

# REYNOLDS BLUE CHIP GROWTH FUND

November 23, 2016

Dear Fellow Shareholders:

## Reynolds Blue Chip Growth Fund's 28th Anniversary

The Reynolds Blue Chip Growth Fund celebrated its 28th Anniversary last summer. It began operations on August 12, 1988.

### Performance Highlights (September 30, 2016)<sup>(1)</sup>

The annualized average total returns of the Reynolds Blue Chip Growth Fund and S&P 500 Index for the 1-year, 5-year, and 10-year periods through September 30, 2016 were:

	<u>Average Annual Total Returns</u>		
	<u>1 Year</u>	<u>5 Year</u>	<u>10 Year</u>
Reynolds Blue Chip Growth Fund	0.48%	11.40%	10.72%
The Standard & Poor's 500 Index <sup>(2)</sup>	15.43%	16.37%	7.24%

- <sup>(1)</sup> *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. Returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Performance data current to the most recent month-end may be obtained by visiting [www.reynoldsfunds.com](http://www.reynoldsfunds.com) or by calling 1-800-773-9665.*
- <sup>(2)</sup> The Standard & Poor's 500 Index ("S&P") is a capitalization-weighted index, representing the aggregate market value of the common equity of 500 stocks primarily traded on the New York Stock Exchange. Returns shown include the reinvestment of all dividends. Past performance is not predictive of future performance. The table does not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares. Investment return and principal value will fluctuate, so that your shares, when redeemed, may be worth more or less than the original cost.

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As stated in the Prospectus dated January 31, 2016 the expense ratio of the Fund is 1.71%.

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### Web Site

Our website is [www.reynoldsfunds.com](http://www.reynoldsfunds.com). At our website you can access current information about your investment holdings. You must first request a personal identification number (PIN) by calling our shareholder service representatives at 1-800-773-9665. 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 not needed) includes quarterly updates of the returns of the Blue Chip Fund, top ten holdings, industry percentages, and news articles regarding the Fund. Detailed statistics and graphs of past performances from Morningstar are also available via a link on the Fund's website.

### Investment Strategy

We believe that many stocks are currently selling at attractive valuations based on historical valuation measures. One of these valuation measures is a company's price earnings ratio (the "PE ratio") relative to inflation, interest rates and the economic outlook. Another valuation measure is a company's PE ratio relative to its forecasted earnings growth rate (the "PEG ratio"). Many stocks of high quality companies are currently selling at PE ratios and PEG ratios below their average historical ranges relative to inflation, interest rates and the economic outlook.

### The U.S. Economy

The U.S. economic recovery that started in mid-2009 has continued so far in 2016. The U.S. economic recovery has been affected by a number of secular factors that are continuing to alter the pace and composition of growth. The U.S. economy in 2016 has been affected by greater prudence and less speculation in lending, low inflation and a higher savings rate. Although the U.S. economy is growing, it is growing at a lower than ideal rate. Currently, unemployment is 4.9%. Unemployment is estimated to average 4.7% in 2017. For 2017, the outlook remains for slower than ideal growth, low inflation and low interest rates. However, all of these items are estimated to be at a higher

level in 2017 than 2016. U.S. Gross Domestic Product (GDP) increased 2.6% in 2015, 2.4% in 2014, 1.5% in 2013 and 2.3% in 2012. GDP increased at a stronger than expected inflation-adjusted annual rate of 2.9% in the quarter ended September 30, 2016. GDP is estimated to increase at an inflation-adjusted annual rate of 1.9% in the quarter ended December 31, 2016. GDP is forecast to increase 1.5% for the year ended December 31, 2016. GDP is forecast to increase 2.3% for the year ended December 31, 2017.

U.S. inflation numbers have been helped in the last few years by global competition and technology innovations that are helping to lower production and distribution costs. Inflation, as measured by the Consumer Price Index, increased 0.1% in 2015, 1.6% in 2014, 1.5% in 2013 and 2.1% in 2012. U.S. inflation increased at a 1.1 % rate in the third quarter of 2016. U.S. inflation is estimated to increase at a 1.8 % rate in the quarter ending December 31, 2016 and increase 1.3% for the year ended December 31, 2016. U.S. inflation is forecast to increase 2.5% for the year ended December 31, 2017.

There are some current and potential economic and investment negatives at the present time: (1) worldwide economic growth continues at a slower than ideal rate; (2) growth in Brazil, Japan and Russia has been weak; (3) although continuing to improve, unemployment at 4.9% is higher than ideal; (4) mortgage rates are low, but mortgage credit is still somewhat tight; (5) capital spending has been lower than ideal; (6) whenever there is a change of administration there are uncertainties, this time more so; (7) the manufacturing sector remains mixed; (8) there is a widening disparity between higher and lower income levels; (9) productivity remains weaker than ideal; (10) Great Britain leaving the European Union (“Brexit”) is causing uncertainty; and (11) problems with the Middle East and other parts of the world.

Some current and potential economic and investment positives are: (1) monetary policy, financial conditions and future increased fiscal stimulus including increased infrastructure spending are supportive of growth; (2) the U.S. economy has grown in the last twenty-eight quarters and growth should continue in 2016 and 2017; (3) the U.S. economy has recently strengthened including retail sales, housing starts and orders for business equipment; (4) the rise in residential property values has added to net worth and households have strengthened their balance sheets; (5) unemployment is currently at 4.9%, the lowest in more than seven years, the labor market continues to tighten and unemployment is forecast to be 4.7% in 2017; (6) although the Federal Reserve probably will be raising interest rates near term, interest rates will still be very low by historical standards; (7) gasoline prices remain low; (8) there has been an increase in the willingness of companies to commit capital as evidenced by the increase in merger and acquisition activity; (9) businesses have been able to use the credit markets to strengthen their balance sheets; (10) the regulatory environment for business should improve; (11) many companies are repurchasing their shares; (12) current valuations of many stocks are reasonable taking into consideration inflation and interest rates; (13) the U.S. economy currently has better fundamentals than the economies of most other industrialized countries; (14) Euro-zone economic growth recently picked up to a faster level; (15) many central banks worldwide continue with monetary stimulus to boost growth; and (16) worldwide economic growth does not appear to be strong enough to lead to a significant rise in global inflationary pressures.

### **The World Economy**

The global economic recovery that started in mid-2009 is continuing in 2016, although at a lower than ideal rate. The world economy is forecast to increase 2.6% in 2016 and 2.8% in 2017 after increasing 2.8% in 2015, 2.7% in 2014, 3.0% in 2013 and 2.7% in 2012.

The Eurozone’s GDP is forecast to increase 1.6% in 2016 and 1.6 % in 2017, after increasing 1.5% in 2015, 0.9% in 2014, and decreasing -0.4% in 2013 and -0.5% in 2012. Brexit has not weakened the U.K. economy yet. The United Kingdom’s economy grew at a stronger than expected 2.0% rate in the third quarter. The United Kingdom’s GDP is forecast to increase 2.0% in 2016 and increase 1.0% in 2017 after increasing 2.3% in 2015, 2.8% in 2014, 1.7% in 2013 and 0.3% in 2012.

Among larger industrialized economies, Canada’s GDP is forecast to increase 1.1% in 2016 and to increase 1.6% in 2017 after increasing 1.9% in 2015, 2.5% in 2014, 2.0% in 2013 and 1.8% in 2012. Japan’s GDP is forecast to increase 0.5% in 2016 and increase 0.4% in 2017 after increasing 1.5 % in 2015, decreasing -0.1% in 2014, and increasing 1.5% in 2013 and 1.9% in 2012. Korea’s GDP is forecast to increase 2.9% in 2016 and to increase 3.0% in 2017 after increasing 2.6% in 2015, 3.3% in 2014, 3.0% in 2013 and 2.0% in 2012.

