,380
1,400	Digital River, Inc.*		29,022
15,500	eBay Inc.*		457,095
1,200	Google Inc.*		617,256
8,000	IAC/InterActiveCorp*	\$	316,400
14,300	Internet Initiative Japan Inc. - SP-ADR		163,163
1,200	LinkedIn Corporation*		93,696
1,400	Liquidity Services Inc.*		44,898
1,400	LogMeIn, Inc.*		46,494
3,000	MercadoLibre Inc.		161,250
7,100	Monster Worldwide, Inc.*		50,978
5,200	NetEase.com Inc. - SP-ADR*		198,432
1,000	Open Text Corporation*		52,120
4,800	OpenTable, Inc.*		220,848
6,200	Rackspace Hosting, Inc.*		211,668
8,900	Rediff.com India Limited - SP-ADR* ..		58,473
2,000	Renren, Inc.*		10,200
9,500	SINA Corp.*		680,295
7,100	Sohu.com Inc.*		342,220
7,200	Travelzoo Inc.*		158,328
20,100	ValueClick, Inc.*		312,756
4,000	VeriSign, Inc.		114,440
4,800	VistaPrint N.V.*		129,744
1,000	WebMD Health Corp.*		30,150
6,900	Yahoo! Inc.*		90,804
3,400	Youku.com Inc.*		55,624
2,800	Zillow, Inc.*		76,580
			6,805,832
IT Services — 2.1%			
2,600	Accenture PLC		136,968
800	Alliance Data Systems Corporation* ..		74,160
4,100	Automatic Data Processing, Inc.		193,315
2,800	CACI International Inc.*		139,832
4,400	CIBER, Inc.*		13,332
8,900	Cognizant Technology Solutions Corp.*		558,030
1,400	Computer Sciences Corporation		37,590
4,900	DST Systems, Inc.		214,767
1,400	Fidelity National Information Services, Inc.		34,048
2,300	Fiserv, Inc.*		116,771
9,200	Gartner, Inc.*		320,804
1,200	Genpact Limited*		17,268

The accompanying notes to financial statements are an integral part of this schedule.

Reynolds Blue Chip Growth Fund

SCHEDULE OF INVESTMENTS (Continued)

September 30, 2011

Shares	Value	Shares	Value
LONG-TERM INVESTMENTS — 98.2% (a) (Continued)		Metals & Mining — 3.7% (Continued)	
COMMON STOCKS — 97.5% (a) (Continued)			
Media — 2.7% (Continued)			
8,500	Liberty Media Corporation* \$ 562,020	9,200	Kinross Gold Corp. \$ 135,976
7,300	Live Nation Entertainment, Inc.* 58,473	5,800	Molycorp, Inc.* 190,646
5,600	The McGraw-Hill Companies, Inc. 229,600	13,900	New Gold Inc.* 142,475
7,500	Morningstar, Inc. 423,300	4,400	Newmont Mining Corp. 276,760
22,300	The New York Times Co.* 129,563	41,300	Northgate Minerals Corp.* 136,290
10,000	News Corp. CI B 155,900	23,300	NovaGold Resources Inc.* 150,285
2,900	Omnicom Group Inc. 106,836	4,100	Nucor Corp. 129,724
1,600	Pandora Media Inc.* 23,440	8,400	Pan American Silver Corp. 224,868
189,100	Sirius XM Radio Inc.* 285,541	11,500	Paramount Gold and Silver Corporation* 27,140
6,000	Time Warner Cable Inc. 376,020	1,175	Pilot Gold Inc.* 1,346
3,500	Time Warner Inc. 104,895	700	Randgold Resources Ltd. 67,704
11,600	Viacom, Inc. CI B 449,384	9,000	Rare Element Resources Ltd.* 45,720
6,800	Virgin Media Inc. 165,580	5,300	Rio Tinto PLC - SP-ADR 233,624
	5,445,751	8,600	RTI International Metals, Inc.* 200,552
Metals & Mining — 3.7%		10,900	Silver Standard Resources Inc.* 200,015
1,100	Agnico-Eagle Mines Ltd. 65,472	13,100	Silver Wheaton Corp. 385,795
9,900	Alcoa Inc. 94,743	3,000	Silvercorp Metals Inc. 23,730
3,300	Allegheny Technologies, Inc. 122,067	8,500	Southern Copper Corp. 212,415
1,500	AngloGold Ashanti Ltd. - SP-ADR 62,040	2,500	Steel Dynamics, Inc. 24,800
5,700	ArcelorMittal NYS 90,687	17,500	Taseko Mines Ltd.* 44,625
13,100	AuRico Gold Inc.* 123,140	2,800	Teck Resources Ltd. CI B 81,732
5,600	Avalon Rare Metals, Inc.* 15,064	1,200	Ternium S.A. - SP-ADR 24,996
7,600	Barrick Gold Corp. 354,540	7,600	Titanium Metals Corp. 113,848
4,500	BHP Billiton Ltd. - SP-ADR 298,980	8,800	United States Steel Corp. 193,688
23,200	China Precision Steel, Inc.* 12,066	11,500	Vale S.A. - SP-ADR 262,200
5,100	Cliffs Natural Resources Inc. 260,967	3,100	Walter Energy, Inc. 186,031
10,200	Coeur d' Alene Mines Corp.* 218,688	17,400	Yamana Gold Inc. 237,684
1,700	Compass Minerals International, Inc. . 113,526		7,433,065
8,100	Eldorado Gold Corp. 138,834	Multiline Retail — 1.9%	
18,300	Freeport-McMoRan Copper & Gold Inc. 557,235	4,400	Big Lots, Inc.* 153,252
9,800	Gold Fields Ltd. - SP-ADR 150,136	14,500	Dillard's, Inc. 630,460
5,620	Goldcorp, Inc. 256,497	6,700	Dollar General Corp.* 252,992
24,900	Golden Star Resources Ltd.* 46,314	10,900	Dollar Tree, Inc.* 818,699
14,900	Harmony Gold Mining Company Ltd. - SP-ADR 174,777	6,700	Family Dollar Stores, Inc. 340,762
17,700	Hecla Mining Co.* 94,872	2,900	Kohl's Corp. 142,390
9,000	IAMGOLD Corp. 178,020	12,400	Macy's, Inc. 326,368
3,630	Ivanhoe Mines Ltd.* 49,731	16,300	Nordstrom, Inc. 744,584
		2,500	J. C. Penney Company, Inc. 66,950
		27,500	Saks, Inc.* 240,625
		2,900	Target Corp. 142,216

The accompanying notes to financial statements are an integral part of this schedule.

