

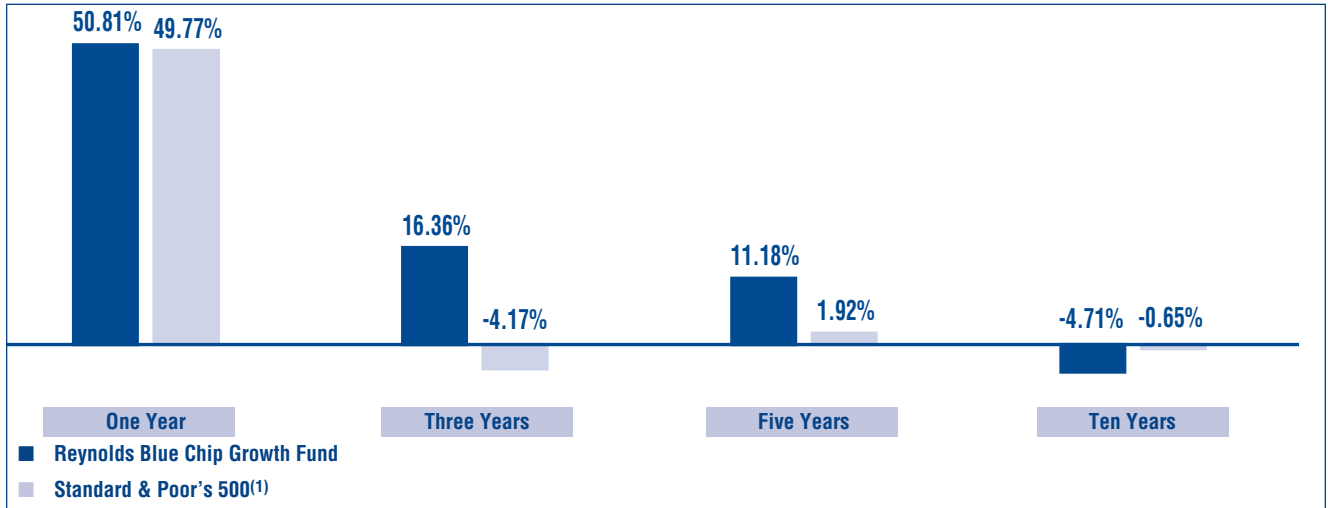
# REYNOLDS BLUE CHIP GROWTH FUND

May 14, 2010

Dear Fellow Shareholders:

## Performance highlights (March 31, 2010)

The performance of the Reynolds Blue Chip Growth Fund in the six months ended March 31, 2010 was +12.78%. The performance of the Standard & Poor's 500<sup>(1)</sup> Index during that same period was +11.75%. The average total returns of the Reynolds Blue Chip Growth Fund for the one year and annualized 3-year, 5-year and 10-year periods through March 31, 2010 were 50.81%, 16.36%, 11.18% and -4.71%, respectively. The average total returns for the Fund's benchmark, the Standard & Poor's 500, for the one year and annualized 3-year, 5-year and 10-year periods through March 31, 2010 were 49.77%, -4.17%, 1.92% and -0.65%, respectively.



(1) 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.

The performance of the Reynolds Blue Chip Growth Fund during the three months ended March 31, 2010 was +7.44%. The performance of the Standard & Poor's 500 Index during that same period was +5.39%.

## Portfolio 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. Two and one half years ago 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 2010. U.S. Gross Domestic Product (GDP), helped by various stimulus measures, expanded at a 3.2% annual rate in the quarter ended March 31, 2010. U.S. GDP increased at a 5.6% rate in the quarter ended December 31, 2009 and increased at a 2.2% rate in the quarter ended September 30, 2009 after decreasing in each of the previous four quarters.

There are some current and potential economic and investment negatives at the present time including: (1) more than 8.4 million jobs have been lost since the recession started in December 2007 and unemployment is above 9%; (2) construction will continue to lag, as past overbuilding negatively affects rents and valuations, making it difficult for buyers and investors to obtain financing; (3) mortgage rates are low, but mortgage credit is still somewhat tight; (4) risk aversion among lenders continues at high levels; (5) interest rates may be increasing in the future; (6) the oil spill in the Gulf of Mexico; (7) economic problems with some individual Euro-zone countries such as Greece, Spain, Portugal and Ireland which may spread to other countries; and (8) debt problems in Europe may negatively affect U.S. economic growth. In addition, now that global government stimulus programs of more than \$2 trillion have occurred, eventually central banks will need to withdraw some of the stimulus and guard against inflation. However, compared with pouring money into the economy, draining money from the economy is a much tougher job for central banks. The near term policy focus is to balance the need to maintain stable and relatively fast growth, the need to adjust the economic structure and the need to manage inflationary expectations.

There are many current and potential economic and investment positives: (1) payrolls increased 230,000 in March and 290,000 in April, and manufacturing employment increased for the fourth straight month, further indicating that a recovery has taken hold; (2) the housing market has shown some signs of bottoming and stabilizing; (3) manufacturing is playing a larger role in the economy, as firms begin to rebuild inventories after a long two year reduction; (4) growth in the service sector is gaining momentum and broadening, although it is not as strong as the manufacturing sector; (5) apparent stability in home prices have given a boost to consumer spending in 2010; (6) businesses have been able to use the credit markets to strengthen their balance sheets; (7) business equipment investment has continued to pick up; (8) inflation remains at moderate levels; (9) interest rates remain low; (10) many companies recently reported better than expected quarterly earnings; (11) many companies reported revenue growth, not just earnings growth from cutting expenses in the most recent quarters; and (12) recent productivity gains have been quite strong.

The U.S. economic recovery is being affected by a number of secular factors that are altering the pace and composition of growth. The economy in 2010 is being affected by greater prudence and less speculation in lending, the importance of exports and jobs and less leverage for consumer spending. GDP decreased 2.4% in calendar 2009, after increasing 0.4% in calendar 2008, 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 3.0% in 2010.

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, decreased 0.3% in 2009, after 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 2.0% in 2010.

## **The World Economy**

The global economic recovery that started in mid-2009 has continued so far in 2010. Recovery is strongest in Asia with China having the strongest growth. Other Asian countries are having strong growth rates as well. Recovery is also occurring in Latin America and Brazil. Economic growth has also returned to Western Europe, although at a slower pace than other regions. The biggest risk to Euro-zone economic growth is related to the government debt crisis that has appeared recently, particularly in Greece. Europe will need significant fiscal retrenchment in the next few years which will slow their economic growth. 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 forecast to grow faster than the U.S. in 2010.

The World Economy decreased 0.8% in 2009 and is forecast to increase 4.2% in 2010. Among "advanced economies": (1) Japan decreased 5.2% in 2009 and is forecast to increase 2.5% in 2010; (2) the Euro-zone decreased 4.0% in 2009 and is forecast to increase 1.1% in 2010; (3) the United Kingdom decreased 4.9% in 2009 and is forecast to increase 1.1% in 2010; (4) Canada decreased 2.6% in 2009 and is forecast to increase 3.2% in 2010; and (5) Korea increased 0.2% in 2009 and is forecast to increase 5.3% in 2010.

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 20% of the world's total population of approximately 6.8 billion. It is the third largest economy in the world after the U.S. and Japan and it is the world's fastest-growing major economy. Many economists believe that China has a

particularly good long-term outlook. It should soon overtake Japan and become the world's second largest economy. China was one of the first countries to show a pickup in growth last year and it helped to lead the world out of recession. The acceleration in China's growth is resulting in policy makers beginning to withdraw record fiscal and monetary stimulus. For example, bank lending has recently been tightened. GDP increased 8.5% in 2009 and is forecast to increase 10.0% in 2010.

Brazil is Latin America's biggest economy. Brazil emerged from its first recession since 2003 in the second quarter of 2009. GDP decreased 0.2% in 2009 and is forecast to increase 4.9% in 2010.

India's population is approximately 17% of the world's population. It is the world's second fastest growing economy. India's economy increased 6.8% in 2009 and is forecast to increase 8.0% in 2010. Russia's economy decreased 7.9% in 2009 and is forecast to increase 3.6% in 2010.

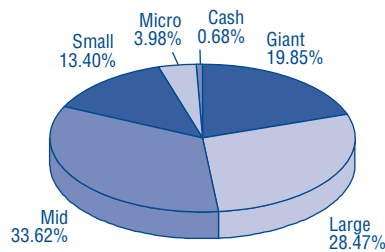
Many worldwide larger multinational companies should be well positioned to benefit long-term from worldwide growth. To the extent that some of these companies' U.S. earnings are growing slower, this could be somewhat offset by their possible stronger foreign earnings. The long-term strategy of the Reynolds 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 ADR's 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 ADR's.

#### **Opportunistic Investing in Companies of Various Sizes**

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.