The biggest developing economies are many times referred to as the “BRIC” economy, which is short for Brazil, Russia, India, and China. China currently has the second strongest growth among “developing economies.” It is also currently the world’s second fastest growing major economy. China’s population is approximately 18% of the world’s total population of approximately 7.4 billion. In the second quarter of 2010, China overtook Japan and became the world’s second largest economy after the U.S. Many economists believe that China has a particularly good long-term outlook. Near term, however, there have been cross currents in China’s economic outlook and growth has been slowing, although economic growth is at a high rate. China’s GDP is forecast to increase 6.6% in 2016 and to increase 6.0% in 2017 after increasing 6.9% in 2015, 7.4% in 2014, 7.1% in 2013 and 7.7% in 2012.

India's population is approximately 17% of the world's population. India currently has the fastest growth among "developing economies" and it currently is the world's fastest growing major economy. India's GDP is forecast to increase 7.6% in 2016 and to increase 7.5% in 2017 after increasing 7.2 % in 2015, 6.9% in 2014, 4.6% in 2013 and 5.0% in 2012.

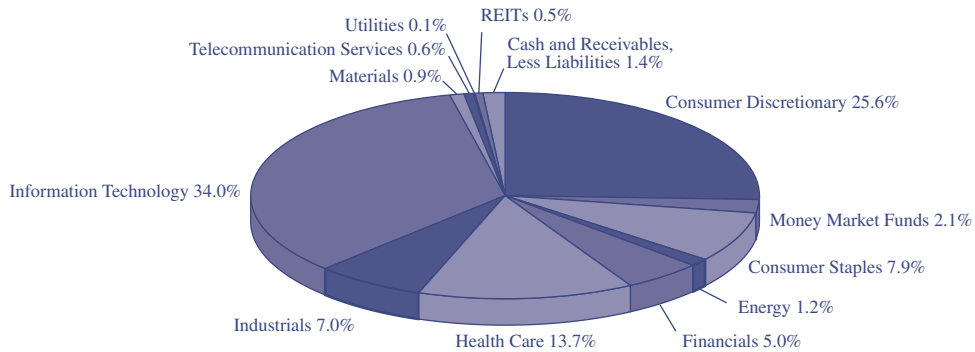
Brazil is Latin America's biggest economy. GDP is forecast to decrease -3.9% in 2016 and to increase 0.6% in 2017, after decreasing -3.9% in 2015, and increasing 0.1% in 2014, 2.3% in 2013 and 0.9% in 2012. Russia's GDP is forecast to decrease -0.2% in 2016 and to increase 1.6% in 2017 after decreasing -3.7% in 2015, and increasing 0.7% in 2014, 1.0% in 2013 and 3.4% in 2012.

### **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 U.S. \$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<sup>(1)(2)</sup> as of September 30, 2016**



(1) 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. GICS® is a service mark of MSCI and S&P and has been licensed for use by U.S. Bancorp Fund Services, LLC.

(2) For presentation purposes within the Fund's shareholder letter, the Fund has grouped some of the industry categories by sector. For purposes of categorizing securities for compliance with section 8(b)(1) of the Investment Company Act of 1940, as amended, the Fund uses more specific industry classifications for financial reporting within its Schedule of Investments.

### **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. The First American Treasury Obligations 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. The First American Treasury Obligations 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 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 not needed) includes quarterly updates of the returns of the Blue Chip Fund, top ten holdings, industry percentages, and news articles regarding the Fund. Detailed statistics and graphs of past performances from Morningstar are also available via a link on the Fund's website.

**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 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. He has been the portfolio manager of the Fund since its inception in 1988.

**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. Some 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 Reynolds Blue Chip Fund and the 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

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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.

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

**Market Risk** – The prices of the stocks in which the Fund invests may decline for a number of reasons. These reasons include factors that are specific to one or more stocks in which the Fund invests as well as factors that affect the equity securities markets generally. The price declines may be steep, sudden and/or prolonged.

**Growth Investing Risk** – The investment adviser may be wrong in its assessment of a company’s potential for growth and the growth stocks the Fund holds may not grow as the investment adviser anticipates. Finally, there are periods when investing in growth stocks falls out of favor with investors and these stocks may underperform.

**Smaller and Medium Capitalization Companies Risk** – The Fund invests in smaller companies, which involve additional risks such as limited liquidity and greater volatility.

**Foreign Securities Risk** – The Fund invests in foreign securities which involve greater volatility and political, economic and currency risks and different accounting methods.

Additional risks associated with investing in the Fund are as follows: Technology Companies Risk, Consumer Discretionary Companies Risk, and Portfolio Turnover Risk. For details regarding these risks, please refer to the Fund’s Prospectus or Summary Prospectus dated January 31, 2016.

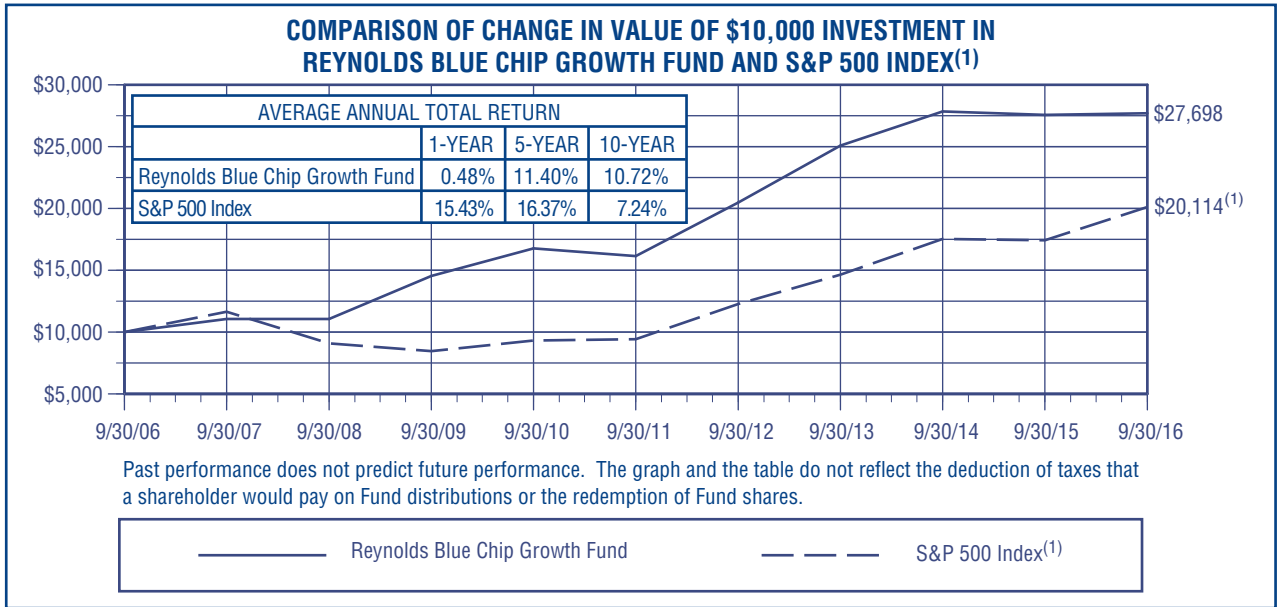
For additional information about the Directors and Officers or for a description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities, please call (800) 773-9665 and request a Statement of Additional Information. One will be mailed to you 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.