Reynolds Blue Chip Growth Fund

SCHEDULE OF INVESTMENTS (Continued)

September 30, 2011

Shares	Value	Shares	Value
LONG-TERM INVESTMENTS — 98.2% (a) (Continued)		Oil, Gas & Consumable	
COMMON STOCKS — 97.5% (a) (Continued)		Fuels — 4.7% (Continued)	
Multiline Retail — 1.9% (Continued)		18,698	HollyFrontier Corporation \$ 490,262
3,900	Tuesday Morning Corp.* \$ 13,728	25,500	Ivanhoe Energy, Inc.* 27,285
	3,873,026	22,100	Kodiak Oil & Gas Corp.* 115,141
Multi-Utilities — 0.2%		4,100	Marathon Oil Corp. 88,478
3,200	CMS Energy Corporation 63,328	3,050	Marathon Petroleum Corporation 82,533
1,000	Consolidated Edison, Inc. 57,020	2,400	McMoRan Exploration Co.* 23,832
1,000	Dominion Resources, Inc. 50,770	1,800	Murphy Oil Corp. 79,488
11,400	NiSource Inc. 243,732	1,900	Newfield Exploration Co.* 75,411
300	Wisconsin Energy Corporation 9,387	3,500	Noble Energy, Inc. 247,800
	424,237	1,500	Oasis Petroleum Inc.* 33,495
Office Electronics — 0.0%		4,400	Occidental Petroleum Corp. 314,600
2,600	Zebra Technologies Corporation* 80,444	10,300	Patriot Coal Corp.* 87,138
Oil, Gas & Consumable Fuels — 4.7%		9,400	Peabody Energy Corp. 318,472
8,700	Alpha Natural Resources, Inc.* 153,903	600	PetroChina Company Ltd. 72,294
4,300	Anadarko Petroleum Corp. 271,115	2,400	Petroleo Brasileiro S.A. - SP-ADR 53,880
2,700	Apache Corp. 216,648	2,600	Pioneer Natural Resources Co. 171,002
1,500	Arch Coal, Inc. 21,870	1,800	Plains Exploration & Production Company* 40,878
26,300	Brigham Exploration Co.* 664,338	1,400	Range Resources Corp. 81,844
10,000	Cabot Oil & Gas Corp. 619,100	1,000	Royal Dutch Shell PLC - SP-ADR 61,520
8,000	Canadian Natural Resources Ltd. 234,160	24,200	SandRidge Energy Inc.* 134,552
2,600	Carrizo Oil & Gas, Inc.* 56,030	2,600	Southwestern Energy Co.* 86,658
4,100	Cenovus Energy Inc. 125,911	4,000	Stone Energy Corporation* 64,840
2,400	Chesapeake Energy Corp. 61,320	3,600	Suncor Energy, Inc. 91,584
4,100	Chevron Corp. 379,332	3,500	Sunoco, Inc. 108,535
1,200	Cimarex Energy Co. 66,840	12,300	Tesoro Corp.* 239,481
400	CNOOC Ltd. 64,120	15,300	TransGlobe Energy Corp.* 122,706
4,000	Concho Resources Inc.* 284,560	13,030	Valero Energy Corp. 231,673
5,100	ConocoPhillips 322,932	4,400	Western Refining, Inc.* 54,824
2,600	Continental Resources, Inc.* 125,762	10,500	Whiting Petroleum Corp.* 368,340
2,200	Devon Energy Corp. 121,968	1,900	Clayton Williams Energy, Inc.* 81,339
15,200	El Paso Corp. 265,696	5,700	The Williams Companies, Inc. 138,738
9,800	Enbridge Inc. 312,914		9,366,920
3,500	EnCana Corp. 67,235	Paper & Forest Products — 0.3%	
2,100	EOG Resources, Inc. 149,121	6,800	P.H. Glatfelter Co. 89,828
1,800	EQT Corporation 96,048	12,800	International Paper Co. 297,600
2,525	Exxon Mobil Corp. 183,391	15,300	Louisiana-Pacific Corp.* 78,030
6,900	GeoResources, Inc.* 122,751	7,600	MeadWestvaco Corporation 186,656
1,400	Gulfport Energy Corporation* 33,852		652,114
3,000	Hess Corp. 157,380		

The accompanying notes to financial statements are an integral part of this schedule.