**Portfolio as of March 31, 2010**



Source: Morningstar web site and Morningstar Market Cap Breakpoints

Morningstar separates stock portfolio holdings into five market-capitalization groups: Giant, Large, Mid, Small and Micro. Of the 5,000 largest domestic stocks in the equities database, the top 1% are categorized as Giant, the next 4% are Large, the next 15% are Mid, the next 30% are Small, and the remaining 50% are Micro. Stocks outside of the largest 5,000 are also classified as Micro.

Market caps are the minimum in each cap group; therefore, the minimum large market cap is the large-mid breakpoint and mid is the mid-small breakpoint, etc. As of March 31, 2010 the minimums in each cap group are as follows:

	(in millions)
Giant	\$42,515.80
Large	\$ 9,587.26
Mid	\$ 2,072.66
Small	\$ 579.29
Micro	<\$ 579.29

The long-term strategy of the Reynolds Blue Chip Growth Fund is to emphasize investment in “blue chip” growth companies. 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.

### **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](http://www.reynoldsfunds.com).

## Reynolds Blue Chip Growth Fund

### COST DISCUSSION (Unaudited)

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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 October 1, 2009 through March 31, 2010.

#### 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 10/01/09</u>	<u>Ending Account Value 3/31/10</u>	<u>Expenses Paid During Period* 10/01/09-3/31/10</u>
Reynolds Blue Chip Growth Fund Actual	\$1,000.00	\$1,127.50	\$10.56
Hypothetical (5% return before expenses)	\$1,000.00	\$1,015.00	\$10.00

\* Expenses are equal to the Fund's annualized expense ratio of 1.99% multiplied by the average account value over the period, multiplied by 182/365 (to reflect the one-half year period between October 1, 2009 and March 31, 2010).

Reynolds Blue Chip Growth Fund

**STATEMENT OF ASSETS AND LIABILITIES**

March 31, 2010 (Unaudited)

**ASSETS:**

Investments in securities, at value (cost \$66,147,990)	\$ 79,280,918
Receivable from investments sold	1,733,667
Cash	547,498
Receivable from shareholders for purchases	539,411
Net dividends receivable	65,680
<b>Total assets</b>	<b>\$ 82,167,174</b>

**LIABILITIES:**

Payable to brokers for investments purchased	\$ 2,233,720
Payable to shareholders for redemptions	1,043
Payable to adviser for management fees	63,920
Other liabilities	48,310
<b>Total liabilities</b>	<b>\$ 2,346,993</b>

**NET ASSETS:**

Capital Stock, \$0.01 par value; 40,000,000 shares authorized; 1,690,665 shares outstanding	152,312,350
Net unrealized appreciation on investments	13,132,928
Accumulated net realized loss on investments	(85,625,097)
<b>Net assets</b>	<b>79,820,181</b>
<b>Total liabilities and net assets</b>	<b>\$ 82,167,174</b>

**CALCULATION OF NET ASSET VALUE PER SHARE:**

Net asset value, offering and redemption price per share (\$79,820,181 ÷ 1,690,665 shares outstanding)	<b>\$ 47.21</b>
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The accompanying notes to financial statements are an integral part of this statement.

**SCHEDULE OF INVESTMENTS**

March 31, 2010 (Unaudited)

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
<b>LONG-TERM INVESTMENTS — 99.3% (a)</b>		<b>Aerospace &amp; Defense — 2.1% (Continued)</b>	
<b>COMMON STOCKS — 99.3% (a)</b>		2,000	United Technologies Corp. <span style="float: right;">\$ 147,220</span>
<b>Aerospace &amp; Defense — 2.1%</b>			1,657,430
5,400	BE Aerospace, Inc.* <span style="float: right;">\$ 164,430</span>	<b>Air Freight &amp; Logistics — 0.4%</b>	
3,100	The Boeing Co. <span style="float: right;">225,091</span>	800	Expeditors International
2,100	General Dynamics Corp. <span style="float: right;">162,120</span>		29,536
2,800	Goodrich Corp. <span style="float: right;">197,456</span>	1,000	FedEx Corp. <span style="float: right;">93,400</span>
1,700	Hexcel Corp.* <span style="float: right;">24,548</span>	2,500	United Parcel Service, Inc. CI B <span style="float: right;">161,025</span>
2,700	Honeywell International Inc. <span style="float: right;">122,229</span>		283,961
1,000	L-3 Communications Holdings, Inc. <span style="float: right;">91,630</span>	<b>Airlines — 2.2%</b>	
1,300	Lockheed Martin Corp. <span style="float: right;">108,186</span>	1,200	Alaska Air Group, Inc.* <span style="float: right;">49,476</span>
2,600	Northrop Grumman Corp. <span style="float: right;">170,482</span>	2,600	Allegiant Travel Co.* <span style="float: right;">150,436</span>
2,300	Raytheon Co. <span style="float: right;">131,376</span>	18,000	AMR Corp.* <span style="float: right;">163,980</span>
1,800	Rockwell Collins, Inc. <span style="float: right;">112,662</span>		

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

Reynolds Blue Chip Growth Fund

**SCHEDULE OF INVESTMENTS (Continued)**

March 31, 2010 (Unaudited)

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
<b>LONG-TERM INVESTMENTS — 99.3% (a) (Continued)</b>		<b>Beverages — 1.6% (Continued)</b>	
<b>COMMON STOCKS — 99.3% (a) (Continued)</b>		4,600	PepsiCo, Inc. . . . . \$ 304,336
<b>Airlines — 2.2% (Continued)</b>			1,248,687
3,000	China Southern Airlines Company Ltd. - SP-ADR* . . . . . \$ 67,050	<b>Biotechnology — 1.4%</b>	
7,500	Continental Airlines, Inc. CI B* . . . . . 164,775	2,600	Alkermes, Inc.* . . . . . 33,722
12,800	Delta Air Lines, Inc.* . . . . . 186,752	1,000	Amgen Inc.* . . . . . 59,760
7,800	GOL Intelligent Airlines Inc. - SP-ADR . . . . . 96,642	4,600	Amylin Pharmaceuticals, Inc.* . . . . . 103,454
8,000	Hawaiian Holdings, Inc.* . . . . . 58,960	1,500	Biogen Idec Inc.* . . . . . 86,040
6,000	JetBlue Airways Corp.* . . . . . 33,480	1,000	BioMarin Pharmaceutical Inc.* . . . . . 23,370
1,700	Ryanair Holdings PLC - SP-ADR* . . . . . 46,189	3,500	Celera Corp.* . . . . . 24,850
27,200	Southwest Airlines Co. . . . . 359,584	800	Celgene Corp.* . . . . . 49,568
2,900	Tam SA - SP-ADR . . . . . 49,184	24,000	Cell Therapeutics, Inc.* . . . . . 12,977
9,000	UAL Corp.* . . . . . 175,950	700	Cephalon, Inc.* . . . . . 47,446
16,900	US Airways Group, Inc.* . . . . . 124,215	4,500	Dendreon Corp.* . . . . . 164,115
	1,726,673	5	Genta, Inc.* . . . . . 0
<b>Auto Components — 0.4%</b>		700	Genzyme Corp.* . . . . . 36,281
7,200	China Automotive Systems, Inc.* . . . . . 166,392	1,400	Gilead Sciences, Inc.* . . . . . 63,672
3,000	The Goodyear Tire & Rubber Co.* . . . . . 37,920	4,400	Human Genome Sciences, Inc.* . . . . . 132,880
3,500	Johnson Controls, Inc. . . . . 115,465	15,200	Incyte Corp.* . . . . . 212,192
	319,777	4,000	SciClone Pharmaceuticals, Inc.* . . . . . 14,120
<b>Automobiles — 0.9%</b>		500	Vertex Pharmaceuticals Inc.* . . . . . 20,435
27,700	Ford Motor Co.* . . . . . 348,189	4,000	Vical Inc.* . . . . . 13,440
2,000	Harley-Davidson, Inc. . . . . 56,140		1,098,322
2,000	Honda Motor Co., Ltd. - SP-ADR . . . . . 70,580	<b>Building Products — 0.2%</b>	
13,500	Tata Motors Ltd. - SP-ADR . . . . . 249,210	11,000	Masco Corp. . . . . 170,720
400	Toyota Motor Corp. - SP-ADR . . . . . 32,168	<b>Capital Markets — 1.4%</b>	
	756,287	600	Affiliated Managers Group, Inc.* . . . . . 47,400
<b>Beverages — 1.6%</b>		1,400	Bank Of New York Mellon Corp. . . . . 43,232
400	Anheuser-Busch InBev N.V. - SP-ADR . . . . . 20,180	300	BlackRock, Inc. . . . . 65,328
1,300	The Boston Beer Company, Inc.* . . . . . 67,938	44,300	E*TRADE Financial Corp.* . . . . . 73,095
3,800	The Coca-Cola Co. . . . . 209,000	2,700	The Goldman Sachs Group, Inc. . . . . 460,701
1,100	Coca-Cola Femsa, S.A.B. de C.V. - SP-ADR . . . . . 73,095	1,200	Jefferies Group, Inc. . . . . 28,404
26,000	Cott Corp.* . . . . . 201,500	1,200	Legg Mason, Inc. . . . . 34,404
1,700	Diageo PLC - SP-ADR . . . . . 114,665	1,000	Morgan Stanley . . . . . 29,290
2,900	Dr Pepper Snapple Group, Inc. . . . . 101,993	1,200	Piper Jaffray Companies, Inc.* . . . . . 48,360
1,000	Fomento Económico Mexicano, S.A.B. de C.V. - SP-ADR . . . . . 47,530	1,000	T. Rowe Price Group Inc. . . . . 54,930
2,500	Hansen Natural Corp.* . . . . . 108,450	1,400	Raymond James Financial, Inc. . . . . 37,436
		3,000	Charles Schwab Corp. . . . . 56,070
		1,500	State Street Corp. . . . . 67,710
		1,500	TD Ameritrade Holding Corp.* . . . . . 28,590
			1,074,950