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**MANAGEMENT’S DISCUSSION OF FUND PERFORMANCE (Unaudited)**

Some industries that were held in the Reynolds Blue Chip Growth Fund that underperformed the S&P 500 Index (the Blue Chip Fund’s benchmark) during the Fund’s fiscal year (twelve months ended September 30, 2016) were (1) Airlines, (2) Banks, (3) Financial Services, (4) Health Care including Biotechnology and Drugs , (5) Hotels, (6) Media, and (7) Retailers. Some of the Fund’s individual holdings that underperformed the benchmark were: (1) Alaska Air Group, (2) Allegiant Travel, (3) Baidu, (4) Bristol Myers, (5) Dollar General, (6) Dollar Tree, (7) Gilead Sciences, (8) Macy’s, (9) McDonalds, (10) Pfizer, (11) Viacom, and (12) Walt Disney.

Some of the Blue Chip Fund’s strongest industry performers during this period were: (1) Aerospace and Defense, (2) Basic Materials, (3) Basic Resources, (4) Construction, (5) Energy, (6) Gold, (7) Insurance, (8) Machinery, (9) Semiconductors, (10) Technology, and (11) Telecommunications. In addition, good individual stock selection was an important contributor to the Blue Chip Fund’s performance. Examples were: (1) AT&T, (2) Adobe, (3) Ali Baba, (4) Amazon, (5) Apple, (6) Baker Hughes, (7) Barrick Gold, (8) Caterpillar, (9) Facebook, (10) Federal Express, (11) Google, (12) Ingersoll Rand, (13) Newmont Mining, (14) Northrup Grumman, (15) Qualcomm, (16) Ross Stores, (17) Texas Instruments, and (18) Wal-Mart Stores. Also, contributing positively to the Reynolds Blue Chip Growth Fund’s performance were several companies held in the Fund that were acquired or partially acquired during this period. Examples of this were Starwood Hotels and Yahoo.



(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

### EXPENSE EXAMPLE

(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, 2016 through September 30, 2016.

#### Actual Expenses

The first line of the table below provides information about actual account values based on actual returns 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. Bancorp Fund Services, LLC 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.

	Beginning Account Value 4/1/16	Ending Account Value 9/30/16	Expenses Paid During Period* 4/1/16-9/30/16
Reynolds Blue Chip Growth Fund Actual	\$1,000.00	\$1,017.80	\$9.69
Hypothetical (5% return before expenses)	\$1,000.00	\$1,015.40	\$9.67

\* Expenses are equal to the Fund’s annualized expense ratio of 1.92% multiplied by the average account value over the period, multiplied by 183/366 (to reflect the one-half year period between April 1, 2016 and September 30, 2016).

Reynolds Blue Chip Growth Fund

STATEMENT OF ASSETS AND LIABILITIES

September 30, 2016

**ASSETS:**

Investments in securities, at value (cost \$66,333,575) .....	\$79,352,853
Cash .....	829
Receivable from investments sold .....	7,487,397
Prepaid expenses .....	53,822
Dividends and interest receivable .....	44,483
Receivable from shareholders for purchases .....	1,178
Total assets .....	<u>86,940,562</u>

**LIABILITIES:**

Payable for investments purchased .....	6,142,116
Payable to shareholders for redemptions .....	175,530
Payable to adviser for management fees .....	66,735
Payable for distribution expenses .....	14,445
Other liabilities .....	80,448
Total liabilities .....	<u>6,479,274</u>

**NET ASSETS**

\$80,461,288

**NET ASSETS CONSIST OF:**

Capital Stock, \$0.01 par value; 40,000,000 shares authorized; 1,499,708 shares outstanding .....	\$64,774,891
Net unrealized appreciation on investments .....	13,019,278
Accumulated undistributed net realized gain on investments .....	3,376,912
Accumulated net investment loss .....	(709,793)
Net assets .....	<u>\$80,461,288</u>

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

Net asset value, offering and redemption price per share ( $\$80,461,288 \div 1,499,708$ shares outstanding) .....	<u>\$ 53.65</u>
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SCHEDULE OF INVESTMENTS

September 30, 2016

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
<b>LONG-TERM INVESTMENTS — 96.5% (a)</b>		<b>Air Freight &amp; Logistics — 0.9%</b>	
<b>COMMON STOCKS — 96.5% (a)</b>		2,700 FedEx Corporation .....	\$ 471,636
<b>Aerospace &amp; Defense — 1.1%</b>		2,300 United Parcel Service, Inc., Class B .....	251,528
3,100 The Boeing Company .....	\$ 408,394		<u>723,164</u>
1,300 Honeywell International, Inc. ....	151,567	<b>Airlines — 0.9%</b>	
300 Northrop Grumman Corporation .....	64,185	400 Allegiant Travel Company .....	52,828
400 Teledyne Technologies, Inc.* .....	43,172	1,000 American Airlines Group, Inc. ....	36,610
1,400 Textron, Inc. ....	55,650	7,900 JetBlue Airways Corporation* .....	136,196
200 TransDigm Group, Inc.* .....	57,824	2,200 SkyWest, Inc. ....	58,102
800 United Technologies Corporation .....	81,280	6,700 Southwest Airlines Company .....	260,563
	<u>862,072</u>	3,800 Spirit Airlines, Inc.* .....	161,614
			<u>705,913</u>

