

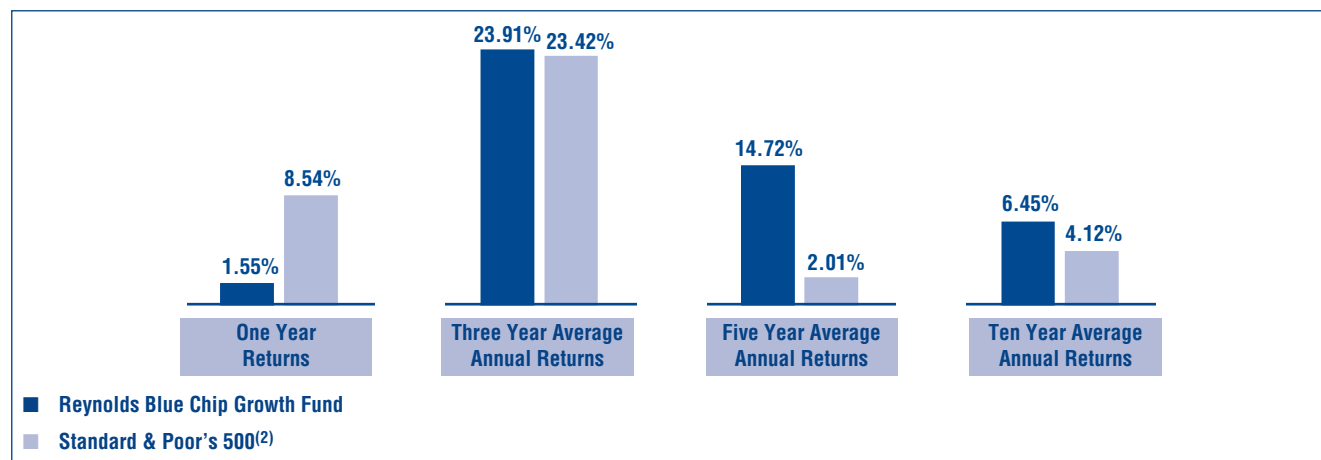
# REYNOLDS BLUE CHIP GROWTH FUND

May 18, 2012

Dear Fellow Shareholders:

## Performance highlights (March 31, 2012)

The Reynolds Blue Chip Growth Fund has a 5 Star<sup>(1)</sup> overall rating from Morningstar. This is Morningstar's highest overall mutual fund rating. The performance of the Reynolds Blue Chip Growth Fund (the "Fund" or the "Blue Chip Fund") in the six months ended March 31, 2012 was +28.09%. The performance of the Standard & Poor's 500 Index<sup>(2)</sup> during that same period was +25.89%. The annualized average total returns of the Reynolds Blue Chip Growth Fund for the 1-year, 3-year, 5-year and 10-year periods through March 31, 2012 were +1.55%, +23.91%, +14.72%, and +6.45%, respectively. The annualized average total returns for the Fund's benchmark, the Standard & Poor's 500, for the 1-year, 3-year, 5-year and 10-year periods through March 31, 2012 were +8.54%, +23.42%, +2.01%, and +4.12%, respectively. The performance of the Reynolds Blue Chip Growth Fund was +15.90% in the three months ended March 31, 2012. The performance of the Standard & Poor's 500 Index during that same period was +12.59%.



- (1) The top 10% of all mutual funds in Morningstar's universe of mutual funds are awarded a 5 Star Rating. This is out of 1,459 funds in Morningstar's Large Growth Category which is the Fund's Morningstar Category. The Overall Morningstar Rating for a fund is derived from a weighted-average of the performance figures associated with its three-, five-, and ten -year (if applicable) ratings, based on risk-adjusted returns. For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating<sup>TM</sup> based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. Past performance is no guarantee of future results.
- (2) The Standard & Poor's 500 Index consists of 500 selected common stocks, most of which are listed on the New York Stock Exchange. The Standard & Poor's Ratings Group designates the stocks to be included in the Index on a statistical basis. A particular stock's weighting in the Index is based on its relative total market value (i.e. its market price per share times the number of shares outstanding.) Stocks may be added or deleted from the Index from time to time.

## Investment Strategy

We had an extremely high cash position in the Reynolds Blue Chip Growth Fund during the period from October 2007 to March 2009 when the stock market was in a correction phase. We started buying near the market bottom in March 2009. We believe that stocks are selling at attractive valuations based on historical valuation measures. One of these valuation measures is a company's price earnings ratio relative to inflation, interest rates and the economic outlook. Another valuation measure is a company's price earnings 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 toward the lower end of their historical ranges and we believe that they are attractively valued.

### **The U.S. Economy**

The U.S. economic recovery that started in mid-2009 has continued, although at a modest pace, so far in 2012. The U.S. economic recovery continues to be affected by a number of secular factors that are altering the pace and composition of growth. The economy in 2012 is being affected by high unemployment, greater prudence and less speculation in lending, reduced government spending for the last six straight quarters, and weakness overseas. The U.S. economy is growing, but at a lower than ideal rate. For example, growth of 3% or better is needed to meaningfully reduce unemployment which is currently around 8%. The Federal Reserve Board's (the Fed's) second round of economic stimulus named "Operation Twist", which involved purchasing longer term maturity Treasury Bonds and selling shorter term maturity Treasury Bonds, is scheduled to end on June 30, 2012. This stimulus tended to moderately lower longer term interest rates and added a moderate amount to economic growth. There are currently no announced plans by the Fed for a third round of stimulus. Economic growth has recently slowed. U.S. Gross Domestic Product (GDP) expanded at an inflation-adjusted annual rate of 2.2% in the quarter ended March 31, 2012 helped by a strong private sector including strong consumer spending and hurt by a weak public sector. For the next six months the outlook remains for modest but less than ideal growth accompanied by high unemployment, modest inflation pressures, no change in the Federal Reserve policy on the federal funds rate, a strong private sector and a weak public sector. The economy will continue to be characterized by large fiscal deficits. GDP increased 1.7% in 2011 and 3.0% in 2010, after decreasing 3.6% in calendar 2009, after no change (0.0%) in calendar 2008, and increasing 2.1% in 2007. Only modest GDP gains are forecast for the next two years. U.S. GDP is forecast to expand at a 1.8% rate in the quarter ended June 30, 2012 and at 2.1% for the year ended December 31, 2012 and 2.1% for 2013.

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 3.1% in 2011 and 1.6% in 2010 after decreasing 0.3% in 2009, increasing 3.8% in 2008, and increasing 2.9% in 2007. U.S. inflation increased 2.8% in the first quarter of 2012 and is forecast to increase 2.3% in the second quarter of 2012. U.S. inflation is forecast to increase 2.1% in 2012 and 1.9% in 2013.

There are some current and potential economic and investment negatives at the present time including: (1) unemployment at 8.1% is still high as hiring continues cautious and recent employment gains have been weaker than expected; (2) high oil prices including higher gasoline prices continue to negatively affect economic growth; (3) mortgage rates are low, but mortgage credit is still somewhat tight; (4) business spending has recently slowed; (5) the U.S. deficit needs to be reduced; (6) there are major economic problems with some individual Euro-zone countries such as Greece, Italy, Ireland, Portugal, and Spain which may continue for some time and may spread to other countries; and (7) China's economic growth projections have recently been lowered.

Some current and potential economic and investment positives are: (1) consumer spending, which accounts for about 71% of the economy, expanded in the most recent quarter at the fastest pace in the last year; (2) employment and payrolls are increasing although at a modest rate; (3) there has been recent growth in commercial and residential construction; (4) auto sales have recently strengthened; (5) there has been an increase in the willingness of companies to commit capital as evidenced by the increase in merger and acquisition activity; (6) the economy has grown in the last ten quarters through the March 31, 2012 quarter and growth should continue in the near term; (7) growth in the service sector is broadening; (8) manufacturing production is strong; (9) businesses have been able to use the credit markets to strengthen their balance sheets; (10) short-term interest rates remain low helped by a low Fed Funds rate; (11) long-term Treasury rates are low; (12) many companies reported revenue growth, not just earnings growth, from cutting expenses in the most recent quarters; (13) the European bailout fund has been expanded; (14) current valuations of stocks are at the lower end of historical ranges; and (15) the U.S. economy currently has better fundamentals than the economies of most other industrialized countries.

### **The World Economy**

The global economic recovery that started in mid-2009 has continued in 2012. Global economic activity slowed considerably in the second half of 2011, but appears to be stabilizing. The World Economy increased 4.0% in 2011 and 4.8%

in 2010 after decreasing 0.8% in 2009 and is forecast to increase 3.5% in 2012 and 4.0% in 2013. The Euro-zone is currently the weakest economic area among industrialized countries. Europe has been implementing significant fiscal retrenchment which is slowing their economic growth. The biggest risk to Euro-zone economic growth is related to the potential sovereign government debt crises that have appeared. The Euro-zone increased 1.5% in 2011 and 1.7% in 2010 after decreasing 4.0% in 2009. Euro-zone real GDP has decreased over the last two quarters. The Euro-zone is forecast to increase 0.2% in 2012 and 1.4% in 2013. Several Euro-zone countries including Spain, have slipped into a recession.

The United Kingdom's GDP increased 0.7% in 2011 and 1.3% in 2010 after decreasing 4.9% in 2009 and is forecast to increase 0.7% in 2012 and 1.7% in 2013. The U.K. has recently slipped into its first double dip recession since the 70's. Japan decreased 0.7% in 2011 and increased 4.0% in 2010 after decreasing 5.2% in 2009 and is forecast to increase 1.4% in 2012 and increase 1.5% in 2013. Korea increased 3.6% in 2011 and 6.2% in 2010 after increasing 0.2% in 2009 and is forecast to increase 2.4% in 2012 and 3.4% in 2013. Canada increased 2.5% in 2011 and 3.1% in 2010 after decreasing 2.6% in 2009 and is forecast to increase 2.0% in 2012 and 2.4% in 2013.

Some developing countries in the world have been growing faster than the U.S. in the last few years. Their economies continued to grow faster than the U.S. during the most recent worldwide economic slowdown and their economies are continuing to grow faster. Recovery is strongest in Asia with China having the strongest growth among "advanced economies". Other Asian countries are having good growth rates as well. The biggest developing economies are many times referred to as the "BRIC" economy, which is short for Brazil, Russia, India, and China. China's population is approximately 19% of the world's total population of approximately seven billion. In the second quarter of 2010 China overtook Japan and became the world's second largest economy after the U.S. It is the world's fastest growing major economy. Many economists believe that China has a particularly good long-term outlook. Near term, however, there have been some cross currents in China's economic outlook and China's growth rate has recently slowed to about 8.0%. GDP increased 6.4% in 2011 and 10.4% in 2010 after increasing 8.5% in 2009 and is forecast to increase 8.0% in 2012 and 8.3% in 2013.

India's population is approximately 17% of the world's population. It is the world's second fastest growing major economy. India's economy increased 6.6% in 2011 and 8.4% in 2010 after increasing 6.8% in 2009 and is forecast to increase 6.8% in 2012 and 7.3% in 2013.

Brazil is Latin America's biggest economy. GDP increased 2.7% in 2011 and 7.5% in 2010 after decreasing 0.2% in 2009 and is forecast to increase 2.9% in 2012 and 3.9% in 2013. Russia's economy grew at 4.3% in 2011 and 4.0% in 2010 after decreasing 7.9% in 2009 and is forecast to increase 3.8% in 2012 and 3.2% in 2013.