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

Reynolds Blue Chip Growth Fund

**SCHEDULE OF INVESTMENTS (Continued)**

March 31, 2010 (Unaudited)

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
<b>LONG-TERM INVESTMENTS — 99.3% (a) (Continued)</b>		<b>Commercial Services &amp; Supplies — 0.6% (Continued)</b>	
<b>COMMON STOCKS — 99.3% (a) (Continued)</b>		2,500	Rollins, Inc. . . . . \$ 54,200
<b>Chemicals — 1.8%</b>		25,600	The Standard Register Co. . . . . 136,960
2,700	Agrium Inc. . . . . \$ 190,701	1,000	Sykes Enterprises, Inc.* . . . . . 22,840
600	Air Products and Chemicals, Inc. . . . . 44,370	1,000	Waste Management, Inc. . . . . 34,430
1,500	Cytec Industries Inc. . . . . 70,110		466,659
4,000	The Dow Chemical Co. . . . . 118,280	<b>Communications Equipment — 3.6%</b>	
4,000	E.I. du Pont de Nemours and Co. . . . . 148,960	7,000	Brocade Communications
700	Eastman Chemical Co. . . . . 44,576		Systems, Inc.* . . . . . 39,970
3,700	W.R. Grace & Co.* . . . . . 102,712	13,400	Ciena Corp.* . . . . . 204,216
2,800	International Flavors	13,900	Cisco Systems, Inc.* . . . . . 361,817
	& Fragrances Inc. . . . . 133,476	1,100	F5 Networks, Inc.* . . . . . 67,661
600	The Lubrizol Corp. . . . . 55,032	30,875	Finisar Corp.* . . . . . 485,046
2,800	Monsanto Co. . . . . 199,976	1,000	Harris Corp. . . . . 47,490
1,400	The Mosaic Co. . . . . 85,078	7,500	Ituran Location and Control Ltd. . . . . 119,400
1,000	Nalco Holding Co. . . . . 24,330	31,000	JDS Uniphase Corp.* . . . . . 388,430
4,700	Olin Corp. . . . . 92,214	6,000	Juniper Networks, Inc.* . . . . . 184,080
800	Potash Corporation of	8,500	Motorola, Inc.* . . . . . 59,670
	Saskatchewan Inc. . . . . 95,480	2,500	NETGEAR, Inc.* . . . . . 65,250
900	Sigma-Aldrich Corp. . . . . 48,294	7,400	Nokia Corp. - SP-ADR . . . . . 114,996
	1,453,589	1,200	Plantronics, Inc. . . . . 37,536
<b>Commercial Banks — 1.3%</b>		1,000	QUALCOMM Inc. . . . . 41,990
1,000	BB&T Corp. . . . . 32,390	5,300	Research In Motion Ltd.* . . . . . 391,935
10,600	Fifth Third Bancorp . . . . . 144,054	19,500	Sierra Wireless Inc.* . . . . . 164,385
1,500	Hudson City Bancorp, Inc. . . . . 21,240	15,500	Tellabs, Inc. . . . . 117,335
17,000	Huntington Bancshares Inc. . . . . 91,290		2,891,207
12,200	KeyCorp . . . . . 94,550	<b>Communications Equipment</b>	
1,400	PNC Financial Services Group, Inc. . . . . 83,580	<b>Manufacturing — 0.0%</b>	
9,000	Regions Financial Corp. . . . . 70,650	3,000	Ericsson L M Tel Co. SP-ADR . . . . . 31,320
5,600	SunTrust Banks, Inc. . . . . 150,024	<b>Computers &amp; Peripherals — 5.0%</b>	
9,000	Synovus Financial Corp. . . . . 29,610	10,150	Apple Inc.* . . . . . 2,384,539
1,500	The Toronto-Dominion Bank . . . . . 111,870	8,000	Dell Inc.* . . . . . 120,080
1,700	U.S. Bancorp . . . . . 43,996	7,000	EMC Corp.* . . . . . 126,280
2,000	Wells Fargo & Co. . . . . 62,240	2,900	Hewlett-Packard Co. . . . . 154,135
4,500	Zions Bancorporation . . . . . 98,190	4,000	Hutchinson Technology Inc.* . . . . . 24,960
	1,033,684	2,800	International Business
<b>Commercial Services &amp; Supplies — 0.6%</b>			Machines Corp. . . . . 359,100
2,500	Avery Dennison Corp. . . . . 91,025	3,000	Lexmark International, Inc.* . . . . . 108,240
1,000	Consolidated Graphics, Inc.* . . . . . 41,410	4,500	NetApp, Inc.* . . . . . 146,520
600	Corrections Corporation of America* . . . . . 11,916	2,300	QLogic Corp.* . . . . . 46,690
1,200	Herman Miller, Inc. . . . . 21,672	4,700	SanDisk Corp.* . . . . . 162,761
2,200	RINO International Corp.* . . . . . 52,206		

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

Reynolds Blue Chip Growth Fund

**SCHEDULE OF INVESTMENTS (Continued)**

March 31, 2010 (Unaudited)

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
<b>LONG-TERM INVESTMENTS — 99.3% (a) (Continued)</b>		<b>Electronic Equipment, Instruments &amp; Components — 1.4%</b>	
<b>COMMON STOCKS — 99.3% (a) (Continued)</b>			
<b>Computers &amp; Peripherals — 5.0% (Continued)</b>			
9,500 Seagate Technology* .....	\$ 173,470	1,500 Agilent Technologies, Inc.* .....	\$ 51,585
5,100 Western Digital Corp.* .....	198,849	4,500 Brightpoint, Inc.* .....	33,885
	<u>4,005,624</u>	800 Coherent, Inc.* .....	25,568
<b>Construction &amp; Engineering — 0.4%</b>		6,200 Corning Inc. ....	125,302
3,700 Fluor Corp. ....	172,087	1,000 Dolby Laboratories Inc.* .....	58,670
2,500 Foster Wheeler AG* .....	67,850	18,500 Flextronics International Ltd.* .....	145,040
1,200 Jacobs Engineering Group Inc.* .....	54,228	600 Itron, Inc.* .....	43,542
	<u>294,165</u>	3,800 Jabil Circuit, Inc. ....	61,522
<b>Consumer Electronics — 0.1%</b>		2,000 Molex Inc. ....	41,720
2,300 Garmin Ltd. ....	88,504	15,600 Sanmina-SCI Corp.* .....	257,400
<b>Consumer Finance — 0.3%</b>		1,200 Tech Data Corp.* .....	50,280
4,000 American Express Co. ....	165,040	1,200 Trimble Navigation Ltd.* .....	34,464
800 Capital One Financial Corp. ....	33,128	15,100 Vishay Intertechnology, Inc.* .....	<u>154,473</u>
5,000 Discover Financial Services .....	74,500		1,083,451
	<u>272,668</u>	<b>Energy Equipment &amp; Services — 3.0%</b>	
<b>Consumer Services-Diversified — 0.1%</b>		1,200 Atwood Oceanics, Inc.* .....	41,556
800 Grand Canyon Education, Inc.* .....	20,912	2,500 Baker Hughes Inc. ....	117,100
500 New Oriental Education & Technology Group, Inc. - SP-ADR* .....	42,755	5,500 Cameron International Corp.* .....	235,730
	<u>63,667</u>	11,100 CGG-Veritas - SP-ADR* .....	314,352
<b>Containers &amp; Packaging — 0.3%</b>		2,300 Diamond Offshore Drilling, Inc. ....	204,263
700 Ball Corp. ....	37,366	3,000 Halliburton Co. ....	90,390
15,500 Boise, Inc.* .....	95,015	1,600 Helmerich & Payne, Inc. ....	60,928
2,500 Owens-Illinois, Inc.* .....	88,850	800 Nabors Industries Ltd.* .....	15,704
1,800 Sealed Air Corp. ....	37,944	800 National-Oilwell Varco Inc. ....	32,464
	<u>259,175</u>	1,600 Noble Corp. ....	66,912
<b>Distributors — 0.1%</b>		6,800 Parker Drilling Co.* .....	33,524
1,200 Genuine Parts Co. ....	50,688	9,000 Rowan Companies, Inc.* .....	261,990
<b>Electrical Equipment — 0.6%</b>		5,000 Schlumberger Ltd. ....	317,300
1,800 Baldor Electric Co. ....	67,320	3,000 Smith International, Inc. ....	128,460
18,000 Capstone Turbine Corp.* .....	22,860	1,000 Tenaris S.A. - SP-ADR .....	42,940
3,300 Emerson Electric Co. ....	166,122	4,200 Transocean Ltd.* .....	362,796
1,700 Rockwell Automation, Inc. ....	95,812	2,200 Weatherford International Ltd.* .....	34,892
1,000 A.O. Smith Corp. ....	52,570		<u>2,361,301</u>
1,900 Thomas & Betts Corp.* .....	74,556	<b>Financial Services-Diversified — 0.6%</b>	
	<u>479,240</u>	4,100 Bank of America Corp. ....	73,185
		34,700 Citigroup Inc.* .....	140,535
		2,900 JPMorgan Chase & Co. ....	129,775
		1,500 The NASDAQ OMX Group, Inc.* .....	31,680
		11,500 NewStar Financial, Inc.* .....	73,370