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



## Reynolds Blue Chip Growth Fund

## SCHEDULE OF INVESTMENTS (Continued)

September 30, 2016

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
<b>LONG-TERM INVESTMENTS — 96.5% (a) (Continued)</b>		<b>Biotechnology — 2.5% (Continued)</b>	
<b>COMMON STOCKS — 96.5% (a) (Continued)</b>		100 Puma Biotechnology, Inc.*	\$ 6,705
<b>Automobiles — 1.6%</b>		600 Radius Health, Inc.*	32,454
1,000 General Motors Company	\$ 31,770	400 Sage Therapeutics, Inc.*	18,420
700 Harley-Davidson, Inc.	36,813	600 Sarepta Therapeutics, Inc.*	36,846
4,200 Tata Motors, Ltd. — SP-ADR	167,916	400 United Therapeutics Corporation*	47,232
5,100 Tesla Motors, Inc.*	1,040,553	600 ZIOPHARM Oncology, Inc.*	3,378
	<u>1,277,052</u>		<u>2,036,364</u>
<b>Banks — 0.8%</b>		<b>Building Products — 0.3%</b>	
4,200 Bank of America Corporation	65,730	1,100 Lennox International, Inc.	172,733
600 Bank of Hawaii Corporation	43,572	2,300 Masco Corporation	78,913
500 Bank of Montreal	32,785		<u>251,646</u>
3,300 Citigroup, Inc.	155,859	<b>Capital Markets — 3.4%</b>	
810 Fifth Third Bancorp	16,573	800 Ameriprise Financial, Inc.	79,816
1,900 JPMorgan Chase & Company	126,521	21,100 The Charles Schwab Corporation	666,127
3,300 KeyCorp	40,161	12,300 E*TRADE Financial Corporation*	358,176
600 SVB Financial Group*	66,324	200 FactSet Research Systems, Inc.	32,420
800 Webster Financial Corporation	30,408	3,300 The Goldman Sachs Group, Inc.	532,191
1,400 Zions Bancorporation	43,428	1,800 Janus Capital Group, Inc.	25,218
	<u>621,361</u>	1,000 Legg Mason, Inc.	33,480
<b>Beverages — 1.7%</b>		4,000 Morgan Stanley	128,240
3,200 The Coca-Cola Company	135,424	500 Piper Jaffray Companies*	24,150
300 Constellation Brands, Inc., Class A	49,947	1,600 Raymond James Financial, Inc.	93,136
400 Diageo plc — SP-ADR	46,416	900 SEI Investments Company	41,049
900 Dr Pepper Snapple Group, Inc.	82,179	4,200 State Street Corporation	292,446
800 Molson Coors Brewing Company, Class B	87,840	1,300 T. Rowe Price Group, Inc.	86,450
400 Monster Beverage Corporation*	58,724	8,600 TD Ameritrade Holding Corporation	303,064
8,500 PepsiCo, Inc.	924,545		<u>2,695,963</u>
	<u>1,385,075</u>	<b>Chemicals — 0.6%</b>	
<b>Biotechnology — 2.5%</b>		700 Albemarle Corporation	59,843
2,100 AbbVie, Inc.	132,447	1,000 The Dow Chemical Company	51,830
3,300 Achillion Pharmaceuticals, Inc.*	26,730	400 Eastman Chemical Company	27,072
400 Alexion Pharmaceuticals, Inc.*	49,016	800 Ecolab, Inc.	97,376
1,300 Alkermes plc*	61,139	1,400 International Flavors & Fragrances, Inc.	200,158
1,500 Amgen, Inc.	250,215	900 LyondellBasell Industries N.V., Class A	72,594
16,400 ARIAD Pharmaceuticals, Inc.*	224,516		<u>508,873</u>
1,800 Biogen Idec, Inc.*	563,454	<b>Commercial Services &amp; Supplies — 0.6%</b>	
1,200 Celgene Corporation*	125,436	2,200 Cintas Corporation	247,720
2,400 Cepheid*	126,456	600 Copart, Inc.*	32,136
1,300 China Biologic Products, Inc.*	161,824	2,100 KAR Auction Services, Inc.	90,636
700 Exact Sciences Corporation*	12,999	2,300 Tetra Tech, Inc.	81,581
500 Gilead Sciences, Inc.	39,560	700 Waste Management, Inc.	44,632
500 Incyte Corporation*	47,145		<u>496,705</u>
300 Intercept Pharmaceuticals, Inc.*	49,377		
1,500 PTC Therapeutics, Inc.*	21,015		

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

Reynolds Blue Chip Growth Fund

SCHEDULE OF INVESTMENTS (Continued)

September 30, 2016

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
<b>LONG-TERM INVESTMENTS — 96.5% (a) (Continued)</b>		<b>Food &amp; Staples Retailing — 3.6%</b>	
<b>COMMON STOCKS — 96.5% (a) (Continued)</b>		300	Casey's General Stores, Inc. . . . . \$ 36,045
<b>Communications Equipment — 1.6%</b>		13,500	Costco Wholesale Corporation . . . . . 2,058,885
10,300	Cisco Systems, Inc. . . . . \$ 326,716	1,400	The Kroger Company . . . . . 41,552
2,800	F5 Networks, Inc.* . . . . . 348,992	500	PriceSmart, Inc. . . . . 41,880
2,300	Finisar Corporation* . . . . . 68,540	600	United Natural Foods, Inc.* . . . . . 24,024
1,300	InterDigital, Inc. . . . . 102,960	1,500	Walgreens Boots Alliance, Inc. . . . . 120,930
2,700	NETGEAR, Inc.* . . . . . 163,323	6,100	Wal-Mart Stores, Inc. . . . . 439,932
1,600	Palo Alto Networks, Inc.* . . . . . 254,928	4,000	Whole Foods Market, Inc. . . . . 113,400
	1,265,459		2,876,648
<b>Construction &amp; Engineering — 0.1%</b>		<b>Food Products — 0.2%</b>	
1,200	EMCOR Group, Inc. . . . . 71,544	300	Campbell Soup Company . . . . . 16,410
<b>Consumer Finance — 0.2%</b>		400	The Hershey Company . . . . . 38,240
2,000	American Express Company . . . . . 128,080	1,000	Mondelez International, Inc., Class A . . . . . 43,900
<b>Consumer Services – Diversified — 0.0%</b>		1,100	The WhiteWave Foods Company* . . . . . 59,873
800	Sotheby's . . . . . 30,416		158,423
<b>Electrical Equipment — 0.3%</b>		<b>Health Care Equipment &amp; Supplies — 5.5%</b>	
700	Eaton Corporation plc . . . . . 45,997	20,500	Abbott Laboratories . . . . . 866,945
3,300	Emerson Electric Company . . . . . 179,883	1,400	ABIOMED, Inc.* . . . . . 180,012
500	Sensata Technologies Holding N.V.* . . . . . 19,390	6,400	Align Technology, Inc.* . . . . . 600,000
	245,270	2,300	Baxter International, Inc. . . . . 109,480
<b>Electronic Equipment, Instruments &amp; Components — 1.3%</b>		500	Becton, Dickinson and Company . . . . . 89,865
2,900	Amphenol Corporation, Class A . . . . . 188,268	600	C.R. Bard, Inc. . . . . 134,568
400	Coherent, Inc.* . . . . . 44,216	800	Dentsply Sirona, Inc. . . . . 47,544
9,500	Corning, Inc. . . . . 224,675	4,300	Edwards Lifesciences Corporation* . . . . . 518,408
800	Littelfuse, Inc. . . . . 103,048	2,700	IDEXX Laboratories, Inc.* . . . . . 304,371
900	Rogers Corporation* . . . . . 54,972	400	Intuitive Surgical, Inc.* . . . . . 289,932
3,100	TE Connectivity, Ltd. . . . . 199,578	3,300	Medtronic plc . . . . . 285,120
400	Tech Data Corporation* . . . . . 33,884	600	ResMed, Inc. . . . . 38,874
700	Universal Display Corporation* . . . . . 38,857	3,800	St. Jude Medical, Inc. . . . . 303,088
4,400	VeriFone Systems, Inc.* . . . . . 69,256	2,300	Stryker Corporation . . . . . 267,743
800	Zebra Technologies Corporation, Class A* . . . . . 55,688	200	Teleflex, Inc. . . . . 33,610
	1,012,442	3,600	Varian Medical Systems, Inc.* . . . . . 358,308
<b>Energy Equipment &amp; Services — 0.5%</b>			4,427,868
800	Baker Hughes, Inc. . . . . 40,376	<b>Health Care Providers &amp; Services — 0.8%</b>	
800	Core Laboratories N.V. . . . . 89,864	400	Aetna, Inc. . . . . 46,180
700	Dril-Quip, Inc.* . . . . . 39,018	1,300	Air Methods Corporation* . . . . . 40,937
1,000	Halliburton Company . . . . . 44,880	1,300	Cardinal Health, Inc. . . . . 101,010
1,800	Helmerich & Payne, Inc. . . . . 121,140	373	Centene Corporation* . . . . . 24,976
2,100	Newpark Resources, Inc.* . . . . . 15,456	600	DaVita, Inc.* . . . . . 39,642
1,000	Schlumberger, Ltd. . . . . 78,640	600	Express Scripts Holding Company* . . . . . 42,318
	429,374	300	Henry Schein, Inc.* . . . . . 48,894
		500	LifePoint Health, Inc.* . . . . . 29,615
		1,500	Quest Diagnostics, Inc. . . . . 126,945