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

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

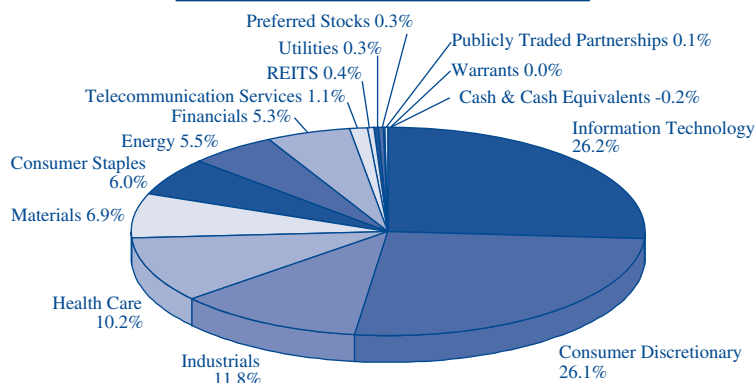
### **Opportunistic Investing in Companies of Various Sizes and Diversified Among Various Industries**

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

The long-term strategy of the Reynolds Blue Chip Growth Fund is to emphasize investment in worldwide "blue chip" growth companies. These companies are defined as companies with a minimum market capitalization of \$1 billion. In the long-

term these companies build value as their earnings grow. This growth in value should ultimately be recognized in higher stock prices for these companies.

### Industry Sectors<sup>(3)</sup> as of March 31, 2012



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

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

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

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

### **Linked Money Market Fund**

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

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

**Reynoldsfunds.com website:** You can access current information about your investment holdings via our website, reynoldsfunds.com. You must first request a personal identification number (PIN) by calling our shareholder service representatives at 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 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)**

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, 2011 through March 31, 2012.

**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.

	Beginning Account Value 10/1/11	Ending Account Value 3/31/12	Expenses Paid During Period* 10/1/11-3/31/12
Reynolds Blue Chip Growth Fund Actual	\$1,000.00	\$1,280.90	\$8.78
Hypothetical (5% return before expenses)	\$1,000.00	\$1,017.30	\$7.76

\* Expenses are equal to the Fund’s annualized expense ratio of 1.54% multiplied by the average account value over the period, multiplied by 183/366 (to reflect the one-half year period between October 1, 2011 and March 31, 2012).

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.



# Reynolds Blue Chip Growth Fund

## STATEMENT OF ASSETS AND LIABILITIES

March 31, 2012 (Unaudited)

### ASSETS:

Investments in securities, at value (cost \$190,583,143)	\$213,166,858
Receivable from shareholders for purchases	364,270
Dividends receivable	186,351
Receivable from investments sold	81,620
<b>Total assets</b>	<b>\$213,799,099</b>

### LIABILITIES:

Payable for investments purchased	\$ 374,047
Payable to shareholders for redemptions	365,248
Payable to adviser for management fees	174,531
Due to custodian	139,246
Other liabilities	107,600
<b>Total liabilities</b>	<b>1,160,672</b>

### NET ASSETS:

Capital Stock, \$0.01 par value; 40,000,000 shares authorized; 3,570,343 shares outstanding	187,592,244
Net unrealized appreciation on investments	22,583,715
Accumulated net realized gain on investments	2,462,468
<b>Net assets</b>	<b>212,638,427</b>
<b>Total liabilities and net assets</b>	<b>\$213,799,099</b>

### CALCULATION OF NET ASSET VALUE PER SHARE:

Net asset value, offering and redemption price per share (\$212,638,427 ÷ 3,570,343 shares outstanding)	\$ 59.56
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The accompanying notes to financial statements are an integral part of this statement.

## SCHEDULE OF INVESTMENTS

March 31, 2012 (Unaudited)

Shares	Value	Shares	Value
<b>LONG-TERM INVESTMENTS — 100.2% (a)</b>		<b>Aerospace &amp; Defense — 1.2% (Continued)</b>	
<b>COMMON STOCKS — 99.4% (a)</b>		4,000 TransDigm Group, Inc.*	\$ 463,040
<b>Aerospace &amp; Defense — 1.2%</b>		4,600 Triumph Group, Inc.	288,236
5,400 BE Aerospace, Inc.*	\$ 250,938	1,500 United Technologies Corp.	124,410
6,900 The Boeing Co.	513,153		2,648,876
600 Embraer S.A. - SP-ADR	19,188	<b>Air Freight &amp; Logistics — 0.6%</b>	
1,200 Esterline Technologies Corp.*	85,752	1,300 C. H. Robinson Worldwide, Inc.	85,137
1,200 General Dynamics Corp.	88,056	2,800 Expeditors International	
7,800 Hexcel Corp.*	187,278	of Washington, Inc.	130,228
6,100 Honeywell International Inc.	372,405	4,900 FedEx Corp.	450,604
600 Precision Castparts Corp.	103,740	6,800 United Parcel Service, Inc. Cl B	548,896
900 Raytheon Co.	47,502		1,214,865
4,300 Spirit AeroSystems Holdings Inc.*	105,178		

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

## Reynolds Blue Chip Growth Fund

**SCHEDULE OF INVESTMENTS (Continued)**

March 31, 2012 (Unaudited)

Shares	Value	Shares	Value
<b>LONG-TERM INVESTMENTS — 100.2% (a) (Continued)</b>		<b>Beverages — 2.1% (Continued)</b>	
<b>COMMON STOCKS — 99.4% (a) (Continued)</b>		3,600 Coca-Cola Femsa, S.A.B. de C.V. - SP-ADR .....	\$ 381,276
<b>Airlines — 0.4%</b>		1,900 Compania Cervecerias Unidas S.A. - SP-ADR .....	149,511
3,600 Alaska Air Group, Inc.* .....	\$ 128,952	6,100 Constellation Brands, Inc.* .....	143,899
2,000 Allegiant Travel Co.* .....	109,000	2,000 Cott Corp.* .....	13,180
1,500 China Eastern Airlines Corporation Ltd. - SP-ADR* .....	24,750	6,200 Diageo PLC - SP-ADR .....	598,300
3,200 China Southern Airlines Company Ltd. - SP-ADR* .....	75,616	6,200 Dr Pepper Snapple Group, Inc. ....	249,302
500 Copa Holdings S.A. CI A .....	39,600	6,100 Fomento Economico Mexicano, S.A.B. de C.V. - SP-ADR .....	501,847
4,600 Delta Air Lines, Inc.* .....	45,586	22,000 Monster Beverage Corporation* .....	1,365,980
10,600 Hawaiian Holdings, Inc.* .....	55,438	900 PepsiCo, Inc. ....	59,715
9,600 JetBlue Airways Corp.* .....	46,944		4,426,007
1,800 Ryanair Holdings PLC - SP-ADR* .....	65,304		
11,300 Southwest Airlines Co. ....	93,112	<b>Biotechnology — 1.9%</b>	
6,100 Spirit Airlines Inc.* .....	122,427	5,600 Affymax Inc.* .....	65,744
10,300 US Airways Group, Inc.* .....	78,177	7,100 Alexion Pharmaceuticals, Inc.* .....	659,306
	884,906	4,500 Alkermes PLC* .....	83,475
<b>Auto Components — 0.6%</b>		500 Amgen Inc. ....	33,995
7,200 BorgWarner, Inc.* .....	607,248	2,700 Amylin Pharmaceuticals, Inc.* .....	67,392
1,900 China Automotive Systems, Inc.* .....	12,996	1,200 Arena Pharmaceuticals, Inc.* .....	3,684
1,700 Delphi Automotive PLC* .....	53,720	32,700 ARIAD Pharmaceuticals, Inc.* .....	521,565
4,200 Johnson Controls, Inc. ....	136,416	11,900 BioCryst Pharmaceuticals, Inc.* .....	57,477
1,000 Magna International Inc. ....	47,740	300 Biogen Idec Inc.* .....	37,791
4,100 Tenneco Inc.* .....	152,315	4,500 BioMarin Pharmaceutical Inc.* .....	154,125
3,700 TRW Automotive Holdings Corp.* .....	171,865	6,000 Celgene Corp.* .....	465,120
	1,182,300	11,000 Cell Therapeutics, Inc.* .....	14,300
<b>Automobiles — 0.6%</b>		11,700 Dendreon Corp.* .....	124,664
11,500 Ford Motor Co. ....	143,635	5,500 Gilead Sciences, Inc.* .....	268,675
4,200 General Motors Co.* .....	107,730	2,900 Human Genome Sciences, Inc.* .....	23,896
6,700 Harley-Davidson, Inc. ....	328,836	20,200 Incyte Corp.* .....	389,860
5,800 Honda Motor Co., Ltd. - SP-ADR .....	222,894	4,100 InterMune, Inc.* .....	60,147
12,300 Tata Motors Ltd. - SP-ADR .....	331,731	1,400 Medivation Inc.* .....	104,608
2,000 Tesla Motors, Inc.* .....	74,480	2,500 Myriad Genetics, Inc.* .....	59,150
1,900 Toyota Motor Corp. - SP-ADR .....	164,958	5,000 Orexigen Therapeutics Inc.* .....	20,500
	1,374,264	4,500 Pharmacyclics, Inc.* .....	124,920
<b>Beverages — 2.1%</b>		1,800 Regeneron Pharmaceuticals, Inc.* .....	209,916
4,800 Anheuser-Busch InBev N.V. - SP-ADR .....	349,056	10,300 SciClone Pharmaceuticals, Inc.* .....	64,993
2,200 The Boston Beer Company, Inc.* .....	234,938	4,900 Seattle Genetics, Inc.* .....	99,862
2,300 The Coca-Cola Co. ....	170,223	2,000 Threshold Pharmaceuticals Inc.* .....	17,600
7,300 Coca-Cola Enterprises Inc. ....	208,780	3,900 United Therapeutics Corporation* .....	183,807
		1,100 Vertex Pharmaceuticals Inc.* .....	45,111

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



## Reynolds Blue Chip Growth Fund

**SCHEDULE OF INVESTMENTS (Continued)**

March 31, 2012 (Unaudited)