Reynolds Blue Chip Growth Fund

SCHEDULE OF INVESTMENTS (Continued)

September 30, 2011

Shares		Value	Shares		Value
LONG-TERM INVESTMENTS — 98.2% (a) (Continued)			Pharmaceuticals — 3.2% (Continued)		
COMMON STOCKS — 97.5% (a) (Continued)					
Personal Products — 1.0%					
12,800	Elizabeth Arden, Inc.*	\$ 364,032	2,000	Warner Chilcott PLC*	\$ 28,600
17,100	Herbalife Ltd.	916,560	8,900	Watson Pharmaceuticals, Inc.*	607,425
3,600	The Estee Lauder Companies Inc.	316,224			6,316,390
3,000	Medifast, Inc.*	48,450	Professional Services — 0.4%		
900	Nu Skin Enterprises, Inc.	36,468	6,200	51job, Inc. - SP-ADR*	247,380
6,900	Revlon, Inc.*	85,008	3,000	The Dun & Bradstreet Corporation	183,780
4,600	Weight Watchers International, Inc.	267,950	2,400	IHS Inc.*	179,544
		2,034,692	200	Korn/Ferry International*	2,438
Pharmaceuticals — 3.2%			2,900	Manpower Inc.	97,498
1,800	Abbott Laboratories	92,052	13,000	On Assignment, Inc.*	91,910
3,600	Allergan, Inc.	296,568	1,500	Robert Half International, Inc.	31,830
1,800	AstraZeneca PLC - SP-ADR	79,848			834,380
1,000	Bayer AG - SP-ADR	54,810	Real Estate Management		
12,000	Bristol-Myers Squibb Co.	376,560	& Development — 0.0%		
3,500	Dr. Reddy's Laboratories		4,500	CB Richard Ellis Group, Inc.*	60,570
	Ltd. - SP-ADR	104,300	1,800	The St. Joe Company*	26,982
47,000	Elan Corporation PLC - SP-ADR*	494,910			87,552
2,300	Endo Pharmaceuticals Holdings Inc.*	64,377	Road & Rail — 2.0%		
5,230	Forest Laboratories, Inc.*	161,032	5,200	Avis Budget Group, Inc.*	50,284
2,700	Generex Biotechnology Corp.*	246	4,800	Canadian National Railway Company	319,584
3,300	GlaxoSmithKline-PLC - SP-ADR	136,257	700	Canadian Pacific Railway Limited	33,663
12,000	Jazz Pharmaceuticals, Inc.*	498,240	34,200	CSX Corp.	638,514
4,300	Johnson & Johnson	273,953	3,620	Dollar Thrifty	
4,200	Eli Lilly and Co.	155,274		Automotive Group, Inc.*	203,806
1,500	The Medicines Company*	22,320	1,900	Genesee & Wyoming, Inc.*	88,388
7,800	Medicis Pharmaceutical Corp.	284,544	16,400	Hertz Global Holdings, Inc.*	145,960
8,800	Merck & Co., Inc.	287,848	3,100	J. B. Hunt Transportation	
12,700	Mylan, Inc.*	215,900		Services, Inc.	111,972
800	Novartis AG - SP-ADR	44,616	9,400	Kansas City Southern*	469,624
1,500	Novo Nordisk A/S - SP-ADR	149,280	9,700	Norfolk Southern Corp.	591,894
5,000	Perrigo Co.	485,550	5,600	Old Dominion Freight Line, Inc.*	162,232
11,600	Pfizer Inc.	205,088	2,000	RailAmerica Inc.*	20,060
12,500	Questcor Pharmaceuticals, Inc.*	340,750	8,000	Ryder Systems, Inc.	300,080
4,300	Shire PLC- SP-ADR	403,899	3,000	Swift Transportation Co.*	19,320
900	Teva Pharmaceutical Industries Ltd.	33,498	8,500	Union Pacific Corp.	694,195
6,180	Valeant Pharmaceuticals		1,100	Zipcar, Inc.*	19,800
	International, Inc.	229,402			3,875,376
6,900	ViroPharma Inc.*	124,683	Semiconductors & Semiconductor		
8,000	VIVUS Inc.*	64,560	Equipment — 3.4%		
			13,500	Advanced Micro Devices, Inc.*	68,580

The accompanying notes to financial statements are an integral part of this schedule.

SCHEDULE OF INVESTMENTS (Continued)

September 30, 2011

Shares	Value	Shares	Value
LONG-TERM INVESTMENTS — 98.2% (a) (Continued)		Semiconductors & Semiconductor Equipment — 3.4% (Continued)	
COMMON STOCKS — 97.5% (a) (Continued)			
Semiconductors & Semiconductor Equipment — 3.4% (Continued)			
7,100	Altera Corp. \$	4,500	OmniVision Technologies, Inc.* \$
3,300	Analog Devices, Inc.	42,200	ON Semiconductor Corp.*
12,000	Applied Materials, Inc.	2,500	Rambus Inc.*
9,200	ARM Holdings PLC - SP-ADR	18,600	RF Micro Devices, Inc.*
4,400	ASM International N.V.	1,400	Semtech Corporation*
2,200	ASML Holding N.V. NYS	23,500	Skyworks Solutions, Inc.*
21,900	Atmel Corp.*	2,800	Spreadtrum Communications, Inc. - SP-ADR
5,000	Avago Technologies Ltd.	2,000	Standard Microsystems Corp.*
7,000	Broadcom Corp.	22,500	Teradyne, Inc.*
4,000	Cavium Inc.*	3,200	Texas Instruments Incorporated
8,900	Cirrus Logic, Inc.*	22,600	TriQuint Semiconductor, Inc.*
2,600	Cree, Inc.*	4,100	Veeco Instruments Inc.*
21,700	Cypress Semiconductor Corp.	8,800	Xilinx, Inc.
16,100	Entegris Inc.*		6,823,388
10,200	Entropic Communications, Inc.*	Software — 4.9%	
2,400	EZchip Semiconductor Ltd.*	5,300	Adobe Systems Inc.*
12,500	Fairchild Semiconductor International, Inc.*	8,800	Advent Software, Inc.*
3,500	GT Advanced Technologies Inc.*	25,000	Ariba Inc.*
7,100	Integrated Device Technology, Inc.*	10,000	Autodesk, Inc.*
5,600	Intel Corporation	3,400	BMC Software, Inc.*
8,900	KLA-Tencor Corp.	4,500	CA, Inc.
4,500	Kopin Corporation*	12,300	Check Point Software Technologies Ltd.*
16,000	Kulicke and Soffa Industries, Inc.*	9,800	Citrix Systems, Inc.*
6,400	Lam Research Corp.*	14,600	Compuware Corp.*
35,100	Lattice Semiconductor Corp.*	5,700	Electronic Arts Inc.*
2,600	Linear Technology Corporation	2,200	FactSet Research Systems Inc.
24,500	LSI Corp.*	5,000	Fair Isaac Corp.
5,399	LTX-Credence Corporation*	25,000	Fortinet Inc.*
6,400	Marvell Technology Group Ltd.*	16,800	Glu Mobile Inc.*
6,400	Maxim Integrated Products, Inc.	9,400	Jack Henry & Associates, Inc.
6,100	Microchip Technology Inc.	9,400	Informatica Corp.*
34,000	Micron Technology, Inc.*	8,400	Intuit Inc.*
8,300	Mindspeed Technologies Inc.*	4,700	JDA Software Group, Inc.*
14,500	MIPS Technologies, Inc.*	9,600	Mentor Graphics Corporation*
2,500	Nanometrics Incorporated*	5,600	MICROS Systems, Inc.*
7,200	Novellus Systems, Inc.*	4,700	Microsoft Corp.
17,000	NVIDIA Corp.*	9,000	NetSuite Inc.*
		1,200	NICE Systems Limited - SP-ADR*