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

Reynolds Blue Chip Growth Fund  
**SCHEDULE OF INVESTMENTS (Continued)**

September 30, 2016

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
<b>LONG-TERM INVESTMENTS — 96.5% (a) (Continued)</b>		<b>Household Durables — 0.7% (Continued)</b>	
<b>COMMON STOCKS — 96.5% (a) (Continued)</b>		3,600	Tupperware Brands Corporation . . . . . \$ 235,332
<b>Health Care Providers</b>		300	Whirlpool Corporation . . . . . 48,648
<b>&amp; Services — 0.8% (Continued)</b>			585,382
700	UnitedHealth Group, Inc. . . . . \$ 98,000	<b>Household Products — 2.2%</b>	
500	WellCare Health Plans, Inc.* . . . . . 58,545	4,900	Church & Dwight Company, Inc. . . . . 234,808
	657,062	2,700	The Clorox Company . . . . . 337,986
<b>Health Care Technology — 0.4%</b>		5,300	Colgate-Palmolive Company . . . . . 392,942
1,800	Allscripts Healthcare Solutions, Inc.* . . . . . 23,706	900	Energizer Holdings, Inc. . . . . 44,964
600	athenahealth, Inc.* . . . . . 75,672	1,000	Kimberly-Clark Corporation . . . . . 126,140
3,200	Cerner Corporation* . . . . . 197,600	5,600	The Procter & Gamble Company . . . . . 502,600
	296,978	800	Spectrum Brands Holdings, Inc. . . . . 110,152
<b>Hotels, Restaurants &amp; Leisure — 3.9%</b>		300	WD-40 Company . . . . . 33,729
1,200	Brinker International, Inc. . . . . 60,516		1,783,321
1,000	Carnival Corporation . . . . . 48,820	<b>Industrial Conglomerates — 0.1%</b>	
1,800	The Cheesecake Factory, Inc. . . . . 90,108	400	3M Company . . . . . 70,492
300	Chipotle Mexican Grill, Inc.* . . . . . 127,050	1,600	Koninklijke Philips N.V. — NY . . . . . 47,344
1,600	Darden Restaurants, Inc. . . . . 98,112		117,836
3,800	Domino's Pizza, Inc. . . . . 577,030	<b>Insurance — 0.7%</b>	
4,800	Dunkin' Brands Group, Inc. . . . . 249,984	600	Aflac, Inc. . . . . 43,122
2,100	Hilton Worldwide Holdings, Inc. . . . . 48,153	900	American International Group, Inc. . . . . 53,406
400	Hyatt Hotels Corporation, Class A* . . . . . 19,688	1,300	Aon plc . . . . . 146,237
5,700	International Game Technology plc . . . . . 138,966	900	Assurant, Inc. . . . . 83,025
300	Jack in the Box, Inc. . . . . 28,782	2,400	China Life Insurance Company, Ltd. — ADR . . . . . 31,392
2,500	Las Vegas Sands Corporation . . . . . 143,850	200	Chubb, Ltd. . . . . 25,130
3,680	Marriott International, Inc., Class A . . . . . 247,774	1,700	eHealth, Inc.* . . . . . 19,057
1,000	McDonald's Corporation . . . . . 115,360	500	Hanover Insurance Group, Inc. . . . . 37,710
1,900	MGM Resorts International* . . . . . 49,457	600	Marsh & McLennan Companies, Inc. . . . . 40,350
3,900	Papa John's International, Inc. . . . . 307,515	300	Prudential Financial, Inc. . . . . 24,495
19	Restaurant Brands International L.P. . . . . 851	700	Willis Towers Watson plc . . . . . 92,939
700	Royal Caribbean Cruises, Ltd. . . . . 52,465		596,863
11,500	Starbucks Corporation . . . . . 622,610	<b>Internet &amp; Catalog Retail — 11.3%</b>	
600	Wyndham Worldwide Corporation . . . . . 40,398	7,900	Amazon.com, Inc.* . . . . . 6,614,749
900	Yum! Brands, Inc. . . . . 81,729	2,600	Ctrip.com International, Ltd. — ADR* . . . . . 121,082
	3,149,218	2,305	Expedia, Inc. . . . . 269,040
<b>Household Durables — 0.7%</b>		9,100	Netflix, Inc.* . . . . . 896,805
400	Harman International Industries, Inc. . . . . 33,780	700	The Priceline Group, Inc.* . . . . . 1,030,043
400	Helen of Troy, Ltd.* . . . . . 34,468	2,900	TripAdvisor, Inc.* . . . . . 183,222
900	iRobot Corporation* . . . . . 39,582		9,114,941
800	Leggett & Platt, Inc. . . . . 36,464	<b>Internet &amp; Direct Marketing Retail — 0.1%</b>	
800	Newell Brands, Inc. . . . . 42,128	800	JD.com, Inc. — ADR* . . . . . 20,872
2,800	SodaStream International, Ltd.* . . . . . 74,368	1,600	Liberty Interactive Corporation, Class A* . . . . . 32,016
400	Tempur Sealy International, Inc.* . . . . . 22,696	2,300	Vipshop Holdings, Ltd. — ADR* . . . . . 33,741
600	Toll Brothers, Inc.* . . . . . 17,916		86,629