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

Reynolds Blue Chip Growth Fund

**SCHEDULE OF INVESTMENTS (Continued)**

March 31, 2010 (Unaudited)

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
<b>LONG-TERM INVESTMENTS — 99.3% (a) (Continued)</b>		<b>Health Care Equipment &amp; Supplies — 1.3% (Continued)</b>	
<b>COMMON STOCKS — 99.3% (a) (Continued)</b>			
<b>Financial Services-Diversified — 0.6% (Continued)</b>			
1,600 NYSE Euronext .....	\$ 47,376	1,300 ResMed Inc.* .....	\$ 82,745
	495,921	800 Sirona Dental Systems, Inc.* .....	30,424
<b>Food &amp; Staples Retailing — 1.7%</b>		500 St. Jude Medical, Inc.* .....	20,525
1,000 BJ's Wholesale Club, Inc.* .....	36,990	2,100 Stryker Corp. ....	120,162
1,500 Casey's General Stores, Inc. ....	47,100	3,500 Varian Medical Systems, Inc.* .....	193,655
5,700 Costco Wholesale Corp. ....	340,347		<u>1,066,269</u>
4,000 CVS Caremark Corp. ....	146,240	<b>Health Care Providers &amp; Services — 2.1%</b>	
12,200 The Great Atlantic & Pacific		1,500 Aetna Inc. ....	52,665
Tea Company, Inc.* .....	93,574	4,800 AmerisourceBergen Corp. ....	138,816
5,500 Rite Aid Corp.* .....	8,250	1,200 Brookdale Senior Living Inc.* .....	24,996
1,600 Safeway Inc. ....	39,776	3,500 Cardinal Health, Inc. ....	126,105
1,500 SUPERVALU Inc. ....	25,020	1,200 CIGNA Corp. ....	43,896
1,500 Sysco Corp. ....	44,250	2,100 Community Health Systems Inc.* .....	77,553
3,900 Wal-Mart Stores, Inc. ....	216,840	1,200 Coventry Health Care, Inc.* .....	29,664
2,200 Walgreen Co. ....	81,598	1,100 Express Scripts, Inc.* .....	111,936
5,500 Whole Foods Market, Inc.* .....	198,825	13,000 Health Management Associates, Inc.* ..	111,800
5,500 Winn-Dixie Stores, Inc.* .....	68,695	1,500 HEALTHSOUTH Corp.* .....	28,050
	<u>1,347,505</u>	1,500 Humana Inc.* .....	70,155
<b>Food Products — 1.0%</b>		1,600 Lincare Holdings Inc.* .....	71,808
900 Campbell Soup Co. ....	31,815	800 Magellan Health Services, Inc.* .....	34,784
2,400 ConAgra Foods, Inc. ....	60,168	1,000 McKesson Corp. ....	65,720
2,500 General Mills, Inc. ....	176,975	1,800 Medco Health Solutions, Inc.* .....	116,208
2,300 H.J. Heinz Co. ....	104,903	1,000 Patterson Companies Inc. ....	31,050
3,000 The Hershey Co. ....	128,430	1,200 PSS World Medical, Inc.* .....	28,212
700 Kellogg Co. ....	37,401	700 Quest Diagnostics Inc. ....	40,803
1,000 Kraft Foods Inc. ....	30,240	24,500 Tenet Healthcare Corp.* .....	140,140
1,200 Ralcorp Holdings, Inc.* .....	81,336	2,500 UnitedHealth Group Inc. ....	81,675
8,800 Sara Lee Corp. ....	122,584	800 Universal Health Services, Inc. ....	28,072
700 The J.M. Smucker Co. ....	42,182	2,400 WellCare Health Plans Inc.* .....	71,520
	<u>816,034</u>	1,800 WellPoint Inc.* .....	115,884
<b>Health Care Equipment &amp; Supplies — 1.3%</b>			<u>1,641,512</u>
700 C.R. Bard, Inc. ....	60,634	<b>Health Care Technology — 0.2%</b>	
1,200 Baxter International Inc. ....	69,840	1,200 Cerner Corp.* .....	102,072
1,000 Becton, Dickinson & Co. ....	78,730	800 Computer Programs & Systems, Inc. ...	31,264
1,000 Edwards Lifesciences Corp.* .....	98,880	2,100 Omnicell, Inc.* .....	29,463
2,300 Hospira, Inc.* .....	130,295		<u>162,799</u>
700 IDEXX Laboratories, Inc.* .....	40,285	<b>Home Building — 1.0%</b>	
1,800 Kinetic Concepts, Inc.* .....	86,058	2,000 Beazer Homes USA, Inc.* .....	9,080
1,200 Medtronic, Inc. ....	54,036	8,700 D.R. Horton, Inc. ....	109,620
		2,400 Gafisa S.A. - SP-ADR .....	32,976

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

Reynolds Blue Chip Growth Fund

**SCHEDULE OF INVESTMENTS (Continued)**

March 31, 2010 (Unaudited)