The accompanying notes to financial statements are an integral part of this schedule.

Reynolds Blue Chip Growth Fund

SCHEDULE OF INVESTMENTS (Continued)

September 30, 2011

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
LONG-TERM INVESTMENTS — 98.2% (a) (Continued)		Specialty Retail — 5.3% (Continued)	
COMMON STOCKS — 97.5% (a) (Continued)		18,100	Chico's FAS, Inc. \$ 206,883
Software — 4.9% (Continued)		5,100	The Children's Place Retail Stores, Inc.* 237,303
2,400	Nuance Communications, Inc.* \$ 48,864	27,600	Coldwater Creek Inc.* 34,500
15,600	Oracle Corp. 448,344	3,200	Collective Brands, Inc.* 41,472
3,900	Parametric Technology Corp.* 59,982	16,320	Cost Plus, Inc.* 102,816
4,500	Progress Software Corporation* 78,975	10,100	Dick's Sporting Goods, Inc.* 337,946
1,700	RealPage, Inc.* 34,765	4,515	DSW, Inc. 208,503
6,000	Red Hat, Inc.* 253,560	3,500	Express, Inc. 71,015
3,200	Rosetta Stone, Inc.* 29,280	7,500	The Finish Line, Inc. 149,925
7,800	Rovi Corporation* 335,244	9,600	Foot Locker, Inc. 192,864
4,000	Salesforce.com, Inc.* 457,120	4,200	GameStop Corp.* 97,020
7,900	SAP AG - SP-ADR 399,898	3,700	The Gap, Inc. 60,088
2,700	Solera Holdings Inc. 136,350	3,100	GNC Acquisition Holdings Inc.* 62,372
2,200	SuccessFactors, Inc.* 50,578	3,400	Guess?, Inc. 96,866
6,000	Symantec Corp.* 97,800	14,000	The Home Depot, Inc. 460,180
3,100	Synopsys, Inc.* 75,516	400	Hot Topic, Inc. 3,052
18,500	TIBCO Software Inc.* 414,215	13,900	Limited Brands, Inc. 535,289
7,300	The Ultimate Software Group, Inc.* 341,056	4,500	Lithia Motors, Inc. 64,710
8,500	VMware Inc.* 683,230	11,200	Lowe's Companies, Inc. 216,608
33,000	Wave Systems Corp.* 77,220	40,600	Office Depot, Inc.* 83,636
4,000	Websense, Inc.* 69,200	6,100	OfficeMax Inc.* 29,585
	9,664,599	6,900	O'Reilly Automotive, Inc.* 459,747
Solar — 0.1%		9,400	The Pep Boys-Manny Moe & Jack 92,778
2,300	First Solar, Inc.* 145,383	9,900	PetSmart, Inc. 422,235
17,000	JA Solar Holdings Co., Ltd. - SP-ADR* 30,260	49,100	Pier 1 Imports, Inc.* 480,198
4,800	LDK Solar Co. Ltd. - SP-ADR* 14,976	1,800	RadioShack Corporation 20,916
	190,619	8,800	Rent-A-Center, Inc. 241,560
Specialty Retail — 5.3%		5,200	Ross Stores, Inc. 409,188
2,400	Aarons, Inc. 60,600	1,900	The Sherwin-Williams Co. 141,208
7,400	Abercrombie & Fitch Co. 455,544	3,800	Signet Jewelers Ltd.* 128,440
1,900	Advance Auto Parts, Inc. 110,390	4,200	Staples, Inc. 55,860
7,100	Ann Inc.* 162,164	7,000	Stein Mart, Inc. 43,750
12,200	AutoNation, Inc.* 399,916	2,900	The Talbots, Inc.* 7,830
3,000	AutoZone, Inc.* 957,570	6,500	Tiffany & Co. 395,330
2,200	Barnes & Noble, Inc. 26,026	6,500	The TJX Companies, Inc. 360,555
2,400	bebe stores, inc. 16,128	8,300	Tractor Supply Company 519,165
6,000	Bed Bath & Beyond Inc.* 343,860	4,800	Ulta Salon, Cosmetics & Fragrance, Inc.* 298,704
3,700	Best Buy Co., Inc. 86,210	4,100	Urban Outfitters, Inc.* 91,512
36,000	Borders Group, Inc.* 864		
5,900	CarMax, Inc.* 140,715		

The accompanying notes to financial statements are an integral part of this schedule.