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

Reynolds Blue Chip Growth Fund  
**SCHEDULE OF INVESTMENTS (Continued)**

September 30, 2016

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
<b>LONG-TERM INVESTMENTS — 96.5% (a) (Continued)</b>		<b>Life Sciences Tools &amp; Services — 0.8%</b>	
<b>COMMON STOCKS — 96.5% (a) (Continued)</b>		4,900	Agilent Technologies, Inc. . . . . \$ 230,741
<b>Internet Software &amp; Services — 13.2%</b>		500	Illumina, Inc.* . . . . . 90,830
1,100	Akamai Technologies, Inc.* . . . . . \$ 58,289	1,400	Quintiles IMS Holdings, Inc.* . . . . . 113,484
7,700	Alibaba Group Holding, Ltd. — SP-ADR* . . . . . 814,583	1,200	Thermo Fisher Scientific, Inc. . . . . 190,872
1,700	Alphabet, Inc., Class A* . . . . . 1,366,902	300	Waters Corporation* . . . . . 47,547
6,050	Alphabet, Inc., Class C* . . . . . 4,702,604		673,474
4,600	Baidu, Inc. — SP-ADR* . . . . . 837,522	<b>Machinery — 1.1%</b>	
13,500	eBay, Inc.* . . . . . 444,150	2,800	Caterpillar, Inc. . . . . 248,556
7,600	Facebook, Inc., Class A* . . . . . 974,852	500	Cummins, Inc. . . . . 64,075
900	IAC/InterActiveCorp . . . . . 56,223	1,000	Deere & Company . . . . . 85,350
1,100	Match Group, Inc.* . . . . . 19,569	1,100	IDEX Corporation . . . . . 102,927
700	MercadoLibre, Inc. . . . . 129,479	400	Illinois Tool Works, Inc. . . . . 47,936
2,600	SINA Corporation* . . . . . 191,958	700	Ingersoll-Rand plc . . . . . 47,558
3,600	Tencent Holdings, Ltd. . . . . 100,350	300	Snap-on, Inc. . . . . 45,588
1,700	Twilio, Inc., Class A* . . . . . 109,412	1,200	Stanley Black & Decker, Inc. . . . . 147,576
1,200	Twitter, Inc.* . . . . . 27,660	2,600	The Toro Company . . . . . 121,784
1,300	VeriSign, Inc.* . . . . . 101,712		911,350
900	WebMD Health Corporation* . . . . . 44,730	<b>Media — 1.9%</b>	
350	Weibo Corporation — SP-ADR* . . . . . 17,549	900	CBS Corporation, Class B Non-Voting . . . . . 49,266
1,400	Yahoo!, Inc.* . . . . . 60,340	600	Charter Communications, Inc., Class A* . . . . . 161,982
5,200	Yelp, Inc.* . . . . . 216,840	5,800	Comcast Corporation, Class A . . . . . 384,772
900	YY, Inc. — ADR* . . . . . 47,952	3,300	DISH Network Corporation, Class A* . . . . . 180,774
8,400	Zillow Group, Inc., Class C* . . . . . 291,060	100	IMAX Corporation* . . . . . 2,897
	10,613,736	1,700	The Interpublic Group of Companies, Inc. . . . . 37,995
<b>IT Services — 2.1%</b>		300	Liberty Media Corporation, Class A* . . . . . 8,595
700	Accenture plc, Class A . . . . . 85,519	1,500	Omnicom Group, Inc. . . . . 127,500
900	Amdocs, Ltd. . . . . 52,065	13,000	Sirius XM Holdings, Inc.* . . . . . 54,210
700	Cognizant Technology Solutions Corporation, Class A* . . . . . 33,397	1,200	Starz, Class A* . . . . . 37,428
1,900	Computer Sciences Corporation . . . . . 99,199	500	Time Warner, Inc. . . . . 39,805
400	DST Systems, Inc. . . . . 47,168	5,000	The Walt Disney Company . . . . . 464,300
1,799	Fiserv, Inc.* . . . . . 178,946		1,549,524
300	International Business Machines Corporation . . . . . 47,655	<b>Metals &amp; Mining — 0.3%</b>	
900	InterXion Holding N.V.* . . . . . 32,598	1,900	Allegheny Technologies, Inc. . . . . 34,333
1,200	Jack Henry & Associates, Inc. . . . . 102,660	2,300	Barrick Gold Corporation . . . . . 40,756
3,100	MasterCard, Inc., Class A . . . . . 315,487	4,000	Freeport-McMoRan, Inc. . . . . 43,440
900	Paychex, Inc. . . . . 52,083	2,300	Newmont Mining Corporation . . . . . 90,367
1,700	PayPal Holdings, Inc.* . . . . . 69,649	1,600	Teck Resources Ltd., Class B . . . . . 28,848
6,700	Visa, Inc., Class A . . . . . 554,090		237,744
	1,670,516	<b>Multiline Retail — 1.4%</b>	
<b>Leisure Products — 0.2%</b>		300	Dillard's, Inc., Class A . . . . . 18,903
1,400	Hasbro, Inc. . . . . 111,062	1,400	Dollar General Corporation . . . . . 97,986
400	Polaris Industries, Inc. . . . . 30,976	500	Dollar Tree, Inc.* . . . . . 39,465
	142,038	2,000	Kohl's Corporation . . . . . 87,500
		5,600	Macy's, Inc. . . . . 207,480

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

Reynolds Blue Chip Growth Fund  
**SCHEDULE OF INVESTMENTS (Continued)**

September 30, 2016

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
<b>LONG-TERM INVESTMENTS — 96.5% (a) (Continued)</b>		<b>Professional Services — 0.7%</b>	
<b>COMMON STOCKS — 96.5% (a) (Continued)</b>		1,600	Equifax, Inc. . . . . \$ 215,328
<b>Multiline Retail — 1.4% (Continued)</b>		4,979	IHS Markit, Ltd.* . . . . . 186,961
10,400	Nordstrom, Inc. . . . . \$ 539,552	700	Manpowergroup, Inc. . . . . 50,582
1,400	Target Corporation . . . . . 96,152	1,100	Verisk Analytics, Inc., Class A* . . . . . 89,408
	1,087,038		542,279
<b>Multi-Utilities — 0.1%</b>		<b>REITs — 0.5%</b>	
800	WEC Energy Group, Inc. . . . . 47,904	500	American Tower Corporation . . . . . 56,665
<b>Oil, Gas &amp; Consumable Fuels — 0.7%</b>		400	Boston Properties, Inc. . . . . 54,516
600	Anadarko Petroleum Corporation . . . . . 38,016	1,800	Corrections Corporation of America . . . . . 24,966
700	Apache Corporation . . . . . 44,709	1,000	Digital Realty Trust, Inc. . . . . 97,120
2,400	Cabot Oil & Gas Corporation . . . . . 61,920	100	Equinix, Inc. . . . . 36,025
1,200	Canadian Natural Resources, Ltd. . . . . 38,448	800	HCP, Inc. . . . . 30,360
400	Chevron Corporation . . . . . 41,168	500	Lamar Advertising Company, Class A . . . . . 32,655
1,000	Enbridge, Inc. . . . . 44,230	900	Life Storage, Inc. . . . . 80,046
700	EQT Corporation . . . . . 50,834	1,000	Weyerhaeuser Company . . . . . 31,940
900	Exxon Mobil Corporation . . . . . 78,552		444,293
700	Hess Corporation . . . . . 37,534	<b>Road &amp; Rail — 0.5%</b>	
500	Marathon Petroleum Corporation . . . . . 20,295	1,700	Avis Budget Group, Inc.* . . . . . 58,157
600	Newfield Exploration Company* . . . . . 26,076	600	Canadian National Railway Company . . . . . 39,240
1,400	Noble Energy, Inc. . . . . 50,036	300	Canadian Pacific Railway, Ltd. . . . . 45,810
200	Pioneer Natural Resources Company . . . . . 37,130	1,400	CSX Corporation . . . . . 42,700
	568,948	600	Old Dominion Freight Line, Inc.* . . . . . 41,166
<b>Personal Products — 0.2%</b>		700	Ryder System, Inc. . . . . 46,165
1,400	Coty, Inc., Class A . . . . . 32,900	1,500	Union Pacific Corporation . . . . . 146,295
500	The Estee Lauder Companies, Inc., Class A . . . . . 44,280		419,533
1,200	Unilever N.V. . . . . 55,320	<b>Semiconductors &amp; Semiconductor</b>	
	132,500	<b>Equipment — 8.0%</b>	
<b>Pharmaceuticals — 3.7%</b>		1,300	Acacia Communications, Inc.* . . . . . 134,264
300	Allergan plc* . . . . . 69,093	18,100	Advanced Micro Devices, Inc.* . . . . . 125,071
1,700	Bristol-Myers Squibb Company . . . . . 91,664	1,600	Ambarella, Inc.* . . . . . 117,776
4,400	Eli Lilly and Company . . . . . 353,144	5,300	Analog Devices, Inc. . . . . 341,585
1,200	GW Pharmaceuticals plc — ADR* . . . . . 159,276	9,700	Applied Materials, Inc. . . . . 292,455
400	Jazz Pharmaceuticals plc* . . . . . 48,592	4,100	ASML Holding N.V. . . . . 449,278
9,300	Johnson & Johnson . . . . . 1,098,609	900	Cavium, Inc.* . . . . . 52,380
10,500	Merck & Company, Inc. . . . . 655,305	500	Cirrus Logic, Inc.* . . . . . 26,575
600	Pacira Pharmaceuticals, Inc.* . . . . . 20,532	2,700	First Solar, Inc.* . . . . . 106,623
3,900	Pfizer, Inc. . . . . 132,093	16,500	Intel Corporation . . . . . 622,875
3,100	Sanofi — ADR . . . . . 118,389	700	KLA-Tencor Corporation . . . . . 48,797
600	Shire plc — ADR . . . . . 116,316	500	Lam Research Corporation . . . . . 47,355
2,000	Teva Pharmaceutical . . . . .	2,400	Linear Technology Corporation . . . . . 142,296
	Industries, Ltd. — SP-ADR . . . . . 92,020	2,100	Maxim Integrated Products, Inc. . . . . 83,853
	2,955,033	1,000	Mellanox Technologies, Ltd.* . . . . . 43,250
		6,000	Microchip Technology, Inc. . . . . 372,840
		19,000	Micron Technology, Inc.* . . . . . 337,820