Shares		Value	Shares		Value
<b>LONG-TERM INVESTMENTS — 100.2% (a) (Continued)</b>			<b>Chemicals — 3.4% (Continued)</b>		
<b>COMMON STOCKS — 99.4% (a) (Continued)</b>					
<b>Biotechnology — 1.9% (Continued)</b>					
7,300	Vical Inc.*	\$ 24,820	1,500	Albemarle Corporation	\$ 95,880
		3,986,503	1,300	CF Industries Holdings, Inc.	237,445
<b>Building Products — 0.2%</b>			5,200	The Dow Chemical Co.	180,128
900	Armstrong World Industries, Inc.*	43,893	5,800	E.I. du Pont de Nemours and Co.	306,820
8,000	Fortune Brands Home & Security Inc.*	176,560	5,800	Eastman Chemical Co.	299,802
13,000	Masco Corp.	173,810	4,093	Ecolab Inc.	252,620
1,200	Owens Corning Inc.*	43,236	7,300	Ferro Corporation*	43,362
4,100	USG Corporation*	70,520	4,300	FMC Corporation	455,198
		508,019	12,500	W.R. Grace & Co.*	722,500
<b>Capital Markets — 1.7%</b>			4,100	Huntsman Corporation	57,441
1,100	Affiliated Managers Group, Inc.*	122,991	4,500	International Flavors & Fragrances Inc.	263,700
1,900	Ameriprise Financial, Inc.	108,547	3,700	Intrepid Potash, Inc.*	90,021
3,600	BGC Partners, Inc.	26,604	3,800	Koppers Holdings, Inc.	146,528
500	BlackRock, Inc.	102,450	6,700	Kraton Performance Polymers, Inc.*	178,019
1,100	Deutsche Bank AG	54,769	3,700	Kronos Worldwide, Inc.	92,278
13,700	E*Trade Financial Corp.*	150,015	9,700	LyondellBasell Industries N.V.	423,405
4,900	Financial Engines, Inc.*	109,564	8,600	Monsanto Company	685,936
2,500	Franklin Resources, Inc.	310,075	5,300	The Mosaic Company	293,037
5,300	The Goldman Sachs Group, Inc.	659,161	1,000	NewMarket Corporation	187,400
4,400	Invesco Limited	117,348	7,700	Olin Corp.	167,475
19,200	Janus Capital Group Inc.	171,072	5,200	Potash Corporation of Saskatchewan Inc.	237,588
900	Jefferies Group, Inc.	16,956	3,600	PPG Industries, Inc.	344,880
4,200	Legg Mason, Inc.	117,306	3,100	Praxair, Inc.	355,384
8,000	Morgan Stanley	157,120	6,200	RPM International, Inc.	162,378
3,700	Piper Jaffray Companies, Inc.*	98,494	800	The Scotts Miracle-Gro Company	43,328
5,100	T. Rowe Price Group Inc.	333,030	3,800	Sigma-Aldrich Corp.	277,628
4,700	Raymond James Financial, Inc.	171,691	3,800	The Valspar Corp.	183,502
1,000	Safeguard Scientifics, Inc.*	17,200			7,239,307
7,200	The Charles Schwab Corporation	103,464	<b>Commercial Banks — 1.1%</b>		
1,200	SEI Investments Co.	24,828	400	Bank of Hawaii Corp.	19,340
4,200	State Street Corp.	191,100	6,800	Bank of the Ozarks, Inc.	212,568
8,300	TD Ameritrade Holding Corp.	163,842	3,400	Barclays PLC - SP-ADR	51,510
1,600	Virtus Investment Partners Inc.*	137,248	4,100	BB&T Corp.	128,699
1,900	Waddell & Reed Financial, Inc.	61,579	6,200	Citizens Republic Bancorp, Inc.*	96,782
		3,526,454	7,900	East West Bancorp, Inc.	182,411
<b>Chemicals — 3.4%</b>			19,300	Fifth Third Bancorp	271,165
2,700	Agrium Inc.	233,199	1,600	Hudson City Bancorp, Inc.	11,696
2,500	Airgas, Inc.	222,425	18,500	Huntington Bancshares Inc.	119,325
			15,400	KeyCorp	130,900

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

## Reynolds Blue Chip Growth Fund

**SCHEDULE OF INVESTMENTS (Continued)**

March 31, 2012 (Unaudited)

Shares	Value	Shares	Value
<b>LONG-TERM INVESTMENTS — 100.2% (a) (Continued)</b>		<b>Communications Equipment — 2.8% (Continued)</b>	
<b>COMMON STOCKS — 99.4% (a) (Continued)</b>		3,500	Infinera Corporation* ..... \$ 28,420
<b>Commercial Banks — 1.1% (Continued)</b>		2,900	Ituran Location and Control Ltd. .... 38,976
600	PNC Financial Services Group, Inc. .... \$ 38,694	43,400	JDS Uniphase Corp.* ..... 628,866
29,800	Regions Financial Corp. .... 196,382	5,400	Juniper Networks, Inc.* ..... 123,552
6,600	SunTrust Banks, Inc. .... 159,522	1,820	Loral Space &
5,000	Synovus Financial Corp. .... 10,250		Communications Inc.* ..... 144,872
1,000	Texas Capital Bancshares, Inc.* ..... 34,620	3,800	Motorola Solutions, Inc. .... 193,154
1,100	The Toronto-Dominion Bank ..... 93,445	7,700	NETGEAR, Inc.* ..... 294,140
8,000	U.S. Bancorp ..... 253,440	3,500	Plantronics, Inc. .... 140,910
3,600	Wells Fargo & Co. .... 122,904	9,000	Polycom, Inc.* ..... 171,630
4,600	Zions Bancorporation ..... 98,716	5,100	Procera Networks, Inc.* ..... 114,036
		15,700	QUALCOMM, Inc. .... 1,067,914
	2,232,369	1,200	RADWARE Ltd.* ..... 44,928
<b>Commercial Services &amp; Supplies — 0.7%</b>		10,600	Riverbed Technology, Inc.* ..... 297,648
3,600	Cintas Corp. .... 140,832	500	Tellabs, Inc. .... 2,025
7,800	Copart, Inc.* ..... 203,346	3,400	ViaSat, Inc.* ..... 163,914
10,800	A.T. Cross Company* ..... 130,032	1,400	Westell Technologies, Inc.* ..... 3,262
3,600	R.R. Donnelley & Sons Company ..... 44,604		6,022,758
4,600	Iron Mountain Incorporated ..... 132,480	<b>Computers &amp; Peripherals — 7.9%</b>	
6,400	KAR Auction Services Inc.* ..... 103,744	24,550	Apple Inc.* ..... 14,716,989
3,900	Herman Miller, Inc. .... 89,544	5,700	Dell Inc.* ..... 94,620
600	Progressive Waste Solutions Ltd. .... 13,008	17,600	EMC Corp.* ..... 525,888
13,400	RINO International Corp.* ..... 804	1,200	Fusion-io Inc.* ..... 34,092
11,350	Rollins, Inc. .... 241,528	1,000	International Business
4,700	The Standard Register Co. .... 5,875		Machines Corp. .... 208,650
800	Stericycle, Inc.* ..... 66,912	1,400	Lexmark International, Inc. .... 46,536
8,200	Waste Connections, Inc. .... 266,746	6,100	NetApp, Inc.* ..... 273,097
1,200	Waste Management, Inc. .... 41,952	8,300	QLogic Corp.* ..... 147,408
	1,481,407	4,100	SanDisk Corp.* ..... 203,319
<b>Communications Equipment — 2.8%</b>		4,400	Seagate Technology PLC ..... 118,580
3,600	Acme Packet, Inc.* ..... 99,072	3,000	Silicon Graphics
3,900	ADTRAN, Inc. .... 121,641		International Corporation* ..... 29,040
5,300	Alcatel-Lucent - SP-ADR* ..... 12,031	1,000	STEC Inc.* ..... 9,440
6,200	Aruba Networks Inc.* ..... 138,136	2,100	Teradata Corp.* ..... 143,115
14,700	Brocade Communications	7,700	Western Digital Corp.* ..... 318,703
	Systems, Inc.* ..... 84,525		16,869,477
29,900	Ciena Corp.* ..... 484,081	<b>Construction &amp; Engineering — 0.5%</b>	
5,400	Cisco Systems, Inc. .... 114,210	7,100	Chicago Bridge & Iron
12,400	L.M. Ericsson Telephone Co. .... 127,844		Company N. V. NYS ..... 306,649
7,000	F5 Networks, Inc.* ..... 944,720	4,500	Fluor Corp. .... 270,180
17,275	Finisar Corp.* ..... 348,091	6,100	Foster Wheeler AG* ..... 138,836
2,000	Harris Corp. .... 90,160		

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

## Reynolds Blue Chip Growth Fund

**SCHEDULE OF INVESTMENTS (Continued)**

March 31, 2012 (Unaudited)

Shares	Value
<b>LONG-TERM INVESTMENTS — 100.2% (a) (Continued)</b>	
<b>COMMON STOCKS — 99.4% (a) (Continued)</b>	
<b>Construction &amp; Engineering — 0.5% (Continued)</b>	
5,300 Jacobs Engineering Group Inc.* .....	\$ 235,161
2,300 The Shaw Group Inc.* .....	72,933
	<u>1,023,759</u>
<b>Construction Materials — 0.0%</b>	
1,400 Vulcan Materials Company .....	59,822
<b>Consumer Finance — 0.7%</b>	
8,300 American Express Co. ....	480,238
2,800 Capital One Financial Corp. ....	156,072
800 Credit Acceptance Corporation* .....	80,808
23,900 Discover Financial Services .....	796,826
	<u>1,513,944</u>
<b>Consumer Services – Diversified — 0.1%</b>	
4,300 Coinstar, Inc.* .....	273,265
1,000 Sotheby's .....	39,340
	<u>312,605</u>
<b>Containers &amp; Packaging — 0.4%</b>	
6,700 Ball Corp. ....	287,296
32,500 Boise, Inc. ....	266,825
5,500 Crown Holdings, Inc.* .....	202,565
1,000 Owens-Illinois, Inc.* .....	23,340
	<u>780,026</u>
<b>Distributors — 0.2%</b>	
7,700 Genuine Parts Co. ....	483,175
<b>Electric Utilities — 0.2%</b>	
1,200 CPFL Energia S.A. - ADR .....	36,300
4,700 Exelon Corporation .....	184,287
3,100 Progress Energy, Inc. ....	164,641
	<u>385,228</u>
<b>Electrical Equipment — 0.9%</b>	
1,700 The Babcock & Wilcox Co.* .....	43,775
3,800 Cooper Industries PLC .....	243,010
3,800 Emerson Electric Co. ....	198,284
8,100 Hubbell Incorporated, CL B .....	636,498
2,500 Rockwell Automation, Inc. ....	199,250
2,800 Roper Industries, Inc. ....	277,648
3,800 Sensata Technologies Holding N.V.* ..	127,224

Shares	Value
<b>Electrical Equipment — 0.9% (Continued)</b>	
2,400 A.O. Smith Corp. ....	\$ 107,880
	<u>1,833,569</u>
<b>Electronic Equipment, Instruments &amp; Components — 1.5%</b>	
6,900 Agilent Technologies, Inc.* .....	307,119
1,000 Amphenol Corporation .....	59,770
1,700 Arrow Electronics, Inc.* .....	71,349
3,400 Coherent, Inc.* .....	198,322
7,000 Flextronics International Ltd.* .....	50,610
3,500 FLIR Systems, Inc. ....	88,585
1,700 Hitachi, Ltd. ....	109,973
8,100 InvenSense Inc.* .....	146,610
1,000 Itron, Inc.* .....	45,410
12,000 Jabil Circuit, Inc. ....	301,440
10,900 LeCroy Corporation* .....	113,251
2,000 LG Display Company Ltd. - ADR* ....	23,540
2,100 Littelfuse, Inc. ....	131,670
1,800 Maxwell Technologies, Inc.* .....	32,994
4,000 Molex Inc. ....	112,480
7,100 OSI Systems, Inc.* .....	435,230
2,000 Park Electrochemical Corp. ....	60,460
1,300 PC Connection, Inc. ....	10,686
12,800 Sanmina-SCI Corp.* .....	146,560
2,100 TE Connectivity Limited .....	77,175
3,400 Tech Data Corp.* .....	184,484
4,900 Trimble Navigation Ltd.* .....	266,658
1,300 Universal Display Corporation* .....	47,489
6,800 Vishay Intertechnology, Inc.* .....	82,688
	<u>3,104,553</u>
<b>Energy Equipment &amp; Services — 2.0%</b>	
3,400 Atwood Oceanics, Inc.* .....	152,626
1,400 Baker Hughes Inc. ....	58,716
3,100 Cameron International Corp.* .....	163,773
11,700 CGG-Veritas - SP-ADR* .....	348,192
2,900 Diamond Offshore Drilling, Inc. ....	193,575
2,000 Dresser-Rand Group, Inc.* .....	92,780
7,000 FMC Technologies, Inc.* .....	352,940
3,300 Halliburton Co. ....	109,527
2,600 Helmerich & Payne, Inc. ....	140,270
3,200 Hercules Offshore, Inc.* .....	15,136
3,800 Lufkin Industries, Inc. ....	306,470