Reynolds Blue Chip Growth Fund

SCHEDULE OF INVESTMENTS (Continued)

September 30, 2011

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
LONG-TERM INVESTMENTS — 98.2% (a) (Continued)		Textiles, Apparel & Luxury Goods — 2.4%	
COMMON STOCKS — 97.5% (a) (Continued)		5,700	Coach, Inc. \$ 295,431
Specialty Retail — 5.3% (Continued)		39,600	Crocs, Inc.* 937,332
1,000	Vitamin Shoppe, Inc.* \$ 37,440	5,600	Deckers Outdoor Corp.* 522,256
7,300	Williams-Sonoma, Inc. 224,767	3,000	Fossil, Inc.* 243,180
1,900	Zumiez Inc.* 33,269	4,100	Hanesbrands, Inc.* 102,541
	10,517,072	6,600	Iconix Brand Group, Inc.* 104,280
Telecommunication Services –		13,000	Joe’s Jeans, Inc.* 8,179
Diversified — 0.9%		16,500	Liz Claiborne, Inc.* 82,500
29,700	8x8, Inc.* 120,879	5,900	Lululemon Athletica Inc.* 287,035
1,200	AT&T Inc. 34,224	7,400	Luxtotta Group SPA - SP-ADR 186,332
8,200	BT Group PLC - SP-ADR 218,448	6,650	Steven Madden, Ltd.* 200,165
7,010	CenturyLink, Inc. (F/K/A CenturyTel, Inc.) 232,171	5,900	NIKE, Inc. Cl B 504,509
2,100	China Telecom Corporation Limited - SP-ADR 129,969	5,000	PVH Corp. 291,200
11,600	China Unicom (Hong Kong) Ltd. - SP-ADR 236,640	2,500	Ralph Lauren Corporation 324,250
5,300	Chunghwa Telecom Co., Ltd. - SP-ADR 174,900	4,400	True Religion Apparel, Inc.* 118,624
4,200	City Telecom (H. K.) Ltd. - SP-ADR 39,690	5,200	Under Armour, Inc.* 345,332
3,300	Cogent Communications Group, Inc.* 44,385	2,300	VF Corp. 279,496
79,600	Level 3 Communications, Inc.* 118,604		4,832,642
1,700	magicJack VocalTec Ltd.* 39,440	Tobacco — 0.5%	
12,700	tw telecom inc.* 209,804	7,200	Altria Group Inc. 193,032
5,100	Verizon Communications Inc. 187,680	500	Lorillard, Inc. 55,350
1,700	VimpelCom Ltd. 16,201	8,800	Philip Morris International Inc. 548,944
6,500	Windstream Corporation 75,790	5,600	Reynolds American Inc. 209,888
	1,878,825		1,007,214
Telecommunication Services – Wireless — 0.5%		Trading Companies & Distributors — 0.4%	
1,600	American Tower Corp.* 86,080	12,900	Fastenal Co. 429,312
1,000	China Mobile Limited - SP-ADR 48,710	1,100	W.W. Grainger, Inc. 164,494
1,500	Crown Castle International Corp.* 61,005	1,000	Kaman Corporation 27,850
3,500	Leap Wireless International, Inc.* 24,150	1,400	TAL International Group, Inc. 34,916
20,700	MetroPCS Communications, Inc.* 180,297	8,800	Titan Machinery, Inc.* 157,520
7,200	Mobile TeleSystems - SP-ADR 88,560	900	United Rentals, Inc.* 15,156
2,100	NII Holdings Inc.* 56,595	900	WESCO International, Inc.* 30,195
2,600	NTT DOCOMO, Inc. - SP-ADR 47,476		859,443
1,000	SBA Communications Corporation* 34,480	Water Utilities — 0.1%	
34,000	Sprint Nextel Corp.* 103,360	7,900	American Water Works Co., Inc. 238,422
10,700	Vodafone Group PLC - SP-ADR 274,455		
	1,005,168		
			Total common stocks (cost \$214,858,362) 194,303,814

The accompanying notes to financial statements are an integral part of this schedule.

Reynolds Blue Chip Growth Fund

SCHEDULE OF INVESTMENTS (Continued)

September 30, 2011

<u>Shares</u>	<u>Value</u>
LONG-TERM INVESTMENTS — 98.2% (a) (Continued)	
PUBLICLY TRADED PARTNERSHIPS — 0.2% (a)	
Capital Markets — 0.0%	
2,300 Lazard Ltd.	\$ 48,530
Oil, Gas & Consumable Fuels — 0.2%	
7,500 Linn Energy LLC	267,450
Total publicly traded partnerships (cost \$377,506)	
	<u>315,980</u>
REITS — 0.3% (a)	
Real Estate Investment Trusts — 0.3%	
1,800 Annaly Capital Management Inc.	29,934
1,400 Hatteras Financial Corp.	35,224
1,300 OMEGA Healthcare Investors, Inc.	20,709
1,500 Rayonier Inc.	55,185
700 Simon Property Group, Inc.	76,986
2,500 SL Green Realty Corp.	145,375
700 Ventas, Inc.	34,580
12,700 Weyerhaeuser Co.	197,485
Total REITS (cost \$899,672)	
	<u>595,478</u>
WARRANTS — 0.0% (a)	
70 Krispy Kreme Doughnuts, Inc.*, Expiration Date - 03/02/12, Exercise Price - \$12.21	20
3,150 American International Group, Inc.*, Expiration Date - 01/19/21, Exercise Price - \$45.00	19,278
Total warrants (cost \$47,259)	
	<u>19,298</u>

<u>Shares</u>	<u>Value</u>
PREFERRED STOCKS — 0.2% (a)	
Beverages — 0.2%	
12,600 Companhia de Bebidas das Americas Preferred - SP-ADR	\$ 386,190
Telecommunication Services – Diversified — 0.0%	
1,550 Telecomunicacoes de Sao Paulo S.A. - SP-ADR	40,998
Total preferred stocks (cost \$409,890)	
	<u>427,188</u>
Total investments — 98.2% (cost \$216,592,689)	
	195,661,758
Cash and receivables, less liabilities — 1.8% (a)	
	<u>3,520,781</u>
TOTAL NET ASSETS — 100.0%	
	<u>\$199,182,539</u>

* Non-income producing security.