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



Reynolds Blue Chip Growth Fund

**SCHEDULE OF INVESTMENTS (Continued)**

September 30, 2016

<u>Shares</u>	<u>Value</u>
<b>LONG-TERM INVESTMENTS — 96.5% (a) (Continued)</b>	
<b>COMMON STOCKS — 96.5% (a) (Continued)</b>	
<b>Textiles, Apparel &amp; Luxury Goods — 0.4% (Continued)</b>	
800 VF Corporation .....	\$ 44,840
	<u>350,119</u>
<b>Trading Companies &amp; Distributors — 0.3%</b>	
4,100 Fastenal Company .....	171,298
500 United Rentals, Inc.* .....	39,245
200 W.W. Grainger, Inc. ....	44,968
	<u>255,511</u>
<b>Wireless Telecommunication Services — 0.2%</b>	
2,800 T-Mobile US, Inc.* .....	130,816
<b>TOTAL COMMON STOCKS</b>	
(cost \$64,631,415) .....	<u>77,650,693</u>

<u>Shares</u>	<u>Value</u>
<b>SHORT-TERM INVESTMENTS — 2.1% (a)</b>	
<b>MONEY MARKET FUNDS — 2.1% (a)</b>	
1,702,160 Fidelity Institutional Government Portfolio, Institutional Share Class, 0.270%^ .....	\$ 1,702,160
<b>TOTAL MONEY MARKET FUNDS</b>	
(cost \$1,702,160) .....	<u>1,702,160</u>
<b>TOTAL INVESTMENTS — 98.6%</b>	
(cost \$66,333,575) .....	<u>79,352,853</u>
Cash and receivables, less liabilities — 1.4%(a) .....	1,108,435
<b>TOTAL NET ASSETS — 100.0%</b>	
	<u>\$80,461,288</u>

\* Non-income producing security.

^ Rate shown in the 7-day effective yield September 30, 2016.

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

ADR – Unsponsored American Depositary Receipt

L.P. – Limited Partnership

N.V. – Dutch Public Limited Liability Company

NY – New York Registered Security

plc – Public Limited Company

REITs – Real Estate Investment Trusts

S.A. – Societe Anonyme

SP-ADR – Sponsored American Depositary Receipt

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 & S&P and has been licensed for use by U.S. Bancorp Fund Services, LLC. For presentation purposes, the Fund has grouped some of the industry categories. For purposes of categorizing securities for compliance with Section 8(b)(1) of the Investment Company Act of 1940, the Fund uses more specific industry classifications.

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

Reynolds Blue Chip Growth Fund  
**STATEMENT OF OPERATIONS**

For the Year Ended September 30, 2016

**INVESTMENT INCOME:**

Dividends (net of foreign withholding tax of \$2,883) .....	\$ 935,748
Total investment income .....	<u>935,748</u>

**EXPENSES:**

Management fees .....	976,457
Distribution fees .....	143,885
Transfer agent fees .....	115,316
Custodian fees .....	103,420
Administrative services .....	100,272
Shareholder servicing fees .....	85,297
Insurance expense .....	69,853
Accounting services .....	56,706
Professional fees .....	47,381
Board of Directors fees .....	28,000
Registration fees .....	26,500
Printing and postage expense .....	25,369
Chief Compliance Officer fees .....	25,000
Other expenses .....	12,783
Total expenses .....	<u>1,816,239</u>

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

(880,491)

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

8,310,589

**NET CHANGE IN UNREALIZED DEPRECIATION ON INVESTMENTS** .....

(7,227,971)

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

1,082,618

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

\$ 202,127

**STATEMENTS OF CHANGES IN NET ASSETS**

For the Years Ended September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<b>OPERATIONS:</b>		
Net investment loss .....	\$ (880,491)	\$ (1,055,601)
Net realized gain on investments .....	8,310,589	18,435,337
Net change in unrealized depreciation on investments .....	<u>(7,227,971)</u>	<u>(17,280,439)</u>
Net increase in net assets resulting from operations .....	<u>202,127</u>	<u>99,297</u>
<b>DISTRIBUTIONS TO SHAREHOLDERS:</b>		
Distributions from net capital gains (\$3.63788 per share and \$18.93395 per share, respectively) .....	<u>(6,849,459)</u>	<u>(37,422,133)</u>
<b>FUND SHARE ACTIVITIES:</b>		
Proceeds from shares issued (91,172 and 198,094 shares, respectively) .....	4,930,707	12,710,461
Net asset value of shares issued in distributions reinvested (114,964 and 592,591 shares, respectively) .....	6,523,065	34,891,785
Cost of shares redeemed (717,864 and 926,934 shares, respectively) .....	<u>(38,684,802)</u>	<u>(58,870,185)</u>
Net decrease in net assets derived from Fund share activities .....	<u>(27,231,030)</u>	<u>(11,267,939)</u>
TOTAL DECREASE IN NET ASSETS .....	<u>(33,878,362)</u>	<u>(48,590,775)</u>
NET ASSETS AT THE BEGINNING OF THE YEAR .....	114,339,650	162,930,425
NET ASSETS AT THE END OF THE YEAR (Includes accumulated net investment loss of \$(709,793) and \$(820,037), respectively) .....	<u>\$ 80,461,288</u>	<u>\$114,339,650</u>

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



Reynolds Blue Chip Growth Fund  
**FINANCIAL HIGHLIGHTS**

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

	<b>Year Ended September 30,</b>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>PER SHARE OPERATING PERFORMANCE:</b>					
Net asset value, beginning of year	\$56.84	\$75.86	\$71.45	\$58.97	\$46.50
Income from investment operations:					
Net investment loss <sup>(1)</sup>	(0.49)	(0.49)	(0.49)	(0.14)	(0.19)
Net realized and unrealized gains on investments	0.94	0.40	8.28	13.25	12.66
Total from investment operations	0.45	(0.09)	7.79	13.11	12.47
Less distributions:					
Distributions from net capital gains	(3.64)	(18.93)	(3.38)	(0.63)	—
Total from distributions	(3.64)	(18.93)	(3.38)	(0.63)	—
Net asset value, end of year	<u>\$53.65</u>	<u>\$56.84</u>	<u>\$75.86</u>	<u>\$71.45</u>	<u>\$58.97</u>
<b>TOTAL RETURN</b>	0.48%	(1.00%)	11.01%	22.50%	26.82%
<b>RATIOS/SUPPLEMENTAL DATA:</b>					
Net assets, end of year (in 000's)	\$80,461	\$114,340	\$162,930	\$205,879	\$186,073
Ratio of expenses (after reimbursement) to average net assets	1.86%	1.71%	1.59%	1.58%	1.53%
Ratio of net investment loss to average net assets	(0.90%)	(0.77%)	(0.65%)	(0.21%)	(0.34%)
Portfolio turnover rate	491%	272%	102%	133%	99%

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

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

## NOTES TO FINANCIAL STATEMENTS

September 30, 2016

### (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 Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification Topic 946 Financial Services – Investment Companies.