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
<b>LONG-TERM INVESTMENTS — 99.3% (a) (Continued)</b>		<b>Hotels, Restaurants &amp; Leisure — 5.9% (Continued)</b>	
<b>COMMON STOCKS — 99.3% (a) (Continued)</b>		4,600	Royal Caribbean Cruises Ltd.* ..... \$ 151,754
<b>Home Building — 1.0% (Continued)</b>		26,490	Ruth's Hospitality Group Inc.* ..... 140,397
18,500	Hovnanian Enterprises, Inc.* ..... \$ 80,475	16,800	Starbucks Corp. .... 407,736
4,900	KB Home ..... 82,075	4,700	Starwood Hotels & Resorts
7,400	Lennar Corp. .... 127,354		Worldwide, Inc. .... 219,208
1,800	Meritage Homes Corp.* ..... 37,800	5,500	Wyndham Worldwide Corp. .... 141,515
8,875	Pulte Group Inc.* ..... 99,844	3,450	Wynn Resorts Ltd. .... 261,614
3,700	The Ryland Group, Inc. .... 83,028	3,000	Yum! Brands, Inc. .... 114,990
7,000	Standard Pacific Corp.* ..... 31,640		4,725,262
3,200	Toll Brothers, Inc.* ..... 66,560	<b>Household Durables — 1.2%</b>	
	760,452	1,200	Helen of Troy Ltd.* ..... 31,272
<b>Hotels, Restaurants &amp; Leisure — 5.9%</b>		19,400	La-Z-Boy Inc.* ..... 243,276
3,000	Brinker International, Inc. .... 57,840	600	Mohawk Industries, Inc.* ..... 32,628
500	Buffalo Wild Wings Inc.* ..... 24,055	4,000	Newell Rubbermaid Inc. .... 60,800
1,500	Burger King Holdings Inc. .... 31,890	2,200	Sony Corp. - SP-ADR ..... 84,304
4,500	California Pizza Kitchen, Inc.* ..... 75,555	2,830	Stanley Black & Decker Inc. .... 162,470
5,000	Caribou Coffee Company, Inc.* ..... 33,100	3,000	Tempur-Pedic International Inc.* ..... 90,480
1,200	Carnival Corp. .... 46,656	2,700	Tupperware Brands Corp. .... 130,194
2,400	The Cheesecake Factory Inc.* ..... 64,944	1,400	Whirlpool Corp. .... 122,150
1,100	Chipotle Mexican Grill, Inc.* ..... 123,937		957,574
2,100	Choice Hotels International, Inc. .... 73,101	<b>Household Products — 0.6%</b>	
2,100	Cracker Barrel Old Country Store, Inc. .... 97,398	1,600	The Clorox Co. .... 102,624
5,400	Ctrip.com	1,900	Colgate-Palmolive Co. .... 161,994
	International, Ltd. - SP-ADR* ..... 211,680	2,700	Kimberly-Clark Corp. .... 169,776
3,100	Darden Restaurants, Inc. .... 138,074	1,300	The Procter & Gamble Co. .... 82,251
8,200	Denny's Corp.* ..... 31,488		516,645
700	DineEquity, Inc.* ..... 27,671	<b>Industrial Conglomerates — 0.7%</b>	
8,700	Domino's Pizza, Inc.* ..... 118,668	1,700	3M Co. .... 142,069
1,100	Home Inns & Hotels	11,200	General Electric Co. .... 203,840
	Management, Inc. - SP-ADR* ..... 36,014	4,700	McDermott International, Inc.* ..... 126,524
2,500	Hyatt Hotels Corp.* ..... 97,400	4,600	Textron Inc. .... 97,658
6,200	International Game Technology ..... 114,390		570,091
49,000	Jamba, Inc.* ..... 133,280	<b>Insurance — 1.1%</b>	
23,700	Las Vegas Sands Corp.* ..... 501,255	1,000	Aflac, Inc. .... 54,290
3,821	Marriott International, Inc. .... 120,438	300	American International Group, Inc.* ... 10,242
6,800	McDonald's Corp. .... 453,696	500	Berkshire Hathaway Inc. Cl B* ..... 40,635
17,500	MGM MIRAGE* ..... 210,000	1,400	China Life Insurance
4,700	P.F. Chang's China Bistro, Inc.* ..... 207,411		Company, Ltd. - SP-ADR ..... 100,856
2,300	Panera Bread Co.* ..... 175,927	10,900	Genworth Financial Inc.* ..... 199,906
1,500	Papa John's International, Inc.* ..... 38,565	1,500	Hartford Financial Services
1,100	Peet's Coffee & Tea Inc.* ..... 43,615		Group, Inc. .... 42,630

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

Reynolds Blue Chip Growth Fund

**SCHEDULE OF INVESTMENTS (Continued)**

March 31, 2010 (Unaudited)

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
<b>LONG-TERM INVESTMENTS — 99.3% (a) (Continued)</b>		<b>IT Services — 2.1% (Continued)</b>	
<b>COMMON STOCKS — 99.3% (a) (Continued)</b>		2,200	Psychex, Inc. . . . . \$ 67,540
<b>Insurance — 1.1% (Continued)</b>		9,800	Satyam Computer Services Ltd. - SP-ADR* . . . . . 51,156
1,400	Lincoln National Corp. . . . . \$ 42,980	1,400	TeleTech Holdings, Inc.* . . . . . 23,912
2,500	MetLife, Inc. . . . . 108,350	1,200	Unisys Corp.* . . . . . 41,868
1,200	Prudential Financial, Inc. . . . . 72,600	14,900	VeriFone Holdings, Inc.* . . . . . 301,129
1,000	Torchmark Corp. . . . . 53,510	2,900	Visa Inc. . . . . 263,987
2,300	The Travelers Companies, Inc. . . . . 124,062		1,653,361
	850,061	<b>Leisure Equipment &amp; Products — 0.1%</b>	
<b>Internet &amp; Catalog Retail — 2.2%</b>		10,500	Eastman Kodak Co.* . . . . . 60,795
4,700	Amazon.com, Inc.* . . . . . 637,931	1,200	Mattel, Inc. . . . . 27,288
9,400	Expedia, Inc. . . . . 234,624		88,083
1,400	Netflix Inc.* . . . . . 103,236	<b>Life Sciences Tools &amp; Services — 0.4%</b>	
2,500	Overstock.com, Inc.* . . . . . 40,625	5,100	Affymetrix, Inc.* . . . . . 37,434
1,200	PetMed Express, Inc. . . . . 26,604	300	Dionex Corp.* . . . . . 22,434
2,800	Priceline.com Inc.* . . . . . 714,000	1,200	PerkinElmer, Inc. . . . . 28,680
	1,757,020	5,900	Sequenom Inc.* . . . . . 37,229
<b>Internet Software &amp; Services — 3.7%</b>		700	Thermo Fisher Scientific, Inc.* . . . . . 36,008
9,700	Akamai Technologies, Inc.* . . . . . 304,677	1,800	Waters Corp.* . . . . . 121,572
12,500	Art Technology Group, Inc.* . . . . . 55,125		283,357
1,350	Baidu, Inc. - SP-ADR* . . . . . 805,950	<b>Machinery — 3.1%</b>	
12,700	eBay Inc.* . . . . . 342,265	2,900	Bucyrus International, Inc. . . . . 191,371
1,350	Google Inc.* . . . . . 765,464	7,000	Caterpillar Inc. . . . . 439,950
3,800	IAC/InterActiveCorp* . . . . . 86,412	1,200	Cummins Inc. . . . . 74,340
2,500	NetEase.com Inc. - SP-ADR* . . . . . 88,675	600	Danaher Corp. . . . . 47,946
4,500	SAVVIS, Inc.* . . . . . 74,250	6,500	Deere & Co. . . . . 386,490
2,200	SINA Corp.* . . . . . 82,918	2,300	Eaton Corp. . . . . 174,271
2,500	Sohu.com Inc.* . . . . . 136,500	2,800	Gardner Denver Inc. . . . . 123,312
4,200	ValueClick, Inc.* . . . . . 42,588	2,500	Illinois Tool Works Inc. . . . . 118,400
2,600	VeriSign, Inc.* . . . . . 67,626	2,500	Ingersoll-Rand PLC . . . . . 87,175
1,000	WebMD Health Corp.* . . . . . 46,380	7,200	Joy Global Inc. . . . . 407,520
4,500	Yahoo! Inc.* . . . . . 74,385	600	Oshkosh Corp.* . . . . . 24,204
	2,973,215	800	PACCAR Inc. . . . . 34,672
<b>IT Services — 2.1%</b>		2,700	Pall Corp. . . . . 109,323
4,100	Acxiom Corp.* . . . . . 73,554	2,500	Parker Hannifin Corp. . . . . 161,850
800	Automatic Data Processing, Inc. . . . . 35,576	5,700	Terex Corp.* . . . . . 129,447
4,700	Cognizant Technology Solutions Corp.* . . . . . 239,606		2,510,271
1,200	Computer Sciences Corp.* . . . . . 65,388	<b>Media — 3.4%</b>	
1,500	Fiserv, Inc.* . . . . . 76,140	13,900	Belo Corp. . . . . 94,798
5,300	Infosys Technologies Ltd. - SP-ADR . . . . . 311,905	11,900	CBS Corp. Cl B Non-Voting . . . . . 165,886
400	Mastercard, Inc. . . . . 101,600		

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



Reynolds Blue Chip Growth Fund

**SCHEDULE OF INVESTMENTS (Continued)**

March 31, 2010 (Unaudited)