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

## Reynolds Blue Chip Growth Fund

**SCHEDULE OF INVESTMENTS (Continued)**

March 31, 2012 (Unaudited)

Shares	Value	Shares	Value
<b>LONG-TERM INVESTMENTS — 100.2% (a) (Continued)</b>		<b>Food &amp; Staples Retailing — 1.4% (Continued)</b>	
<b>COMMON STOCKS — 99.4% (a) (Continued)</b>		13,500	Whole Foods Market, Inc. .... \$ 1,123,200
<b>Energy Equipment &amp; Services — 2.0% (Continued)</b>			2,913,234
8,870	Nabors Industries Ltd.* ..... \$ 155,136	<b>Food Products — 1.2%</b>	
4,400	National-Oilwell Varco Inc. .... 349,668	4,500	B & G Foods Inc. .... 101,295
4,800	Newpark Resources, Inc.* ..... 39,312	700	Bunge Limited ..... 47,908
2,600	Oceaneering International, Inc. .... 140,114	2,600	Chiquita Brands International, Inc.* ... 22,854
2,000	Oil States International, Inc.* ..... 156,120	3,500	Diamond Foods, Inc. .... 79,870
16,700	Parker Drilling Co.* ..... 99,699	2,800	Green Mountain
5,900	Patterson-UTI Energy, Inc. .... 102,011		Coffee Roasters, Inc.* ..... 131,152
3,100	Pioneer Drilling Company* ..... 27,280	13,100	The Hain Celestial Group, Inc.* ..... 573,911
8,300	Precision Drilling Corporation* ..... 83,249	6,200	McCormick & Company, Inc. .... 337,466
10,000	Rowan Companies, Inc.* ..... 329,300	3,700	Mead Johnson Nutrition Company .... 305,176
3,300	Schlumberger Ltd. .... 230,769	800	Post Holdings Inc.* ..... 26,344
2,500	Seadrill Ltd. .... 93,775	1,600	Ralcorp Holdings, Inc.* ..... 118,544
2,900	Tenaris S.A. - SP-ADR ..... 110,867	800	Sanderson Farms, Inc. .... 42,424
6,000	Transocean Ltd. .... 328,200	3,900	Sara Lee Corp. .... 83,967
1,800	Weatherford International Ltd.* ..... 27,162	5,700	The J.M. Smucker Co. .... 463,752
	4,206,667	4,300	Unilever PLC - SP-ADR ..... 142,115
<b>Financial Services – Diversified — 0.8%</b>			2,476,778
21,300	Bank of America Corp. .... 203,841	<b>Health Care Equipment &amp; Supplies — 1.6%</b>	
5,200	Citigroup Inc. .... 190,060	1,400	C.R. Bard, Inc. .... 138,208
400	CME Group Inc. .... 115,732	1,500	Baxter International Inc. .... 89,670
3,200	ING Groep N.V. - SP-ADR* ..... 26,624	1,400	Becton, Dickinson & Co. .... 108,710
12,200	JPMorgan Chase & Co. .... 560,956	300	Cyberonics, Inc.* ..... 11,439
5,800	Leucadia National Corporation ..... 151,380	1,200	DENTSPLY International Inc. .... 48,156
3,800	Moody's Corporation ..... 159,980	4,000	Edwards Lifesciences Corp.* ..... 290,920
1,200	The NASDAQ OMX Group, Inc.* ..... 31,080	10,500	Endologix, Inc.* ..... 153,825
13,800	NewStar Financial, Inc.* ..... 153,456	7,000	Haemonetics Corporation* ..... 487,760
3,500	NYSE Euronext ..... 105,035	6,200	Hologic, Inc.* ..... 133,610
	1,698,144	4,200	IDEXX Laboratories, Inc.* ..... 367,290
<b>Food &amp; Staples Retailing — 1.4%</b>		500	Intuitive Surgical, Inc.* ..... 270,875
2,800	Casey's General Stores, Inc. .... 155,288	6,700	Medtronic, Inc. .... 262,573
5,400	Costco Wholesale Corp. .... 490,320	1,800	Sirona Dental Systems, Inc.* ..... 92,772
13,800	The Great Atlantic &	8,600	The Spectranetics Corporation* ..... 89,440
	Pacific Tea Company, Inc.* (b) ..... —	5,000	St. Jude Medical, Inc. .... 221,550
9,400	PriceSmart, Inc. .... 684,414	4,300	Stryker Corp. .... 238,564
2,800	Rite Aid Corporation* ..... 4,872	6,400	Varian Medical Systems, Inc.* ..... 441,344
7,000	United Natural Foods, Inc.* ..... 326,620		3,446,706
2,100	Wal-Mart Stores, Inc. .... 128,520	<b>Health Care Providers &amp; Services — 3.0%</b>	
		6,100	Aetna Inc. .... 305,976
		3,100	AMERIGROUP Corporation* ..... 208,568

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

## Reynolds Blue Chip Growth Fund

**SCHEDULE OF INVESTMENTS (Continued)**

March 31, 2012 (Unaudited)

Shares	Value	Shares	Value
<b>LONG-TERM INVESTMENTS — 100.2% (a) (Continued)</b>		<b>Home Building — 0.6% (Continued)</b>	
<b>COMMON STOCKS — 99.4% (a) (Continued)</b>		7,100 D.R. Horton, Inc. ....	\$ 107,707
<b>Health Care Providers &amp; Services — 3.0% (Continued)</b>		4,300 Hovnanian Enterprises, Inc. CI A* ....	10,535
5,500 Centene Corporation* .....	\$ 269,335	9,900 KB Home .....	88,110
6,200 CIGNA Corp. ....	305,350	14,100 Lennar Corp. ....	383,238
1,400 Community Health Systems Inc.* ....	31,136	26,500 Pulte Group Inc.* .....	234,525
6,500 Coventry Health Care, Inc. ....	231,205	11,100 The Ryland Group, Inc. ....	214,008
3,800 Express Scripts, Inc.* .....	205,884	6,000 Toll Brothers, Inc.* .....	143,940
7,000 Fresenius Medical Care			1,190,838
AG & Co. KGaA - SP-ADR .....	494,550	<b>Hotels, Restaurants &amp; Leisure — 5.6%</b>	
600 HCA Holdings, Inc. ....	14,844	2,400 7 Days Group	
20,400 Health Management		Holdings Ltd. - SP-ADR* .....	30,072
Associates, Inc.* .....	137,088	1,000 BJ's Restaurants Inc.* .....	50,350
6,200 Health Net Inc.* .....	246,264	1,000 Bob Evans Farms, Inc. ....	37,720
1,400 HEALTHSOUTH Corp.* .....	28,672	13,300 Boyd Gaming Corp.* .....	104,272
8,000 Humana Inc. ....	739,840	9,700 Brinker International, Inc. ....	267,235
700 Laboratory Corporation		2,300 Buffalo Wild Wings Inc.* .....	208,587
of America Holdings* .....	64,078	10,600 Caribou Coffee Company, Inc.* .....	197,584
4,600 LCA-Vision Inc.* .....	28,888	800 Carnival Corp. ....	25,664
1,600 Lincare Holdings Inc. ....	41,408	500 Carrols Restaurant Group Inc.* .....	7,625
1,000 Magellan Health Services, Inc.* .....	48,810	5,900 The Cheesecake Factory Inc.* .....	173,401
2,800 McKesson Corp. ....	245,756	1,700 Chipotle Mexican Grill, Inc.* .....	710,600
2,000 Medco Health Solutions, Inc.* .....	140,600	1,600 Cracker Barrel Old	
18,100 Molina Healthcare Inc.* .....	608,703	Country Store, Inc. ....	89,280
3,800 Patterson Companies Inc. ....	126,920	7,400 Darden Restaurants, Inc. ....	378,584
4,400 PSS World Medical, Inc.* .....	111,496	2,000 DineEquity, Inc.* .....	99,200
2,200 Quest Diagnostics Inc. ....	134,530	13,300 Domino's Pizza, Inc.* .....	482,790
6,400 Henry Schein, Inc.* .....	484,352	3,000 Dunkin' Brands Group Inc. ....	90,330
18,500 Tenet Healthcare Corp.* .....	98,235	2,300 Home Inns & Hotels	
5,800 UnitedHealth Group Inc. ....	341,852	Management, Inc. - SP-ADR* .....	58,673
9,300 WellCare Health Plans Inc.* .....	668,484	5,500 Hyatt Hotels Corp.* .....	234,960
900 WellPoint Inc. ....	66,420	6,400 InterContinental Hotels	
	6,429,244	Group PLC - SP-ADR .....	148,608
<b>Health Care Technology — 0.8%</b>		63,000 Jamba, Inc.* .....	130,410
4,000 athenahealth Inc.* .....	296,480	22,800 Krispy Kreme Doughnuts, Inc.* .....	166,440
10,200 Cerner Corp.* .....	776,832	9,800 Las Vegas Sands Corp.* .....	564,186
1,500 HealthStream, Inc.* .....	34,785	2,700 LIFE TIME FITNESS, Inc.* .....	136,539
1,600 Omnicell, Inc.* .....	24,336	7,700 Marriott International Inc. ....	291,445
10,600 Quality Systems, Inc. ....	463,538	3,900 Marriott Vacations	
	1,595,971	Worldwide Corporation* .....	111,189
<b>Home Building — 0.6%</b>		600 McDonald's Corp. ....	58,860
2,700 Beazer Homes USA, Inc.* .....	8,775		

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

## Reynolds Blue Chip Growth Fund

**SCHEDULE OF INVESTMENTS (Continued)**

March 31, 2012 (Unaudited)