(a) Percentages for the various classifications relate to net assets.

ADR – American Depositary Receipts

PLC – Public Limited Company

N.V. – Dutch Public Limited Liability Co.

NYS – New York Registered Shares

S.A. – Sociedad Anónima

S.A.B. de C.V. – Sociedad Anónima Bursetil de Capital Variable

SP-ADR – Sponsored American Depositary Receipts

The Global Industry Classification Standard (“GICS®”) was developed by and/or is the exclusive property of MSCI, Inc. and Standard & Poor’s Financial Services LLC (“S&P”). GICS® is a service mark of MCSI and S&P and has been licensed for use by U.S. Bancorp Fund Services, LLC.

The accompanying notes to financial statements are an integral part of this schedule.

Reynolds Blue Chip Growth Fund
STATEMENT OF OPERATIONS

For the Year Ended September 30, 2011

INVESTMENT INCOME:

Dividends (net of foreign withholding tax of \$35,768)	\$ 2,241,940
Total investment income	<u>2,241,940</u>

EXPENSES:

Management fees	2,130,556
Transfer agent fees	269,863
Administrative and accounting services	247,056
Distribution fees	221,824
Custodian fees	134,099
Registration fees	62,633
Insurance expense	49,355
Printing and postage expense	48,511
Professional fees	47,920
Board of Directors fees	24,000
Overdraft fees	21,505
Chief Compliance Officer fees	21,000
Other expenses	15,221
Total expenses	<u>3,293,543</u>

NET INVESTMENT LOSS	<u>(1,051,603)</u>
NET REALIZED GAIN ON INVESTMENTS	11,306,780
NET DECREASE IN UNREALIZED APPRECIATION ON INVESTMENTS	<u>(34,361,365)</u>
NET LOSS ON INVESTMENTS	<u>(23,054,585)</u>
NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u><u>\$(24,106,188)</u></u>

STATEMENTS OF CHANGES IN NET ASSETS

For the Years Ended September 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
OPERATIONS:		
Net investment loss	\$ (1,051,603)	\$ (415,149)
Net realized gain on investments	11,306,780	5,960,177
Net (decrease) increase in unrealized appreciation on investments	<u>(34,361,365)</u>	<u>4,829,266</u>
Net (decrease) increase in net assets resulting from operations	<u>(24,106,188)</u>	<u>10,374,294</u>
FUND SHARE ACTIVITIES:		
Proceeds from shares issued (4,121,709 and 1,781,997 shares, respectively)	229,076,800	80,933,456
Cost of shares redeemed (2,241,424 and 538,546 shares, respectively)	<u>(121,830,577)</u>	<u>(23,818,278)</u>
Net increase in net assets derived from Fund share activities	<u>107,246,223</u>	<u>57,115,178</u>
TOTAL INCREASE	83,140,035	67,489,472
NET ASSETS AT THE BEGINNING OF THE YEAR	<u>116,042,504</u>	<u>48,553,032</u>
NET ASSETS AT THE END OF THE YEAR (Includes accumulated net investment income of \$0 and \$0, respectively)	<u><u>\$199,182,539</u></u>	<u><u>\$116,042,504</u></u>

The accompanying notes to financial statements are an integral part of these statements.

Reynolds Blue Chip Growth Fund
FINANCIAL HIGHLIGHTS

(Selected data for each share of the Fund outstanding throughout each year)

	Years Ended September 30,				
	2011	2010	2009	2008	2007
PER SHARE OPERATING PERFORMANCE:					
Net asset value, beginning of year	\$48.29	\$41.87	\$31.85	\$32.05	\$28.98
Income from investment operations:					
Net investment (loss) income (a)	(0.27)	(0.25)	(0.42)	(0.01)	0.17
Net realized and unrealized (loss) gains on investments	(1.52)	6.67	10.44	0.02	2.90
Total from investment operations	(1.79)	6.42	10.02	0.01	3.07
Less distributions:					
Distributions from net investment income	—	—	—	(0.21)	—
Distributions from net realized gains	—	—	—	—	—
Total from distributions	—	—	—	(0.21)	—
Net asset value, end of year	<u>\$46.50</u>	<u>\$48.29</u>	<u>\$41.87</u>	<u>\$31.85</u>	<u>\$32.05</u>
TOTAL RETURN	(3.71%)	15.33%	31.46%	(0.00%)	10.59%
RATIOS/SUPPLEMENTAL DATA:					
Net assets, end of year (in 000's \$)	199,183	116,043	48,553	22,151	26,670
Ratio of expenses (after reimbursement) to average net assets*	1.55%	1.80%	2.00%	2.00%	2.02%
Ratio of net investment (loss) income to average net assets**	(0.49%)	(0.55%)	(1.24%)	(0.03%)	0.55%
Portfolio turnover rate	55%	80%	527%	364%	313%

(a) Amount calculated based on average shares outstanding throughout the year.

* Computed after giving effect to adviser's expense limitation undertaking. If the Fund had paid all of its expenses for the years ended September 30, 2009, 2008 and 2007, the ratios would have been 2.51%, 2.67% and 2.25%, respectively.

** If the Fund had paid all of its expenses for the years ended September 30, 2009, 2008 and 2007, the ratios would have been (1.75%), (0.70%) and 0.32%, respectively.

The accompanying notes to financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

September 30, 2011

(1) Summary of Significant Accounting Policies —

The following is a summary of significant accounting policies of the Reynolds Funds, Inc. (the "Company"), which is registered as a diversified, open-end management investment company under the Investment Company Act of 1940 (the "Act"), as amended. This Company consists of one fund: the Reynolds Blue Chip Growth Fund (the "Fund"). The Company was incorporated under the laws of Maryland on April 28, 1988.

The investment objective of the Fund is to produce long-term growth of capital by investing in a diversified portfolio of common stocks issued by well-established growth companies commonly referred to as "blue chip" companies.