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
<b>LONG-TERM INVESTMENTS — 99.3% (a) (Continued)</b>		<b>Oil, Gas &amp; Consumable Fuels — 5.1% (Continued)</b>	
<b>COMMON STOCKS — 99.3% (a) (Continued)</b>		800	Valero Energy Corp. . . . . \$ 15,760
<b>Multiline Retail — 2.1% (Continued)</b>		4,500	Whiting Petroleum Corp.* . . . . . 363,780
5,700	J.C. Penney Company, Inc. . . . . \$ 183,369	3,500	The Williams Companies, Inc. . . . . 80,850
18,900	Saks, Inc.* . . . . . 162,540	1,500	Clayton Williams Energy, Inc.* . . . . . 52,470
3,900	Target Corp. . . . . 205,140	600	XTO Energy, Inc. . . . . 28,308
	1,663,677		4,066,792
<b>Office Electronics — 0.2%</b>		<b>Paper &amp; Forest Products — 0.3%</b>	
16,467	Xerox Corp. . . . . 160,553	5,500	International Paper Co. . . . . 135,355
		3,100	Weyerhaeuser Co. . . . . 140,337
			275,692
<b>Oil, Gas &amp; Consumable Fuels — 5.1%</b>		<b>Personal Products — 0.6%</b>	
1,400	Anadarko Petroleum Corp. . . . . 101,962	700	Avon Products, Inc. . . . . 23,709
1,600	Apache Corp. . . . . 162,400	1,500	China Sky One Medical, Inc.* . . . . . 23,565
1,200	Arch Coal, Inc. . . . . 27,420	3,800	Elizabeth Arden, Inc.* . . . . . 68,400
1,500	BP- PLC - SP-ADR . . . . . 85,605	1,600	Herbalife Ltd. . . . . 73,792
28,300	Brigham Exploration Co.* . . . . . 451,385	2,500	Estee Lauder Companies, Inc. . . . . 162,175
5,000	Cabot Oil & Gas Corp. . . . . 184,000	3,800	Medifast, Inc.* . . . . . 95,494
2,700	Cenovus Energy Inc. . . . . 70,767	800	Nutri System, Inc. . . . . 14,248
3,250	Chesapeake Energy Corp. . . . . 76,830	500	Weight Watchers International, Inc. . . . . 12,765
300	Chevron Corp. . . . . 22,749		474,148
1,000	Concho Resources Inc.* . . . . . 50,360	<b>Pharmaceuticals — 2.9%</b>	
1,300	ConocoPhillips . . . . . 66,521	1,400	Abbott Laboratories . . . . . 73,752
3,000	Devon Energy Corp. . . . . 193,290	900	Allergan, Inc. . . . . 58,788
9,000	El Paso Corp. . . . . 97,560	3,200	Bristol-Myers Squibb Co. . . . . 85,440
1,000	Enbridge Inc. . . . . 47,750	4,800	Dr. Reddy's Laboratories
4,500	EnCana Corp. . . . . 139,635		Ltd. - SP-ADR . . . . . 135,504
1,500	EOG Resources, Inc. . . . . 139,410	3,000	Elan Corp. PLC - SP-ADR* . . . . . 22,740
300	Exxon Mobil Corp. . . . . 20,094	1,200	Forest Laboratories, Inc.* . . . . . 37,632
800	Hess Corp. . . . . 50,040	31,000	Generex Biotechnology Corp.* . . . . . 16,700
1,000	Holly Corp. . . . . 27,910	10,900	Jazz Pharmaceuticals, Inc.* . . . . . 118,810
25,500	Ivanhoe Energy, Inc.* . . . . . 84,915	6,900	Johnson & Johnson . . . . . 449,880
8,000	Massey Energy Co. . . . . 418,320	2,600	Eli Lilly and Co. . . . . 94,172
1,000	Murphy Oil Corp. . . . . 56,190	2,400	Medicis Pharmaceutical Corp. . . . . 60,384
1,600	Newfield Exploration Co.* . . . . . 83,280	3,000	Merck & Co., Inc. . . . . 112,050
2,300	Noble Energy, Inc. . . . . 167,900	6,900	Mylan, Inc.* . . . . . 156,699
1,000	Occidental Petroleum Corp. . . . . 84,540	1,100	Novo Nordisk A/S - SP-ADR . . . . . 84,832
5,500	Peabody Energy Corp. . . . . 251,350	6,800	Perrigo Co. . . . . 399,296
3,500	Petroleo Brasileiro S.A. - SP-ADR . . . . . 155,715	4,000	Pfizer Inc. . . . . 68,600
800	Range Resources Corp. . . . . 37,496	2,700	Questcor Pharmaceuticals, Inc.* . . . . . 22,221
1,500	Southwestern Energy Co.* . . . . . 61,080	1,600	Salix Pharmaceuticals, Ltd.* . . . . . 59,600
2,500	Suncor Energy, Inc. . . . . 81,350	1,800	Teva Pharmaceutical Industries Ltd. . . . . 113,544
2,000	Tesoro Corp. . . . . 27,800		

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

Reynolds Blue Chip Growth Fund

**SCHEDULE OF INVESTMENTS (Continued)**

March 31, 2010 (Unaudited)

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
<b>LONG-TERM INVESTMENTS — 99.3% (a) (Continued)</b>		<b>Semiconductors &amp; Semiconductor Equipment — 4.9% (Continued)</b>	
<b>COMMON STOCKS — 99.3% (a) (Continued)</b>			
<b>Pharmaceuticals — 2.9% (Continued)</b>			
7,900 ViroPharma Inc.* .....	\$ 107,677	9,900 Lattice Semiconductor Corp.* .....	\$ 36,333
1,200 VIVUS Inc.* .....	10,464	10,500 LSI Corp.* .....	64,260
1,500 Watson Pharmaceuticals, Inc.* .....	62,655	13,500 LTX-Credence Corp.* .....	40,905
	<u>2,351,440</u>	3,500 Marvell Technology Group Ltd.* .....	71,330
<b>Professional Services — 0.2%</b>		9,000 Mattson Technology, Inc.* .....	41,580
1,600 Manpower Inc. ....	91,392	3,000 MEMC Electronic Materials, Inc.* .....	45,990
13,500 On Assignment, Inc.* .....	96,255	2,700 Microchip Technology Inc. ....	76,032
	<u>187,647</u>	14,000 Micron Technology, Inc.* .....	145,460
<b>Road &amp; Rail — 0.9%</b>		12,400 Mindspeed Technologies Inc.* .....	99,324
3,100 CSX Corp. ....	157,790	3,700 Novellus Systems, Inc.* .....	92,500
2,500 Dollar Thrifty Automotive Group, Inc.* .....	80,325	7,200 NVIDIA Corp.* .....	125,136
8,000 Hertz Global Holdings, Inc.* .....	79,920	16,500 ON Semiconductor Corp.* .....	132,000
3,100 Norfolk Southern Corp. ....	173,259	8,500 PMC-Sierra, Inc.* .....	75,820
1,500 Ryder Systems, Inc. ....	58,140	900 Rambus Inc.* .....	19,665
2,400 Union Pacific Corp. ....	175,920	9,000 RF Micro Devices, Inc.* .....	44,820
20,000 YRC Worldwide, Inc.* .....	10,876	9,100 Skyworks Solutions, Inc.* .....	141,960
	<u>736,230</u>	2,500 Standard Microsystems Corp.* .....	58,200
<b>Sawmills and Wood Preservation — 0.1%</b>		16,000 Teradyne, Inc.* .....	178,720
3,500 Louisiana-Pacific Corp.* .....	31,675	7,000 Texas Instruments Inc. ....	171,290
<b>Semiconductors &amp; Semiconductor Equipment — 4.9%</b>		19,600 TriQuint Semiconductor, Inc.* .....	137,200
17,700 Advanced Micro Devices, Inc.* .....	164,079	5,300 Veeco Instruments Inc.* .....	230,550
5,400 Altera Corp. ....	131,274	5,400 Xilinx, Inc. ....	137,700
2,500 Analog Devices, Inc. ....	72,050		<u>3,922,675</u>
10,800 Applied Materials, Inc. ....	145,584	<b>Software — 3.7%</b>	
5,100 ASML Holding N.V. NYS .....	180,540	2,100 Adobe Systems Inc.* .....	74,277
4,000 Atmel Corp.* .....	20,120	1,000 Advent Software, Inc.* .....	44,750
4,800 Broadcom Corp. ....	159,264	7,400 Ariba Inc.* .....	95,090
21,900 Conexant Systems, Inc.* .....	74,460	2,700 AsialInfo Holdings, Inc.* .....	71,496
2,000 Cree, Inc.* .....	140,440	2,700 Autodesk, Inc.* .....	79,434
4,800 Cypress Semiconductor Corp.* .....	55,200	1,800 BMC Software, Inc.* .....	68,400
3,500 Entegris Inc.* .....	17,640	1,700 Check Point Software Technologies Ltd.* .....	59,602
6,000 Integrated Device Technology, Inc.* .....	36,780	4,900 Citrix Systems, Inc.* .....	232,603
11,400 Intel Corp. ....	253,764	3,500 Compuware Corp.* .....	29,400
4,000 KLA-Tencor Corp. ....	123,680	1,200 Fair Isaac Corp. ....	30,408
12,100 Kulicke and Soffa Industries, Inc.* .....	87,725	2,500 Informatca Corp.* .....	67,150
2,500 Lam Research Corp.* .....	93,300	2,000 Intuit Inc.* .....	68,680
		2,584 JDA Software Group, Inc.* .....	71,887
		2,000 McAfee Inc.* .....	80,260
		7,600 Microsoft Corp. ....	222,452

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

Reynolds Blue Chip Growth Fund

**SCHEDULE OF INVESTMENTS (Continued)**

March 31, 2010 (Unaudited)