Shares	Value	Shares	Value
<b>LONG-TERM INVESTMENTS — 100.2% (a) (Continued)</b>		<b>Household Durables — 1.5% (Continued)</b>	
<b>COMMON STOCKS — 99.4% (a) (Continued)</b>		500 Whirlpool Corporation	\$ 38,430
<b>Hotels, Restaurants &amp; Leisure — 5.6% (Continued)</b>			3,164,066
7,000 Melco Crown		<b>Household Products — 0.2%</b>	
Entertainment Ltd. - SP-ADR* . . . . .	\$ 95,270	5,200 Church & Dwight Co., Inc. . . . .	255,788
33,700 MGM Resorts International* . . . . .	458,994	900 Colgate-Palmolive Co. . . . .	88,002
10,600 P.F. Chang's China Bistro, Inc. . . . .	418,912	1,000 Energizer Holdings, Inc.* . . . . .	74,180
5,100 Panera Bread Co.* . . . . .	820,692	1,100 WD-40 Co. . . . .	49,885
12,600 Papa John's International, Inc.* . . . . .	474,516		467,855
10,100 Peet's Coffee & Tea Inc.* . . . . .	744,370	<b>Industrial Conglomerates — 0.3%</b>	
1,000 Penn National Gaming, Inc.* . . . . .	42,980	1,600 3M Co. . . . .	142,736
800 Red Robin Gourmet Burgers Inc.* . . . . .	29,752	1,500 General Electric Co. . . . .	30,105
4,100 Royal Caribbean Cruises Ltd. . . . .	120,663	13,400 McDermott International, Inc.* . . . . .	171,654
32,700 Ruth's Hospitality Group Inc.* . . . . .	248,193	10,400 Textron Inc. . . . .	289,432
9,500 Shuffle Master, Inc.* . . . . .	167,200	1,800 Tyco International Ltd. . . . .	101,124
12,600 Starbucks Corp. . . . .	704,214		735,051
6,000 Starwood Hotels &		<b>Insurance — 1.0%</b>	
Resorts Worldwide, Inc. . . . .	338,460	1,000 Aflac, Inc. . . . .	45,990
5,300 Tim Hortons, Inc. . . . .	283,762	900 The Allstate Corporation . . . . .	29,628
12,200 Wyndham Worldwide Corp. . . . .	567,422	25,000 Ambac Financial Group, Inc.* . . . . .	1,000
3,100 Wynn Resorts Ltd. . . . .	387,128	1,500 American International Group, Inc.* . . . . .	46,245
17,500 Yum! Brands, Inc. . . . .	1,245,650	400 Berkshire Hathaway Inc. Cl B* . . . . .	32,460
	12,002,782	1,900 The Chubb Corporation . . . . .	131,309
<b>Household Durables — 1.5%</b>		6,700 Arthur J. Gallagher & Co. . . . .	239,458
5,600 Ethan Allen Interiors Inc. . . . .	141,792	10,500 Genworth Financial Inc.* . . . . .	87,360
4,200 Garmin Ltd. . . . .	197,190	3,200 The Hartford Financial	
3,800 Harman International		Services Group, Inc. . . . .	67,456
Industries, Inc. . . . .	177,878	6,200 Marsh & McLennan	
5,300 iRobot Corporation* . . . . .	144,478	Companies, Inc. . . . .	203,298
1,100 Jarden Corporation . . . . .	44,253	19,900 MBIA Inc.* . . . . .	195,020
18,900 La-Z-Boy Inc.* . . . . .	282,744	3,500 MetLife, Inc. . . . .	130,725
1,200 Leggett & Platt, Incorporated . . . . .	27,612	6,300 Prudential Financial, Inc. . . . .	399,357
2,600 M.D.C. Holdings, Inc. . . . .	67,054	8,100 Torchmark Corp. . . . .	403,785
700 Mohawk Industries, Inc.* . . . . .	46,557	2,800 The Travelers Companies, Inc. . . . .	165,760
11,400 Newell Rubbermaid Inc. . . . .	203,034		2,178,851
3,000 Panasonic Corporation . . . . .	27,750	<b>Internet &amp; Catalog Retail — 1.1%</b>	
5,400 SodaStream International Ltd.* . . . . .	181,872	1,200 Amazon.com, Inc.* . . . . .	243,012
1,000 Sony Corp. - SP-ADR . . . . .	20,770	800 Blue Nile, Inc.* . . . . .	26,384
4,330 Stanley Black & Decker Inc. . . . .	333,237	6,100 Expedia, Inc. . . . .	203,984
10,500 Tempur-Pedic International Inc.* . . . . .	886,515	1,300 Groupon, Inc.* . . . . .	23,894
5,400 Tupperware Brands Corp. . . . .	342,900	2,700 Liberty Interactive Corporation Cl A* . . . . .	51,543

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



## Reynolds Blue Chip Growth Fund

**SCHEDULE OF INVESTMENTS (Continued)**

March 31, 2012 (Unaudited)

Shares	Value	Shares	Value
<b>LONG-TERM INVESTMENTS — 100.2% (a) (Continued)</b>		<b>IT Services — 2.3% (Continued)</b>	
<b>COMMON STOCKS — 99.4% (a) (Continued)</b>			
<b>Internet &amp; Catalog Retail — 1.1% (Continued)</b>			
2,600 Netflix Inc.*	\$ 299,104	8,900 Cognizant Technology Solutions Corp.*	\$ 684,855
1,650 Priceline.com Inc.*	1,183,875	1,400 Computer Sciences Corporation	41,916
2,100 Shutterfly, Inc.*	65,793	4,900 DST Systems, Inc.	265,727
6,000 TripAdvisor Inc.*	214,020	1,400 Fidelity National Information Services, Inc.	46,368
	2,311,609	3,600 Fiserv, Inc.*	249,804
<b>Internet Software &amp; Services — 2.4%</b>		9,200 Gartner, Inc.*	392,288
2,300 Akamai Technologies, Inc.*	84,410	1,200 Genpact Limited*	19,560
2,900 Baidu, Inc. - SP-ADR*	422,733	6,000 Infosys Ltd. - SP-ADR	342,180
1,800 BroadVision, Inc.*	51,228	2,200 InterXion Holding N.V.*	39,490
14,600 eBay Inc.*	538,594	1,200 Mastercard, Inc.	504,648
1,500 Equinix, Inc.*	236,175	2,400 MAXIMUS, Inc.	97,608
1,350 Google Inc.*	865,674	3,600 Paychex, Inc.	111,564
4,300 IAC/InterActiveCorp	211,087	13,400 Sapient Corp.	166,830
11,500 Internet Initiative Japan Inc. - SP-ADR	101,775	9,200 Satyam Computer Services Ltd. - SP-ADR*(b)	25,628
1,200 LinkedIn Corporation*	122,388	1,000 Total System Services, Inc.	23,070
4,600 Liquidity Services Inc.*	206,080	9,000 VeriFone Systems, Inc.*	466,830
1,400 LogMeIn, Inc.*	49,322	6,500 Visa Inc.	767,000
2,500 MercadoLibre Inc.	244,475		4,941,409
6,700 Monster Worldwide, Inc.*	65,325	<b>Leisure Equipment &amp; Products — 0.4%</b>	
2,400 NetEase.com Inc. - SP-ADR*	139,440	40,900 Eastman Kodak Co.*	13,047
1,000 Open Text Corporation*	61,150	12,900 Mattel, Inc.	434,214
1,000 OpenTable, Inc.*	40,470	1,600 Smith & Wesson Holding Corporation*	12,400
2,700 Openwave Systems Inc.*	6,129	6,700 Sturm, Ruger & Company, Inc.	328,970
7,500 Rackspace Hosting, Inc.*	433,425		788,631
8,900 Rediff.com India Limited - SP-ADR*	60,609	<b>Life Sciences Tools &amp; Services — 0.4%</b>	
1,800 SINA Corp.*	117,000	9,600 Affymetrix, Inc.*	40,992
3,900 Sohu.com Inc.*	215,163	6,600 Bruker Corp.*	101,046
5,300 Travelzoo Inc.*	121,900	1,800 Cambrex Corp.*	12,582
16,900 ValueClick, Inc.*	333,606	400 Complete Genomics Inc.*	1,128
1,600 VeriSign, Inc.	61,344	1,500 Life Technologies Corporation*	73,230
3,800 VistaPrint N.V.*	146,870	1,000 Mettler-Toledo International Inc.*	184,750
2,000 Youku.com Inc.*	43,980	6,900 Parexel International Corp.*	186,093
3,800 Zillow, Inc.*	135,242	2,400 PerkinElmer, Inc.	66,384
	5,115,594	1,800 Thermo Fisher Scientific, Inc.*	101,484
<b>IT Services — 2.3%</b>		1,200 Waters Corp.*	111,192
3,100 Accenture PLC	199,950		878,881
2,900 Alliance Data Systems Corporation*	365,284		
2,100 CACI International Inc.*	130,809		

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

## Reynolds Blue Chip Growth Fund

**SCHEDULE OF INVESTMENTS (Continued)**

March 31, 2012 (Unaudited)

Shares	Value	Shares	Value
<b>LONG-TERM INVESTMENTS — 100.2% (a) (Continued)</b>		<b>Media — 2.9%</b>	
<b>COMMON STOCKS — 99.4% (a) (Continued)</b>			
<b>Machinery — 3.4%</b>			
4,400 AGCO Corporation*	\$ 207,724	11,700 Belo Corp.	\$ 83,889
1,100 Alamo Group Inc.	33,066	23,000 CBS Corp. CI B Non-Voting	779,930
3,300 Barnes Group Inc.	86,823	13,800 Comcast Corp.	414,138
500 Caterpillar Inc.	53,260	6,800 DIRECTV*	335,512
1,400 CNH Global N.V.*	55,580	4,100 Discovery Communications, Inc.*	207,460
4,300 Crane Co.	208,550	2,500 DISH Network Corp.	82,325
6,000 Cummins Inc.	720,240	13,400 The Walt Disney Co.	586,652
3,100 Deere & Co.	250,790	5,800 Entercom Communications Corp.*	37,642
12,000 Donaldson Company, Inc.	428,760	9,900 Focus Media	
1,700 Dover Corporation	106,998	Holding Limited - ADR*	248,688
1,400 Eaton Corp.	69,762	9,500 Gannett Co., Inc.	145,635
2,000 FreightCar America Inc.	44,980	8,100 IMAX Corp.*	197,964
5,200 Gardner Denver Inc.	327,704	14,800 The Interpublic Group	
4,700 IDEX Corporation	198,011	of Companies, Inc.	168,868
2,400 Illinois Tool Works Inc.	137,088	9,000 Liberty Media Corporation*	793,350
1,700 Ingersoll-Rand PLC	70,295	9,300 Lions Gate Entertainment Corp.*	129,456
3,100 ITT Corp.	71,114	4,900 Live Nation Entertainment, Inc.*	46,060
8,900 Joy Global Inc.	654,150	3,300 The McGraw-Hill Companies, Inc.	159,951
4,700 Kennametal Inc.	209,291	4,100 Morningstar, Inc.	258,505
800 The Manitowoc Company, Inc.	11,088	14,000 News Corp. CI B	279,720
3,600 Navistar International Corp.*	145,620	4,500 Omnicom Group Inc.	227,925
2,900 Nordson Corporation	158,079	900 Pandora Media Inc.*	9,189
2,200 Oshkosh Corporation*	50,974	185,100 Sirius XM Radio Inc.*	427,581
2,000 PACCAR Inc.	93,660	4,100 Time Warner Cable Inc.	334,150
8,400 Pall Corp.	500,892	3,500 Time Warner Inc.	132,125
6,500 Parker Hannifin Corp.	549,575	4,500 Virgin Media Inc.	112,410
2,000 Pentair, Inc.	95,220		6,199,125
3,500 Robbins & Myers, Inc.	182,175		
2,000 Sauer-Danfoss, Inc.*	94,000	<b>Metals &amp; Mining — 2.6%</b>	
6,700 Snap-On, Inc.	408,499	4,700 AK Steel Holding Corporation	35,532
9,500 Terex Corp.*	213,750	6,100 Alcoa Inc.	61,122
4,900 The Timken Company	248,626	1,600 Allegheny Technologies, Inc.	65,872
5,800 Titan International, Inc.	137,170	5,700 ArcelorMittal NYS	109,041
1,500 Valmont Industries, Inc.	176,115	17,700 AuRico Gold Inc.*	156,999
1,500 Wabtec Corporation	113,055	1,500 Avalon Rare Metals, Inc.*	4,485
2,200 Westport Innovations Inc.*	90,024	4,800 Barrick Gold Corp.	208,704
1,200 Xylem, Inc.	33,300	4,800 BHP Billiton Ltd. - SP-ADR	347,520
	7,236,008	23,200 China Precision Steel, Inc.*	10,672
		4,700 Cliffs Natural Resources Inc.	325,522
		8,300 Coeur d'Alene Mines Corp.*	197,042
		1,700 Commercial Metals Company	25,194
		5,400 Eldorado Gold Corp.	74,196