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, as defined in the prospectus.

The following is a summary of the Fund’s pricing procedures. It is intended to be a general discussion and may not necessarily reflect all pricing procedures followed by the Fund.

(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 (other than The NASDAQ OMX Group, Inc., referred to as “NASDAQ”), or if no sale is reported, the latest bid price. Securities which are traded on NASDAQ under one of its three listing tiers, NASDAQ Global Market, NASDAQ Global Select Market and NASDAQ Capital Market, are valued at the Nasdaq Official Closing Price, or if no

## NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2016

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

sale is reported, the latest bid price. Short-term investments with maturities of 60 days or less may be valued on an amortized cost basis to the extent it is equivalent to fair value, which involves valuing an instrument at its cost and thereafter assuming a constant amortization to maturity of any discount or premium, regardless of the impact of fluctuating rates on the fair value of the instrument. Amortized cost will not be used if its use would be inappropriate due to credit or other impairments of the issuer. Money market funds are valued at their net asset value per share. 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.

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, 2016, based on the inputs used to value them:

<u>Valuation Inputs</u>	<u>Investments in Securities</u>
Level 1—Common Stocks*	\$77,650,693
Money Market Funds	1,702,160
Total Level 1	79,352,853
Level 2—None	—
Level 3—None	—
Total	<u>\$79,352,853</u>

\* Please refer to the Schedule of Investments to view common stocks segregated by industry type.

It is the Fund’s policy to recognize transfers between levels at the end of the reporting period. For the year ended September 30, 2016, there were no transfers between levels. The Fund did not invest in any Level 3 securities during the year.

(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 highest 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.

## NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2016

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

(d) GAAP requires that certain components of net assets relating to permanent differences be reclassified between financial and tax reporting. These reclassifications have no effect on net assets or net asset value per share. The primary reason for this adjustment is because of net operating losses and equalization. For the year ended September 30, 2016, the following table shows the reclassifications made:

<u>Accumulated Net Investment Loss</u>	<u>Accumulated Undistributed Net Realized Gain on Investments</u>	<u>Capital Stock</u>
\$990,735	\$(1,438,707)	\$447,972

(e) 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.

(f) 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. The Fund may utilize earnings and profits distributed to shareholders on redemption of shares as part of the dividends paid deduction.

(g) 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 as of and for the year ended September 30, 2016. Open tax years are those that are open for exam by taxing authorities and, as of September 30, 2016, open Federal tax years include the tax years ended September 30, 2013 through 2016. 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, 2016, 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.

(h) The Fund’s cash is held in accounts with balances which may exceed the amount of related federal insurance. The Fund has not experienced any loss in such accounts and believes it is not exposed to significant credit risk.

**(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. 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 1.00% of the daily net assets.

The agreement further stipulates that RCM will reimburse the Fund for all expenses exceeding 2.00% 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, 2016.

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.

## NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2016

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

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. Please see Note 5 for more information.

**(4) Investment Transactions —**

For the year ended September 30, 2016, purchases and proceeds of sales of investment securities (excluding short-term securities) were \$412,922,310 and \$431,320,470, respectively. There were no purchases or sales of U.S. Government securities.

**(5) Income Tax Information —**

The following information for the Fund is presented on an income tax basis as of September 30, 2016:

Tax cost of investments	\$68,811,228
Gross tax unrealized appreciation	\$13,591,683
Gross tax unrealized depreciation	(3,050,058)
Net unrealized appreciation	<u>\$10,541,625</u>
Distributable ordinary income	\$ —
Distributable long term capital gains	6,090,024
Total distributable earnings	<u>\$ 6,090,024</u>
Other accumulated losses	\$ (945,252)
Total accumulated gain	<u>\$15,686,397</u>

The difference 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 years ended September 30, 2016 and 2015:

<u>September 30, 2016</u>		<u>September 30, 2015</u>	
<u>Ordinary Income Distributions</u>	<u>Long-Term Capital Gains Distributions</u>	<u>Ordinary Income Distributions</u>	<u>Long-Term Capital Gains Distributions</u>
\$—	\$6,849,459	\$2,431,799	\$34,990,334

The Fund designated as long-term capital gain dividend, pursuant to Internal Revenue Code Section 852(b)(3), the amount necessary to reduce the earnings and profits of the Fund related to net capital gain to zero for the tax year ended September 30, 2016.

As of September 30, 2016, the Fund did not have a post-October capital loss or a capital loss carryforward. The Fund had a late year ordinary loss of \$694,763.

To the Shareholders and Board of Directors of  
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, 2016, 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 five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund’s management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

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, 2016, by correspondence with the custodian and brokers. 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 Blue Chip Growth Fund as of September 30, 2016, 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 five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.



COHEN & COMPANY, LTD.

Cleveland, Ohio  
November 23, 2016

Reynolds Blue Chip Growth Fund  
**DIRECTORS AND OFFICERS**  
(Unaudited)

<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>
<b>Non-Interested Directors:</b>					
Thomas F. Gilbertson, 73 c/o Reynolds Capital Management, LLC 3565 South Las Vegas Blvd. #403 Las Vegas, NV 89109	Director	Indefinite term since March 2015	Mr. Gilbertson is an entrepreneur that owns and operates restaurants in Naples, Florida.	1	None
Robert E. Stauder, 86 c/o Reynolds Capital Management, LLC 3565 South Las Vegas Blvd. #403 Las Vegas, NV 89109	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
<b>Interested Director:</b>					
Frederick L. Reynolds,* 74 Reynolds Capital Management, LLC 3565 South Las Vegas Blvd. #403 Las Vegas, NV 89109	Director,	Indefinite term since 1988	Mr. Reynolds is the sole owner of the Adviser, which business commenced in 1985.	1	None
	President and Treasurer	One year term since 1988			
<b>Other Officer:</b>					
N. Lynn Bowley, 58 Northern Lights Compliance Services, LLC 17605 Wright Street Omaha, NE 68130	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.

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## PRIVACY POLICY (Unaudited)

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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.

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## HOUSEHOLDING (Unaudited)

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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.

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## QUALIFIED DIVIDEND INCOME/DIVIDEND RECEIVED DEDUCTION (Unaudited)

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The Fund designated 0% of dividends declared and paid during the year ended September 30, 2016 from net investment income as qualified dividend income under the Jobs Growth and Tax Relief Reconciliation Act of 2003.

Corporate shareholders may be eligible for a dividend received deduction for certain ordinary income distributions paid by the Fund. The Fund designated 0% of dividends declared and paid during the year ended September 30, 2016 from net investment income as qualifying for the dividends received deduction. The deduction is a pass through of dividends paid by domestic corporations (i.e. only equities) subject to taxation.

**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**

THOMAS F. GILBERTSON  
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**  
or **1-800-7REYNOLDS**

**Custodian**

U.S. BANK, N.A.  
1555 North RiverCenter Drive, Suite 302  
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**Independent Registered Public Accounting Firm**

COHEN & COMPANY, LTD.  
1350 Euclid Avenue, Suite 800  
Cleveland, Ohio 44115

**Legal Counsel**

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

**Distributor**

RAFFERTY CAPITAL MARKETS, LLC  
1010 Franklin Avenue  
Garden City, New York 11530

**REYNOLDS  
BLUE CHIP  
GROWTH FUND**

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