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
<b>LONG-TERM INVESTMENTS — 99.3% (a) (Continued)</b>		<b>Specialty Retail — 6.9% (Continued)</b>	
<b>COMMON STOCKS — 99.3% (a) (Continued)</b>			
<b>Software — 3.7% (Continued)</b>			
13,400 Oracle Corp. ....	\$ 344,246	2,000 The Buckle, Inc. ....	\$ 73,520
6,000 Parametric Technology Corp.* .....	108,300	5,200 CarMax, Inc.* .....	130,624
3,000 Quest Software, Inc.* .....	53,370	7,000 Chico's FAS, Inc. ....	100,940
3,000 Red Hat, Inc.* .....	87,810	1,500 The Children's Place Retail Stores, Inc.* .....	66,825
1,000 Rosetta Stone, Inc.* .....	23,780	4,000 Coldwater Creek Inc.* .....	27,760
3,000 Salesforce.com, Inc.* .....	223,350	4,000 Dick's Sporting Goods, Inc.* .....	104,440
1,700 SAP AG - SP-ADR .....	81,889	1,500 The Dress Barn, Inc.* .....	39,240
1,300 Solarwinds, Inc.* .....	28,158	2,000 GameStop Corp.* .....	43,820
2,000 SonicWALL, Inc.* .....	17,380	2,000 The Gap, Inc. ....	46,220
2,400 Sybase, Inc.* .....	111,888	1,500 Guess?, Inc. ....	70,470
1,800 Symantec Corp.* .....	30,456	800 The Gymboree Corp.* .....	41,304
7,000 TIBCO Software Inc.* .....	75,530	12,600 The Home Depot, Inc. ....	407,610
5,700 VMware Inc.* .....	303,810	3,000 J. Crew Group, Inc.* .....	137,700
18,500 Wave Systems Corp.* .....	74,000	800 Jo-Ann Stores, Inc.* .....	33,584
4,200 Websense, Inc.* .....	95,634	14,500 Limited Brands, Inc. ....	356,990
	<u>2,955,490</u>	8,700 Lowe's Companies, Inc. ....	210,888
		44,000 Office Depot, Inc.* .....	351,120
<b>Solar — 0.5%</b>		36,400 OfficeMax Inc.* .....	597,688
9,000 Evergreen Solar, Inc.* .....	10,170	1,000 O'Reilly Automotive, Inc.* .....	41,710
600 First Solar, Inc.* .....	73,590	4,000 Pacific Sunwear of California, Inc.* .....	21,240
11,500 JA Solar Holdings Co., Ltd. - SP-ADR* .....	64,515	2,500 PetSmart, Inc. ....	79,900
3,500 LDK Solar Co. Ltd. - SP-ADR* .....	22,960	40,500 Pier 1 Imports, Inc.* .....	257,985
5,000 Suntech Power Holdings Co., Ltd. - SP-ADR* .....	70,100	1,200 RadioShack Corp. ....	27,156
3,400 Trina Solar Ltd.* .....	82,994	1,100 REX Stores Corp.* .....	17,820
7,500 Yingli Green Energy Holding Company Ltd. - SP-ADR* .....	95,550	3,400 Ross Stores, Inc. ....	181,798
	<u>419,879</u>	1,200 The Sherwin-Williams Co. ....	81,216
		2,500 Staples, Inc. ....	58,475
<b>Specialty Retail — 6.9%</b>		4,500 Stein Mart, Inc.* .....	40,635
2,000 Abercrombie & Fitch Co. ....	91,280	4,500 Talbots, Inc.* .....	58,320
7,100 Aeropostale, Inc.* .....	204,693	1,700 Tiffany & Co. ....	80,733
3,200 American Eagle Outfitters, Inc. ....	59,264	2,600 The TJX Companies, Inc. ....	110,552
10,000 AnnTaylor Stores Corp.* .....	207,000	7,200 Ulta Salon, Cosmetics & Fragrance, Inc.* .....	162,864
500 AutoNation, Inc.* .....	9,040	4,100 Urban Outfitters, Inc.* .....	155,923
200 AutoZone, Inc.* .....	34,618	2,300 Williams-Sonoma, Inc. ....	60,467
4,300 Bed Bath & Beyond Inc.* .....	188,168		<u>5,527,416</u>
9,400 Best Buy Co., Inc. ....	399,876	<b>Telecommunication Services-Diversified — 0.9%</b>	
24,000 Blockbuster Inc.* .....	6,060	1,000 BT Group PLC - SP-ADR .....	18,710
29,000 Borders Group, Inc.* .....	49,880	3,000 China Unicom (Hong Kong) Ltd. - SP-ADR .....	33,450

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

Reynolds Blue Chip Growth Fund

**SCHEDULE OF INVESTMENTS (Continued)**

March 31, 2010 (Unaudited)

<u>Shares</u>	<u>Value</u>
<b>LONG-TERM INVESTMENTS — 99.3% (a) (Continued)</b>	
<b>COMMON STOCKS — 99.3% (a) (Continued)</b>	
<b>Telecommunication Services-</b>	
<b>Diversified — 0.9% (Continued)</b>	
4,400 City Telecom (H. K.) Ltd. - SP-ADR . . . . \$	70,708
16,500 Qwest Communications International Inc. . . . .	86,130
9,300 tw telecom inc.* . . . . .	168,795
2,700 Verizon Communications Inc. . . . .	83,754
14,200 Vimpel-Communications - SP-ADR . . . .	261,422
	<u>722,969</u>
<b>Telecommunication Services-Wireless — 0.7%</b>	
700 American Tower Corp.* . . . . .	29,827
1,200 China Mobile Ltd. - SP-ADR . . . . .	57,744
1,000 Crown Castle International Corp.* . . . .	38,230
1,500 Leap Wireless International, Inc.* . . . .	24,540
500 Millicom International Cellular S.A. . . . .	44,575
5,000 Mobile TeleSystems - SP-ADR . . . . .	277,500
18,100 Sprint Nextel Corp.* . . . . .	68,780
1,500 Turkcell Iletisim Hizmetleri AS - SP-ADR . . . . .	22,590
1,000 Vivo Participacoes S.A. - SP-ADR . . . .	27,110
	<u>590,896</u>
<b>Textiles, Apparel &amp; Luxury Goods — 1.6%</b>	
2,200 Coach, Inc. . . . .	86,944
600 Kenneth Cole Productions, Inc.* . . . .	7,686
27,000 Crocs, Inc.* . . . . .	236,790
900 Deckers Outdoor Corp.* . . . . .	124,200
1,500 Gildan Activewear Inc.* . . . . .	39,435
600 Hanesbrands, Inc.* . . . . .	16,692
17,500 Joe's Jeans, Inc.* . . . . .	46,025
12,700 Liz Claiborne, Inc.* . . . . .	94,361
2,200 Lululemon Athletica Inc.* . . . . .	91,300
1,500 NIKE, Inc. Cl B . . . . .	110,250
1,600 Phillips-Van Heusen Corp. . . . .	91,776
2,000 Polo Ralph Lauren Corp. . . . .	170,080
800 Skechers U.S.A., Inc.* . . . . .	29,056
1,500 True Religion Apparel, Inc.* . . . . .	45,540
1,500 Under Armour, Inc.* . . . . .	44,115
700 VF Corp. . . . .	56,105
	<u>1,290,355</u>

<u>Shares</u>	<u>Value</u>
<b>Trading Companies &amp; Distributors — 0.2%</b>	
1,500 Fastenal Co. . . . .	\$ 71,985
700 W.W. Grainger, Inc. . . . .	75,684
	<u>147,669</u>
<b>Water Utilities — 0.0%</b>	
1,000 Southwest Water Co. . . . .	10,440
Total common stocks (cost \$66,147,990) . . . . .	<u>79,280,917</u>
<b>WARRANTS — 0.0% (a)</b>	
70 Krispy Kreme Doughnuts, Inc.,* Expiration Date — 03/02/12, Exercise Price — \$12.21 . . . . .	<u>1</u>
Total investments — <b>99.3%</b> (cost \$66,147,990) . . . . .	79,280,918
Cash and receivables, less liabilities — <b>0.7% (a)</b> . . . . .	<u>539,263</u>
<b>TOTAL NET ASSETS — 100.0%</b> . . . . .	<u><u>\$79,820,181</u></u>

\* Non-income producing security.  
(a) Percentages for the various classifications relate to net assets.  
N.V. – Netherlands Antilles Limited Liability Corp.  
NYS – New York Registered Shares  
SP-ADR – Sponsored American Depositary Receipts

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

Reynolds Blue Chip Growth Fund

**STATEMENT OF OPERATIONS**

For the Six Months Ending March 31, 2010 (Unaudited)

**INCOME:**

Dividends (net of foreign withholding tax of \$6,651) .....	\$ 314,390
Total income .....	314,390

**EXPENSES:**

Management fees .....	305,229
Transfer agent fees .....	56,000
Administrative and accounting services .....	47,477
Insurance expense .....	34,390
Professional fees .....	33,330
Custodian fees .....	28,690
Registration fees .....	26,160
Printing and postage expense .....	24,110
Distribution fees .....	22,772
Board of Directors fees .....	10,000
Chief Compliance Officers fees .....	10,000
Other expenses .....	10,418
Net expenses .....	<u>608,576</u>