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

## Reynolds Blue Chip Growth Fund

**SCHEDULE OF INVESTMENTS (Continued)**

March 31, 2012 (Unaudited)

Shares	Value	Shares	Value
<b>LONG-TERM INVESTMENTS — 100.2% (a) (Continued)</b>		<b>Multiline Retail — 2.1%</b>	
<b>COMMON STOCKS — 99.4% (a) (Continued)</b>		4,400	Big Lots, Inc.* ..... \$ 189,288
<b>Metals &amp; Mining — 2.6% (Continued)</b>		4,200	Dillard's, Inc. .... 264,684
6,400	Freeport-McMoRan	5,000	Dollar General Corp.* ..... 231,000
	Copper & Gold Inc. .... \$ 243,456	12,400	Dollar Tree, Inc.* ..... 1,171,676
2,700	Goldcorp, Inc. .... 121,662	4,700	Family Dollar Stores, Inc. .... 297,416
24,900	Golden Star Resources Ltd.* ..... 46,314	2,300	Kohl's Corp. .... 115,069
4,200	Harmony Gold Mining	18,800	Macy's, Inc. .... 746,924
	Company Ltd. - SP-ADR ..... 45,906	15,300	Nordstrom, Inc. .... 852,516
16,300	Hecla Mining Co. .... 75,306	1,000	J.C. Penney Company, Inc. .... 35,430
2,500	IAMGOLD Corp. .... 33,225	25,100	Saks, Inc.* ..... 291,411
2,100	Ivanhoe Mines Ltd.* ..... 33,054	700	Sears Holdings Corporation* ..... 46,375
7,600	Kinross Gold Corp. .... 74,404	3,000	Target Corp. .... 174,810
1,200	Mechel - SP-ADR ..... 10,776		4,416,599
5,500	Molycorp, Inc.* ..... 186,065	<b>Multi-Utilities — 0.1%</b>	
14,800	New Gold Inc.* ..... 146,224	2,200	CMS Energy Corporation ..... 48,400
27,200	NovaGold Resources Inc.* ..... 195,296	6,700	NiSource Inc. .... 163,145
4,800	Nucor Corp. .... 206,160		211,545
5,900	Pan American Silver Corp. .... 130,154	<b>Office Electronics — 0.0%</b>	
11,500	Paramount Gold	1,500	Zebra Technologies Corporation* ..... 61,770
	and Silver Corporation* ..... 25,990	<b>Oil, Gas &amp; Consumable Fuels — 3.5%</b>	
1,175	Pilot Gold Inc.* ..... 2,132	4,300	Anadarko Petroleum Corp. .... 336,862
700	Randgold Resources Ltd. .... 61,586	2,100	Apache Corp. .... 210,924
600	Rare Element Resources Ltd.* ..... 3,768	800	BP- PLC - SP-ADR ..... 36,000
2,200	Rio Tinto PLC - SP-ADR ..... 122,298	1,500	Cabot Oil & Gas Corp. .... 46,755
4,700	RTI International Metals, Inc.* ..... 108,382	2,200	Canadian Natural Resources Ltd. .... 72,996
10,100	Silver Standard Resources Inc.* ..... 151,904	4,100	Carrizo Oil & Gas, Inc.* ..... 115,866
12,500	Silver Wheaton Corp. .... 415,000	4,100	Cenovus Energy Inc. .... 147,354
3,000	Silvercorp Metals Inc. .... 20,670	2,900	Cheniere Energy, Inc.* ..... 43,442
5,700	Southern Copper Corp. .... 180,747	11,600	Clean Energy Fuels Corporation* ..... 246,848
2,500	Steel Dynamics, Inc. .... 36,350	5,200	Cobalt International Energy, Inc.* ..... 156,156
2,100	Stillwater Mining Company* ..... 26,544	2,700	Concho Resources Inc.* ..... 275,616
1,113	SunCoke Energy, Inc.* ..... 15,816	4,000	ConocoPhillips ..... 304,040
17,500	Taseko Mines Ltd.* ..... 61,600	3,000	Continental Resources, Inc.* ..... 257,460
3,300	Teck Resources Ltd. CI B ..... 117,678	3,100	Denbury Resources Inc.* ..... 56,513
800	Ternium S.A. - SP-ADR ..... 18,944	2,800	Enbridge Inc. .... 108,780
5,200	Titanium Metals Corp. .... 70,512	2,400	EnCana Corp. .... 47,160
9,100	United States Steel Corp. .... 267,267	800	EOG Resources, Inc. .... 88,880
8,000	Vale S.A. - SP-ADR ..... 186,640	9,500	GeoResources, Inc.* ..... 311,030
1,500	Walter Energy, Inc. .... 88,815	1,000	Gulfport Energy Corporation* ..... 29,120
24,400	Yamana Gold Inc. .... 381,128	3,000	Hess Corp. .... 176,850
	5,533,674		

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

## Reynolds Blue Chip Growth Fund

**SCHEDULE OF INVESTMENTS (Continued)**

March 31, 2012 (Unaudited)

Shares	Value	Shares	Value
<b>LONG-TERM INVESTMENTS — 100.2% (a) (Continued)</b>		<b>Personal Products — 1.1%</b>	
<b>COMMON STOCKS — 99.4% (a) (Continued)</b>		8,700 Elizabeth Arden, Inc.* .....	\$ 304,326
<b>Oil, Gas &amp; Consumable Fuels — 3.5% (Continued)</b>		16,900 Herbalife Ltd. ....	1,163,058
8,800 HollyFrontier Corporation .....	\$ 282,920	3,300 The Estee Lauder Companies Inc. ....	204,402
28,500 Ivanhoe Energy, Inc.* .....	29,925	3,300 Medifast, Inc.* .....	57,618
29,100 Kodiak Oil & Gas Corp.* .....	289,836	2,800 Nu Skin Enterprises, Inc. ....	162,148
3,900 Marathon Oil Corp. ....	123,630	600 Nutrisystem, Inc. ....	6,738
4,650 Marathon Petroleum Corporation .....	201,624	8,300 Revlon, Inc.* .....	143,175
3,500 McMoRan Exploration Co.* .....	37,450	3,800 Weight Watchers International, Inc. ..	293,322
1,900 Murphy Oil Corp. ....	106,913		2,334,787
3,100 Newfield Exploration Co.* .....	107,508	<b>Pharmaceuticals — 2.5%</b>	
1,600 Noble Energy, Inc. ....	156,448	4,200 Abbott Laboratories .....	257,418
1,500 Oasis Petroleum Inc.* .....	46,245	3,700 Allergan, Inc. ....	353,091
4,700 Occidental Petroleum Corp. ....	447,581	1,800 AstraZeneca PLC - SP-ADR .....	80,082
7,900 Patriot Coal Corp.* .....	49,296	1,000 Bayer AG - SP-ADR .....	70,290
1,500 Peabody Energy Corp. ....	43,440	4,600 Dr. Reddy's Laboratories	
600 PetroChina Company Ltd. ....	84,318	Ltd. - SP-ADR .....	158,976
8,200 Petroleo Brasileiro S.A. - SP-ADR .....	217,792	48,900 Elan Corporation PLC - SP-ADR* .....	733,989
1,600 Pioneer Natural Resources Co. ....	178,544	900 Endo Pharmaceuticals	
3,300 Plains Exploration &		Holdings Inc.* .....	34,857
Production Company* .....	140,745	5,200 Forest Laboratories, Inc.* .....	180,388
700 Range Resources Corp. ....	40,698	2,100 GlaxoSmithKline-PLC - SP-ADR .....	94,311
10,300 SandRidge Energy Inc.* .....	80,649	4,500 Jazz Pharmaceuticals, Inc.* .....	218,115
700 Sasol Ltd. - SP-ADR .....	34,048	1,400 Eli Lilly and Co. ....	56,378
1,000 Southwestern Energy Co.* .....	30,600	4,700 The Medicines Company* .....	94,329
2,600 Stone Energy Corporation* .....	74,334	1,200 Medicis Pharmaceutical Corp. ....	45,108
5,300 Suncor Energy, Inc. ....	173,310	1,000 Merck & Co., Inc. ....	38,400
2,300 Sunoco, Inc. ....	87,745	12,000 Mylan, Inc.* .....	281,400
10,900 Tesoro Corp.* .....	292,556	100 Novartis AG - SP-ADR .....	5,541
16,400 TransGlobe Energy Corp.* .....	198,112	1,500 Novo Nordisk A/S - SP-ADR .....	208,065
7,900 Valero Energy Corp. ....	203,583	6,300 Perrigo Co. ....	650,853
2,300 Western Refining, Inc. ....	43,286	5,900 Pfizer Inc. ....	133,694
7,000 Whiting Petroleum Corp.* .....	380,100	4,900 Questcor Pharmaceuticals, Inc.* .....	184,338
5,700 The Williams Companies, Inc. ....	175,617	1,700 Salix Pharmaceuticals, Ltd.* .....	89,250
	7,427,505	2,400 Shire PLC- SP-ADR .....	227,400
<b>Paper &amp; Forest Products — 0.5%</b>		3,400 Valeant Pharmaceuticals	
6,000 P.H. Glatfelter Co. ....	94,680	International, Inc.* .....	182,546
18,800 International Paper Co. ....	659,880	12,100 ViroPharma Inc.* .....	363,847
17,100 Louisiana-Pacific Corp.* .....	159,885	5,600 VIVUS Inc.* .....	125,216
6,100 MeadWestvaco Corporation .....	192,699	5,900 Watson Pharmaceuticals, Inc.* .....	395,654
	1,107,144		5,263,536

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

## Reynolds Blue Chip Growth Fund

**SCHEDULE OF INVESTMENTS (Continued)**

March 31, 2012 (Unaudited)