(a) Each security, excluding short-term investments, is valued at the last sale price reported by the principal security exchange on which the issue is traded, or if no sale is reported, the latest bid price. Securities which are traded on the Nasdaq National Markets are valued at the Nasdaq Official Closing Price, or if no sale is reported, the latest bid price. Short-term investments with maturities of 60 days or less are valued at amortized cost which approximates value. Securities for which quotations are not readily available are valued at fair value as determined by the investment adviser under the supervision of the Board of Directors. The fair value of a security is the amount which the Fund might 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. Variable rate demand notes are recorded at par value which approximates fair value.

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2011

(1) **Summary of Significant Accounting Policies — (Continued)**

Under accounting principles generally accepted in the United States of America (“GAAP”), fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants at the measurement date.

In determining fair value, the Fund uses various valuation approaches. GAAP establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by generally requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Fund. Unobservable inputs reflect the Fund's assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The inputs or methodologies used for valuing securities are not necessarily an indication of the risks associated with investing in those securities.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1—Valuations based on unadjusted quoted prices in active markets for identical assets.

Level 2—Valuations based on quoted prices for similar securities or in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3—Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The following table summarizes the Fund's investments as of September 30, 2011, based on the inputs used to value them:

<u>Valuation Inputs</u>	<u>Investments in Securities</u>
Level 1—Common Stocks	\$194,301,402
Publicly Traded Partnerships	315,980
REITS	595,478
Warrants	19,298
Preferred Stocks	427,188
Total Level 1	195,659,346
Level 2—Common Stocks	2,412
Level 3—	—
Total	<u>\$195,661,758*</u>

It is the Fund's policy to recognize transfers between levels at the end of the quarterly reporting period. There were no significant transfers between levels during the year ended September 30, 2011.

* Please refer to the Schedule of Investments to view common stocks, publicly traded partnerships and preferred stocks segregated by industry type.

(b) Investment transactions are accounted for on a trade date basis for financial reporting purposes. Net realized gains and losses on sales of securities are computed on the lowest amortized cost basis.

(c) The Fund records dividend income on the ex-dividend date and interest income on an accrual basis. Withholding taxes on foreign dividends have been provided for in accordance with the Fund's understanding of the applicable country's tax rules and regulations.

(d) The Fund may have investments in short-term variable rate demand notes, which are unsecured instruments. The Fund may be susceptible to credit risk with respect to these notes to the extent the issuer defaults on its payment obligation. The Fund's policy is to monitor the creditworthiness of the issuer and nonperformance by these issuers is not anticipated.

(e) GAAP requires that permanent differences between income for financial reporting and tax purposes be reclassified in the capital accounts. For the year ended September 30, 2011, the Fund reclassified \$1,051,603 of net investment loss and \$(83,896) of accumulated realized losses to capital stock.

(f) The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

(g) No provision has been made for Federal income taxes since the Fund has elected to be taxed as a “regulated investment company” and intends to distribute substantially all net investment company taxable income and net capital gains to shareholders and otherwise comply with the provisions of the Internal Revenue Code applicable to regulated investment companies.

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2011

(1) Summary of Significant Accounting Policies — (Continued)

(h) The Fund has reviewed all open tax years and major jurisdictions, which include Federal and the state of Maryland, and concluded that there are no significant uncertain tax positions that would require recognition in the financial statements. Open tax years are those that are open for exam by taxing authorities and, as of September 30, 2011, open Federal tax years include the tax years ended September 30, 2008 through 2011. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Fund's Statement of Operations. During the year ended September 30, 2011, the Fund did not incur any interest or penalties. The Fund has no examinations in progress and is also not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

(2) Investment Adviser and Management Agreement and Transactions With Related Parties —

The Fund has a management agreement with Reynolds Capital Management, LLC ("RCM"), to serve as investment adviser and manager. The sole owner of RCM is Mr. Frederick L. Reynolds. RCM is the successor to Reynolds Capital Management, a sole proprietorship for which Mr. Reynolds was sole proprietor. Mr. Reynolds is also an officer and interested director of the Fund. Under the terms of the agreement, the Fund will pay RCM a monthly management fee at the annual rate of 1% of the daily net assets.

The agreement further stipulates that RCM will reimburse the Fund for all expenses exceeding 2% of its daily average net assets (excluding interest, taxes, brokerage commissions and extraordinary items). The Fund is not obligated to reimburse RCM for any expenses reimbursed in previous fiscal years. No such reimbursements were required for the year ended September 30, 2011.

The Fund has adopted a Service and Distribution Plan (the "Plan") pursuant to Rule 12b-1 under the Act. The Plan provides that the Fund may incur certain costs which may not exceed a maximum amount equal to 0.25% per annum of the Fund's average daily net assets. Payments made pursuant to the Plan may only be used to pay distribution expenses incurred in the current year, and may be less than the maximum amount allowed by the Plan.

Under the Fund's organizational documents, each director, officer, employee or other agent of the Fund (including the Fund's investment manager) is indemnified, to the extent permitted by the Act, against certain liabilities that may arise out of performance of their duties to the Fund. Additionally, in the normal course of business, the Fund enters into contracts that contain a variety of indemnification clauses. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. However, the Fund has not had prior claims or losses pursuant to these contracts and believes the risk of loss to be remote.

(3) Distributions to Shareholders —

Net investment income and net realized gains, if any, for the Fund are distributed to shareholders at least annually and are recorded on the ex-dividend date.

(4) Investment Transactions —

For the year ended September 30, 2011, purchases and proceeds of sales of investment securities (excluding short-term securities) were \$222,689,820 and \$114,367,785, respectively.