**NET INVESTMENT LOSS** .....

(294,186)

**NET REALIZED GAIN ON INVESTMENTS** .....

3,561,662

**NET INCREASE IN UNREALIZED APPRECIATION ON INVESTMENTS** .....

4,531,760

**NET GAIN ON INVESTMENTS** .....

8,093,422

**NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS** .....

\$7,799,236

**STATEMENTS OF CHANGES IN NET ASSETS**

For the Six Months Ending March 31, 2010 (Unaudited) and For the Year Ended September 30, 2009

	<u>2010</u>	<u>2009</u>
<b>OPERATIONS:</b>		
Net investment loss .....	\$ (294,186)	\$ (352,303)
Net realized gain on investments .....	3,561,662	1,479,604
Net increase in unrealized appreciation on investments .....	4,531,760	8,520,213
Net increase in net assets resulting from operations .....	<u>7,799,236</u>	<u>9,647,514</u>
<b>FUND SHARE ACTIVITIES:</b>		
Proceeds from shares issued (755,989 and 626,906 shares, respectively) .....	33,181,691	22,414,869
Cost of shares redeemed (225,035 and 162,666 shares, respectively) .....	<u>(9,713,778)</u>	<u>(5,660,176)</u>
Net increase in net assets derived from Fund share activities .....	23,467,913	16,754,693
TOTAL INCREASE .....	31,267,149	26,402,207
NET ASSETS AT THE BEGINNING OF THE PERIOD .....	<u>48,553,032</u>	<u>22,150,825</u>
NET ASSETS AT THE END OF THE PERIOD (Includes undistributed net investment income of \$0 and \$0, respectively) .....	<u>\$79,820,181</u>	<u>\$48,553,032</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 period)

	(Unaudited) For the Six Months Ending March 31, 2010	Years Ended September 30,				
		2009	2008	2007	2006	2005
<b>PER SHARE OPERATING PERFORMANCE:</b>						
Net asset value, beginning of period	\$41.87	\$31.85	\$32.05	\$28.98	\$29.48	\$26.98
Income from investment operations:						
Net investment (loss) income (a)	(0.21)	(0.42)	(0.01)	0.17	(0.17)	(0.34)
Net realized and unrealized gains (losses) on investments	5.55	10.44	0.02	2.90	(0.33)	2.84
Total from investment operations	5.34	10.02	0.01	3.07	(0.50)	2.50
Less distributions:						
Distributions from net investment income	—	—	(0.21)	—	—	—
Distributions from net realized gains	—	—	—	—	—	—
Total from distributions	—	—	(0.21)	—	—	—
Net asset value, end of period	<u>\$47.21</u>	<u>\$41.87</u>	<u>\$31.85</u>	<u>\$32.05</u>	<u>\$28.98</u>	<u>\$29.48</u>
<b>TOTAL RETURN</b>	12.75%(1)	31.46%	(0.00%)	10.59%	(1.70%)	9.27%
<b>RATIOS/SUPPLEMENTAL DATA:</b>						
Net assets, end of period (in 000's \$)	79,820	48,553	22,151	26,670	38,288	54,441
Ratio of expenses (after reimbursement) to average net assets*	1.99%(2)	2.00%	2.00%	2.02%	2.01%	1.80%
Ratio of net investment (loss) income to average net assets**	(0.96%)(2)	(1.24%)	(0.03%)	0.55%	(0.55%)	(1.18%)
Portfolio turnover rate	53%	527%	364%	313%	281%	168%

(1) Not annualized.

(2) Annualized.

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

\* 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

March 31, 2010 (Unaudited)

### (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

Reynolds Blue Chip Growth Fund  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

March 31, 2010 (Unaudited)

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

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.

The Fund adopted the provisions of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification “Fair Value Measurements and Disclosures” Topic 820 (“ASC 820”), effective October 1, 2008. Under ASC 820, 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. ASC 820 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 March 31, 2010, based on the inputs used to value them:

<u>Valuation Inputs</u>	<u>Investments in Securities</u>
Level 1—Common Stocks and Warrants*	\$79,280,918
Level 2—	—
Level 3—	—
Total	<u>\$79,280,918</u>

\* Please refer to the Schedule of Investments to view common 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 identified 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) Accounting principles generally accepted in the United States of America (“GAAP”) require that permanent differences between income for financial reporting and tax purposes be reclassified in the capital accounts. For the six months ending March 31, 2010, the Fund reclassified \$294,186 of net investment loss 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.

(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

## NOTES TO FINANCIAL STATEMENTS (Continued)

March 31, 2010 (Unaudited)

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

authorities and, as of March 31, 2010, open Federal tax years include the tax years ended September 30, 2006 through 2009. 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 six months ending March 31, 2010, 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 ("RCM"), to serve as investment adviser and manager. Mr. Frederick L. Reynolds, the sole proprietor of RCM, 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. For the six months ending March 31, 2010 there were no reimbursements required.

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.

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 six months ending March 31, 2010, purchases and proceeds of sales of investment securities (excluding short-term securities) were \$54,877,801 and \$31,460,603, respectively.

**(5) Income Tax Information —**

The following information for the Fund is presented on an income tax basis as of September 30, 2009:

<u>Cost of Investments</u>	<u>Gross Unrealized Appreciation</u>	<u>Gross Unrealized Depreciation</u>	<u>Net Unrealized Appreciation on Investments</u>	<u>Distributable Ordinary Income</u>	<u>Distributable Long-Term Capital Gains</u>
\$40,110,985	\$8,388,573	(\$592,507)	\$7,796,066	\$ —	\$ —

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.

The tax components of dividends paid during the year ended September 30, 2009, capital loss carryovers, which may be used to offset future capital gains, subject to Internal Revenue Code limitations (\$72,749,181 of which expires on September 30, 2010, \$4,248,056 expiring on September 30, 2011 and \$11,370,315 expiring on September 30, 2013), as of September 30, 2009, and tax basis post-October losses as of September 30, 2009, which are not recognized for tax purposes until the first day of the following fiscal year are:

<u>September 30, 2009</u>				<u>September 30, 2008</u>	
<u>Ordinary Income Distributions</u>	<u>Long-Term Capital Gains Distributions</u>	<u>Net Capital Loss Carryovers</u>	<u>Post-October Losses</u>	<u>Ordinary Income Distributions</u>	<u>Long-Term Capital Gains Distributions</u>
\$—	\$—	\$88,367,552	\$—	\$171,260	\$—

## NOTES TO FINANCIAL STATEMENTS (Continued)

March 31, 2010 (Unaudited)

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

The Fund has utilized \$2,298,811 of its capital loss carryovers during the year ended September 30, 2009.

Since there were no ordinary distributions paid for the year ended September 30, 2009, 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.

(6) **Subsequent Events**

Management has evaluated related events and transactions that occurred subsequent to March 31, 2010 through the date of issuance of the Fund's financial statements. There were no events or transactions that occurred during this period that materially impacted the amounts or disclosures in the Fund's financial statements.

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## ADVISORY AGREEMENT

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On November 19, 2009, the Board of Directors ("Directors") of Reynolds Funds, Inc. approved the continuation of the Reynolds Blue Chip Growth Fund's investment advisory agreement with Reynolds Capital Management. Prior to approving the continuation of the advisory agreement, the Directors considered:

- the nature, extent and quality of the services provided by Reynolds Capital Management
- the investment performance of the Fund
- the costs of the services to be provided and profits to be realized by Reynolds Capital Management from its relationship with the Fund
- the extent to which economies of scale would be realized as the Fund grew and whether fee levels reflect any economies of scale
- the expense ratio of the Fund

In considering the nature, extent and quality of the services provided by Reynolds Capital Management, the Directors reviewed a report describing the portfolio management, shareholder communication and servicing services provided by Reynolds Capital Management to the Fund. The Directors concluded that Reynolds Capital Management was providing essential services to the Fund as well as services that were in addition to services typically provided non-mutual fund clients.

The Directors compared the performance of the Fund to benchmark indices over various periods of time and concluded that the overall performance of the Fund warranted the continuation of the advisory agreement.

In concluding that the advisory fees payable by the Fund were reasonable, the Directors reviewed reports of the costs of services provided, and the profits realized, by Reynolds Capital Management, from its relationship with the Fund and concluded that such profits were reasonable and not excessive. The Directors also reviewed reports comparing the expense ratio of, and the advisory fees paid by, the Fund, to those of, and paid by, other comparable mutual funds and concluded that the advisory fees paid by the Fund and the expense ratio of the Fund was comparable to those of comparable mutual funds.

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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.

**SEMIANNUAL REPORT**  
**March 31, 2010**

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**Investment Adviser**

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**REYNOLDS  
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