Shares		Value	Shares		Value
<b>LONG-TERM INVESTMENTS — 100.2% (a) (Continued)</b>			<b>Semiconductors &amp; Semiconductor Equipment — 3.5% (Continued)</b>		
<b>COMMON STOCKS — 99.4% (a) (Continued)</b>					
<b>Professional Services — 0.7%</b>			14,000	Applied Materials, Inc. ....	\$ 174,160
5,400	51job, Inc. - SP-ADR*	\$ 307,044	5,400	ARM Holdings PLC - SP-ADR .....	152,766
3,300	The Dun & Bradstreet Corporation ....	279,609	1,600	ASM International N.V.* .....	61,552
400	Equifax Inc. ....	17,704	1,300	ASML Holding N.V. NYS .....	65,182
3,800	IHS Inc.* .....	355,870	21,300	Atmel Corp.* .....	210,018
1,500	Kforce Inc.* .....	22,350	1,000	Avago Technologies Ltd. ....	38,970
3,900	Manpower Inc. ....	184,743	2,400	Broadcom Corp. ....	94,320
13,200	On Assignment, Inc.* .....	230,604	2,300	Cavium Inc.* .....	71,162
1,500	Robert Half International, Inc. ....	45,450	5,200	Cirrus Logic, Inc.* .....	123,760
1,100	Towers Watson & Company CI A .....	72,677	7,200	Cree, Inc.* .....	227,736
1,000	Verisk Analytics, Inc.* .....	46,970	18,500	Cypress Semiconductor Corp. ....	289,155
		1,563,021	14,100	Entegris Inc.* .....	131,694
<b>Real Estate Management &amp; Development — 0.0%</b>			4,900	EZchip Semiconductor Ltd.* .....	212,317
4,500	CBRE Group, Inc.*		12,500	Fairchild Semiconductor International, Inc.* .....	183,750
	(F/K/A CB Richard Ellis Group, Inc.) ..	89,820	1,700	GT Advanced Technologies Inc.* .....	14,059
<b>Road &amp; Rail — 1.7%</b>			7,100	Integrated Device Technology, Inc.* ..	50,765
5,200	Avis Budget Group, Inc.* .....	73,580	3,700	Intel Corporation .....	104,007
3,800	Canadian National Railway Company ..	301,834	8,900	KLA-Tencor Corp. ....	484,338
3,600	Canadian Pacific Railway Limited .....	273,420	2,000	Kopin Corporation* .....	8,140
5,700	CSX Corp. ....	122,664	16,000	Kulicke and Soffa Industries, Inc.* .....	198,880
3,600	Dollar Thrifty Automotive Group, Inc.* .....	291,276	7,300	Lam Research Corp.* .....	325,726
16,400	Hertz Global Holdings, Inc.* .....	246,656	33,600	Lattice Semiconductor Corp.* .....	216,048
4,200	J.B. Hunt Transportation Services, Inc. ....	228,354	35,000	LSI Corp.* .....	303,800
7,900	Kansas City Southern* .....	566,351	3,500	LTX-Credence Corporation* .....	25,165
1,900	Norfolk Southern Corp. ....	125,077	6,200	Marvell Technology Group Ltd.* .....	97,526
12,120	Old Dominion Freight Line, Inc.* .....	577,760	5,800	Maxim Integrated Products, Inc. ....	165,822
3,400	RailAmerica Inc.* .....	72,964	6,100	MEMC Electronic Materials, Inc.* .....	22,021
5,200	Ryder Systems, Inc. ....	274,560	4,100	Microchip Technology Inc. ....	152,520
3,900	Union Pacific Corp. ....	419,172	30,200	Micron Technology, Inc.* .....	244,620
1,100	Zipcar, Inc.* .....	16,291	3,000	Microsemi Corporation* .....	64,320
		3,589,959	15,500	MIPS Technologies, Inc.* .....	84,320
<b>Semiconductors &amp; Semiconductor Equipment — 3.5%</b>			2,500	Nanometrics Incorporated* .....	46,275
9,200	Advanced Micro Devices, Inc.* .....	73,784	7,800	Novellus Systems, Inc.* .....	389,298
300	Altera Corp. ....	11,946	5,400	NVIDIA Corp.* .....	83,106
3,300	Analog Devices, Inc. ....	133,320	10,800	OmniVision Technologies, Inc.* .....	216,000
			37,700	ON Semiconductor Corp.* .....	339,677
			16,600	RF Micro Devices, Inc.* .....	82,668
			1,800	Semtech Corporation* .....	51,228
			16,300	Skyworks Solutions, Inc.* .....	450,695

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

## Reynolds Blue Chip Growth Fund

**SCHEDULE OF INVESTMENTS (Continued)**

March 31, 2012 (Unaudited)

Shares	Value	Shares	Value
<b>LONG-TERM INVESTMENTS — 100.2% (a) (Continued)</b>		<b>Software — 5.8% (Continued)</b>	
<b>COMMON STOCKS — 99.4% (a) (Continued)</b>		9,700 Red Hat, Inc.*	\$ 580,933
<b>Semiconductors &amp; Semiconductor</b>		3,300 Rosetta Stone, Inc.*	34,056
<b>Equipment — 3.5% (Continued)</b>		4,600 Rovi Corporation*	149,730
4,000 Taiwan Semiconductor Manufacturing		3,800 Salesforce.com, Inc.*	587,138
Company Ltd. - SP-ADR	\$ 61,120	8,200 SAP AG - SP-ADR	572,524
23,500 Teradyne, Inc.*	396,915	2,400 Solarwinds, Inc.*	92,760
21,400 TriQuint Semiconductor, Inc.*	147,553	1,000 Sourcefire Inc.*	48,130
3,400 Veeco Instruments Inc.*	97,240	2,200 Symantec Corp.*	41,140
5,600 Xilinx, Inc.	204,008	1,300 Synchronoss Technologies, Inc.*	41,496
	7,383,452	5,000 Synopsys, Inc.*	153,300
<b>Software — 5.8%</b>		17,500 TIBCO Software Inc.*	533,750
6,900 Adobe Systems Inc.*	236,739	1,600 TiVo Inc.*	19,184
2,000 Advent Software, Inc.*	51,200	4,400 Tyler Technologies, Inc.*	169,004
14,300 Ariba Inc.*	467,753	9,600 The Ultimate Software Group, Inc.*	703,488
8,500 Autodesk, Inc.*	359,720	8,800 VMware Inc.*	988,856
1,800 BMC Software, Inc.*	72,288	17,300 Wave Systems Corp.*	32,178
800 BroadSoft Inc.*	30,600	2,200 Websense, Inc.*	46,398
6,200 CA, Inc.	170,872	1,400 Zynga Inc. Cl A*	18,410
2,800 Cadence Design Systems, Inc.*	33,152		12,293,575
11,900 Check Point Software		<b>Solar — 0.1%</b>	
Technologies Ltd.*	759,696	2,700 First Solar, Inc.*	67,635
10,000 Citrix Systems, Inc.*	789,100	10,500 JA Solar Holdings	
15,200 Compuware Corp.*	139,688	Co., Ltd. - SP-ADR*	16,275
1,500 Ebix, Inc.	34,740	3,600 LDK Solar Co. Ltd. - SP-ADR*	14,400
2,200 FactSet Research Systems Inc.	217,888	1,000 Trina Solar Limited - SP-ADR*	7,130
9,800 Fair Isaac Corp.	430,220	1,500 Yingli Green Energy Holding	
17,300 Fortinet Inc.*	478,345	Company Limited - ADR*	5,430
12,300 Glu Mobile Inc.*	59,655		110,870
4,800 Jack Henry & Associates, Inc.	163,776	<b>Specialty Retail — 7.6%</b>	
9,200 Informatica Corp.*	486,680	2,900 Abercrombie & Fitch Co.	143,869
9,900 Intuit Inc.	595,287	4,300 Advance Auto Parts, Inc.	380,851
4,100 JDA Software Group, Inc.*	112,668	9,800 American Eagle Outfitters, Inc.	168,462
19,500 Mentor Graphics Corporation*	289,770	1,900 Ann Inc.*	54,416
6,200 MICROS Systems, Inc.*	342,798	1,000 Ascena Retail Group, Inc.*	44,320
10,500 Microsoft Corp.	338,625	6,200 AutoNation, Inc.*	212,722
7,520 NetSuite Inc.*	378,181	700 AutoZone, Inc.*	260,260
3,200 Oracle Corp.	93,312	8,100 bebe stores, inc.	74,763
5,700 Parametric Technology Corp.*	159,258	4,600 Bed Bath & Beyond Inc.*	302,542
5,000 Progress Software Corporation*	118,100	5,000 Best Buy Co., Inc.	118,400
1,200 QLIK Technologies Inc.*	38,400	36,000 Borders Group, Inc.* (b)	—
1,700 RealPage, Inc.*	32,589	6,900 CarMax, Inc.*	239,085

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



## Reynolds Blue Chip Growth Fund

**SCHEDULE OF INVESTMENTS (Continued)**

March 31, 2012 (Unaudited)

Shares	Value	Shares	Value
<b>LONG-TERM INVESTMENTS — 100.2% (a) (Continued)</b>		<b>Specialty Retail — 7.6% (Continued)</b>	
<b>COMMON STOCKS — 99.4% (a) (Continued)</b>		9,200	Tractor Supply Company ..... \$ 833,152
<b>Specialty Retail — 7.6% (Continued)</b>		3,200	Ulta Salon, Cosmetics & Fragrance, Inc. .... 297,248
10,100	Charming Shoppes, Inc.* ..... \$ 59,590	6,900	Urban Outfitters, Inc.* ..... 200,859
21,700	Chico's FAS, Inc. .... 327,670	6,100	Williams-Sonoma, Inc. .... 228,628
5,100	The Children's Place Retail Stores, Inc.* ..... 263,517	2,800	Zumiez Inc.* ..... 101,108
27,600	Coldwater Creek Inc.* ..... 32,016		16,158,486
29,220	Cost Plus, Inc.* ..... 523,038	<b>Telecommunication Services – Diversified — 0.6%</b>	
12,000	Dick's Sporting Goods, Inc. .... 576,960	22,900	8x8, Inc.* ..... 96,180
2,900	DSW, Inc. .... 158,833	7,100	BT Group PLC - SP-ADR ..... 256,736
4,500	Express, Inc.* ..... 112,410	1,300	CenturyLink, Inc. .... 50,245
4,700	The Finish Line, Inc. .... 99,734	4,900	China Unicom (Hong Kong) Ltd. - SP-ADR ..... 82,320
17,500	Foot Locker, Inc. .... 543,375	4,200	City Telecom (H.K.) Ltd. - SP-ADR .... 56,028
1,000	Francesca's Holdings Corporation* ... 31,610	1,200	Level 3 Communications, Inc.* ..... 30,876
5,900	The Gap, Inc. .... 154,226	22,500	magicJack VocalTec Ltd.* ..... 486,450
4,800	GNC Acquisition Holdings Inc. .... 167,472	11,700	tw telecom inc.* ..... 259,272
1,500	Group 1 Automotive, Inc. .... 84,255		1,318,107
1,900	Guess?, Inc. .... 59,375	<b>Telecommunication Services – Wireless — 0.5%</b>	
2,700	Hibbett Sports Inc.* ..... 147,285	4,100	Crown Castle International Corp.* .... 218,694
23,100	The Home Depot, Inc. .... 1,162,161	9,000	Leap Wireless International, Inc.* .... 78,570
2,000	Hot Topic, Inc. .... 20,300	21,000	MetroPCS Communications, Inc.* .... 189,420
16,400	Limited Brands, Inc. .... 787,200	6,000	Mobile TeleSystems - SP-ADR ..... 110,040
9,700	Lithia Motors, Inc. .... 254,140	7,500	SBA Communications Corporation* ... 381,075
20,800	Lowe's Companies, Inc. .... 652,704	26,000	Sprint Nextel Corp.* ..... 74,100
1,400	Lumber Liquidators Holdings, Inc.* ... 35,154		1,051,899
49,100	Office Depot, Inc.* ..... 169,395	<b>Textiles, Apparel &amp; Luxury Goods — 2.8%</b>	
12,500	OfficeMax Inc.* ..... 71,500	3,100	Coach, Inc. .... 239,568
9,400	O'Reilly Automotive, Inc.* ..... 858,690	15,300	Crocs, Inc.* ..... 320,076
10,100	PetSmart, Inc. .... 577,922	5,100	Deckers Outdoor Corp.* ..... 321,555
64,500	Pier 1 Imports, Inc.* ..... 1,172,610	2,400	Fossil, Inc.* ..... 316,752
1,600	RadioShack Corporation ..... 9,952	2,900	Gildan Activewear Inc. .... 79,895
9,200	Rent-A-Center, Inc. .... 347,300	4,300	Iconix Brand Group, Inc.* ..... 74,734
17,300	Ross Stores, Inc. .... 1,005,130	10,500	Joe's Jeans, Inc.* ..... 12,810
3,700	Sally Beauty Holdings, Inc.* ..... 91,760	24,600	Liz Claiborne, Inc.* ..... 328,656
2,800	The Sherwin-Williams Co. .... 304,276	9,000	Lululemon Athletica Inc.* ..... 672,120
3,700	Signet Jewelers Ltd. .... 174,936	7,700	Luxottica Group SPA - SP-ADR ..... 277,739
3,200	Sonic Automotive, Inc. CI A ..... 57,312	6,200	Steven Madden, Ltd.* ..... 265,050
1,200	Staples, Inc. .... 19,416	1,400	Michael Kors Holdings Ltd.* ..... 65,226
600	Stein Mart, Inc.* ..... 3,960	5,200	Movado Group, Inc. .... 127,660
6,300	Tiffany & Co. .... 435,519	8,000	NIKE, Inc. CI B ..... 867,520
23,800	The TJX Companies, Inc. .... 945,098		