(5) Income Tax Information —

The following information for the Fund is presented on an income tax basis as of September 30, 2011:

<u>Cost of Investments</u>	<u>Gross Unrealized Appreciation</u>	<u>Gross Unrealized Depreciation</u>	<u>Net Unrealized Depreciation on Investments</u>	<u>Distributable Ordinary Income</u>	<u>Distributable Long-Term Capital Gains</u>
\$218,394,914	\$14,380,043	\$(37,113,199)	\$(22,733,156)	\$ —	\$ —

The difference, if any, between the cost amount for financial statement and federal income tax purposes is due primarily to timing differences in recognizing certain gains and losses in security transactions.

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2011

(5) **Income Tax Information — (Continued)**

The tax components of dividends paid during the year ended September 30, 2011, capital loss carryovers, which may be used to offset future capital gains, subject to Internal Revenue Code limitations (expiring on September 30, 2013), as of September 30, 2011, and tax basis post-October losses as of September 30, 2011, which are not recognized for tax purposes until the first day of the following fiscal year are:

September 30, 2011				September 30, 2010	
Ordinary Income Distributions	Long-Term Capital Gains Distributions	Net Capital Loss Carryovers	Post-October Losses	Ordinary Income Distributions	Long-Term Capital Gains Distributions
\$ —	\$ —	\$3,761,412	\$ —	\$ —	\$ —

The Fund has utilized \$11,856,959 of its capital loss carryovers during the year ended September 30, 2011.

Since there were no ordinary distributions paid for the year ended September 30, 2011, there were no distributions designated as qualifying for the dividends received deduction for corporate shareholders nor as qualified dividend income under the Jobs and Growth Tax Relief Act of 2003.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Shareholders and Board of Directors
Reynolds Funds, Inc.

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Reynolds Funds, Inc., comprising Reynolds Blue Chip Growth Fund (the "Fund"), as of September 30, 2011, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the three years in the period then ended. These financial statements and financial highlights are the responsibility of Fund management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits. The financial highlights for the years indicated prior to September 30, 2009 were audited by another independent registered public accounting firm, who expressed unqualified opinions on those financial highlights.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of September 30, 2011, by correspondence with the custodian and broker. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Reynolds Funds, Inc. as of September 30, 2011, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the three years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

Cohen Fund Audit Services

Cohen Fund Audit Services, LTD.

Westlake, Ohio

November 23, 2011

Reynolds Blue Chip Growth Fund
DIRECTORS AND OFFICERS

<u>Name, Age and Address</u>	<u>Position(s) Held with the Fund</u>	<u>Term of Office and Length of Time Served</u>	<u>Principal Occupation(s) During Past Five Years</u>	<u># of Funds in Complex Overseen by Director</u>	<u>Other Directorships Held by Director or Officer</u>
Non-Interested Directors:					
Dennis N. Moser, 69 77 Stockbridge Atherton, CA 94027	Director	Indefinite Term Since 2002	Mr. Moser is a partner in Glenbrook Partner, LLC, a payments consulting firm.	1	None
Robert E. Stauder, 81 436 Casabonne Lane Sonoma, CA 95476	Director	Indefinite Term Since 1988	Mr. Stauder is retired. He was a principal of Robinson Mills + Williams, an architectural and interior design firm, from 1991 until 1996.	1	None
Interested Director:					
Frederick L. Reynolds,* 69 3565 South Las Vegas Blvd. #403 Las Vegas, NV 89109	Director, President and Treasurer	Indefinite Term Since 1988 One Year Term Since 1988	Mr. Reynolds is the sole owner of the Adviser, which business commenced in 1985.	1	None
Other Officer:					
N. Lynn Bowley, 53 Northern Lights Compliance Services, LLC 4020 S. 147th Street Omaha, NE 68137	Chief Compliance Officer	At Discretion of Board Since 2007	Mr. Bowley has been a Compliance Officer for Northern Lights Compliance Services, LLC, (f/k/a) Fund Compliance Services, LLC, since 2007.	N/A	None

* Mr. Reynolds is the only interested director of the Company as that term is defined in the Investment Company Act of 1940. Mr. Reynolds is an interested director of the Company by reason of his being an officer of the Company and the sole owner of the investment adviser.

For additional information about the Directors and Officers or for a description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities, please call (800) 773-9665 and request a Statement of Additional Information. One will be mailed to you free of charge. The Statement of Additional Information is also available on the website of the Securities and Exchange Commission (the "Commission") at <http://www.sec.gov>. Information on how the Fund voted proxies relating to portfolio securities is available on the Fund's website at <http://www.reynoldsfunds.com> or the website of the Commission no later than August 31 for the prior 12 months ending June 30. The Fund files its complete schedule of portfolio holdings with the Commission for the first and third quarters of each fiscal year on Form N-Q. The Fund's Form N-Q is available on the Commission's website. The Fund's Form N-Q may be reviewed and copied at the Commission's Public Reference Room in Washington, D.C., and that information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

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.

HOUSEHOLDING

In an effort to decrease costs, the Fund intends to reduce the number of duplicate prospectuses and annual and semi-annual reports you receive by sending only one copy of each to those addresses shared by two or more accounts and to shareholders the Fund reasonably believes are from the same family or household. Once implemented, if you would like to discontinue householding for your accounts, please call toll-free at 1-800-773-9665 to request individual copies of these documents. Once the Fund receives notice to stop householding, the Fund will begin sending individual copies 30 days after receiving your request. This policy does not apply to account statements.

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, LLC
3565 South Las Vegas Boulevard, #403
Las Vegas, Nevada 89109

**Transfer Agent,
Dividend Disbursing Agent,
Administrator and Accountant**

U.S. BANCORP FUND SERVICES, LLC
615 East Michigan Street
Milwaukee, Wisconsin 53202
1-800-773-9665
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1-414-765-4124

Custodian

U.S. Bank, N.A.
1555 North RiverCenter Drive, Suite 302
Milwaukee, Wisconsin 53212

Independent Registered Public Accounting Firm

COHEN FUND AUDIT SERVICES, LTD.
800 Westpoint Parkway, Suite 1100
Westlake, Ohio 44145

Legal Counsel

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

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