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

## Reynolds Blue Chip Growth Fund

**SCHEDULE OF INVESTMENTS (Continued)**

March 31, 2012 (Unaudited)

Shares	Value
<b>LONG-TERM INVESTMENTS — 100.2% (a) (Continued)</b>	
<b>COMMON STOCKS — 99.4% (a) (Continued)</b>	
<b>Textiles, Apparel &amp; Luxury Goods — 2.8% (Continued)</b>	
7,600 PVH Corp. ....	\$ 678,908
2,300 Ralph Lauren Corporation .....	400,959
1,700 True Religion Apparel, Inc.* .....	46,580
4,800 Under Armour, Inc.* .....	451,200
3,000 VF Corp. ....	437,940
	<u>5,984,948</u>
<b>Tobacco — 0.2%</b>	
4,000 Altria Group Inc. ....	123,480
1,900 Philip Morris International Inc. ....	168,359
2,800 Reynolds American Inc. ....	116,032
	<u>407,871</u>
<b>Trading Companies &amp; Distributors — 0.9%</b>	
18,700 Fastenal Co. ....	1,011,670
1,900 W.W. Grainger, Inc. ....	408,139
2,000 TAL International Group, Inc. ....	73,420
7,200 Titan Machinery, Inc.* .....	203,040
5,200 United Rentals, Inc.* .....	223,028
1,000 WESCO International, Inc.* .....	65,310
	<u>1,984,607</u>
<b>Water Utilities — 0.0%</b>	
2,600 American Water Works Co., Inc. ....	88,478
Total common stocks (cost \$188,990,636) .....	<u>211,453,290</u>
<b>PUBLICLY TRADED PARTNERSHIPS — 0.1% (a)</b>	
<b>Capital Markets — 0.0%</b>	
2,300 Lazard Ltd. ....	65,688
<b>Oil, Gas &amp; Consumable Fuels — 0.1%</b>	
5,100 Linn Energy LLC .....	194,565
Total publicly traded partnerships (cost \$290,313) .....	<u>260,253</u>
<b>REITS — 0.4% (a)</b>	
<b>Real Estate Investment Trusts — 0.4%</b>	
3,100 American Tower Corp. ....	195,362
2,100 OMEGA Healthcare Investors, Inc. ....	44,646
1,500 Rayonier Inc. ....	66,135
1,100 Simon Property Group, Inc. ....	160,248
2,200 SL Green Realty Corp. ....	170,610

Shares	Value
<b>Real Estate Investment Trusts — 0.4% (Continued)</b>	
2,000 Sun Communities, Inc. ....	\$ 86,660
1,500 Taubman Centers, Inc. ....	109,425
Total REITS (cost \$811,484) .....	<u>833,086</u>
<b>WARRANTS — 0.0% (a)</b>	
3,150 American International Group, Inc.*, Expiration Date - 01/19/21, Exercise Price - \$45.00 .....	33,485
Total warrants (cost \$47,259) .....	<u>33,485</u>
<b>PREFERRED STOCKS — 0.3% (a)</b>	
<b>Beverages — 0.3%</b>	
14,200 Companhia de Bebidas das Americas Preferred - SP-ADR .....	586,744
Total preferred stocks (cost \$443,451) .....	<u>586,744</u>
Total investments — <b>100.2%</b> (cost \$190,583,143) .....	213,166,858
Liabilities, less cash and receivables — <b>(0.2)% (a)</b> .....	<u>(528,431)</u>
<b>TOTAL NET ASSETS — 100.0%</b> .....	<u><u>\$212,638,427</u></u>

\* Non-income producing security.

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

(b) These securities were fair valued as determined by the adviser using procedures approved by the Board of Directors and are classified as level 2. As of March 31, 2012, the aggregate value of these securities was \$25,628 which represents 0.0% of total net assets.

ADR – Un-sponsored American Depositary Receipts

PLC – Public Limited Company

N.V. – Dutch Public Limited Liability Co.

NYS – New York Registered Shares

S.A. – Sociedad Anónima

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

SP - ADR – Sponsored American Depositary Receipts

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

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

## Reynolds Blue Chip Growth Fund

**STATEMENT OF OPERATIONS**

For the Six Months Ending March 31, 2012 (Unaudited)

**INVESTMENT INCOME:**

Dividends (net of foreign withholding taxes of \$15,220) .....	\$ 1,296,321
Total investment income .....	<u>1,296,321</u>

**EXPENSES:**

Management fees .....	1,057,923
Transfer agent fees .....	138,413
Administrative and accounting services .....	122,792
Distribution fees .....	95,047
Custodian fees .....	68,299
Registration fees .....	31,903
Insurance expense .....	26,025
Professional fees .....	24,667
Printing and postage expense .....	24,589
Overdraft fees .....	15,687
Board of Directors fees .....	13,110
Chief Compliance Officer fees .....	11,500
Other expenses .....	<u>3,226</u>
Total expenses .....	<u>1,633,181</u>

<b>NET INVESTMENT LOSS</b> .....	<u>(336,860)</u>
<b>NET REALIZED GAIN ON INVESTMENTS</b> .....	8,026,268
<b>NET INCREASE IN UNREALIZED APPRECIATION ON INVESTMENTS</b> .....	<u>43,514,646</u>
<b>NET GAIN ON INVESTMENTS</b> .....	<u>51,540,914</u>
<b>NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS</b> .....	<u><u>\$51,204,054</u></u>

**STATEMENTS OF CHANGES IN NET ASSETS**

For the Six Months Ending March 31, 2012 (Unaudited) and For the Year Ended September 30, 2011

	<b>2012</b>	<b>2011</b>
<b>OPERATIONS:</b>		
Net investment loss .....	\$ (336,860)	\$ (1,051,603)
Net realized gain on investments .....	8,026,268	11,306,780
Net increase (decrease) in unrealized appreciation on investments .....	<u>43,514,646</u>	<u>(34,361,365)</u>
Net increase (decrease) in net assets resulting from operations .....	<u>51,204,054</u>	<u>(24,106,188)</u>
<b>FUND SHARE ACTIVITIES:</b>		
Proceeds from shares issued (627,679 and 4,121,709 shares, respectively) .....	33,728,980	229,076,800
Cost of shares redeemed (1,340,783 and 2,241,424 shares, respectively) .....	<u>(71,477,146)</u>	<u>(121,830,577)</u>
Net (decrease) increase in net assets derived from Fund share activities .....	<u>(37,748,166)</u>	<u>107,246,223</u>
TOTAL INCREASE .....	13,455,888	83,140,035
NET ASSETS AT THE BEGINNING OF THE PERIOD .....	<u>199,182,539</u>	<u>116,042,504</u>
NET ASSETS AT THE END OF THE PERIOD (Includes accumulated net investment income of \$0 and \$0, respectively) .....	<u><u>\$212,638,427</u></u>	<u><u>\$199,182,539</u></u>

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

# Reynolds Blue Chip Growth Fund

## FINANCIAL HIGHLIGHTS

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

	(Unaudited) For the Six Months Ending March 31, 2012	Years Ended September 30,				
		2011	2010	2009	2008	2007
<b>PER SHARE OPERATING PERFORMANCE:</b>						
Net asset value, beginning of period . . . . .	\$46.50	\$48.29	\$41.87	\$31.85	\$32.05	\$28.98
Income from investment operations:						
Net investment (loss) income (a) . . . . .	(0.09)	(0.27)	(0.25)	(0.42)	(0.01)	0.17
Net realized and unrealized gains (loss) on investments . . . . .	<u>13.15</u>	<u>(1.52)</u>	<u>6.67</u>	<u>10.44</u>	<u>0.02</u>	<u>2.90</u>
Total from investment operations . . . . .	13.06	(1.79)	6.42	10.02	0.01	3.07
Less distributions:						
Distributions from net investment income . . . . .	—	—	—	—	(0.21)	—
Distributions from net realized gains . . . . .	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total from distributions . . . . .	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(0.21)</u>	<u>—</u>
Net asset value, end of period . . . . .	<u>\$59.56</u>	<u>\$46.50</u>	<u>\$48.29</u>	<u>\$41.87</u>	<u>\$31.85</u>	<u>\$32.05</u>
<b>TOTAL RETURN . . . . .</b>	28.09%(1)	(3.71%)	15.33%	31.46%	(0.00%)	10.59%
<b>RATIOS/SUPPLEMENTAL DATA:</b>						
Net assets, end of period (in 000's \$) . . . . .	212,638	199,183	116,043	48,553	22,151	26,670
Ratio of expenses (after reimbursement) to average net assets* . . . . .	1.54%(2)	1.55%	1.80%	2.00%	2.00%	2.02%
Ratio of net investment (loss) income to average net assets** . . . . .	(0.32%)(2)	(0.49%)	(0.55%)	(1.24%)	(0.03%)	0.55%
Portfolio turnover rate . . . . .	42%	55%	80%	527%	364%	313%

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

(1) Not annualized.

(2) Annualized.

\* 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, 2012 (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, 2012 (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.

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 March 31, 2012, based on the inputs used to value them:

<u>Valuation Inputs</u>	<u>Investments in Securities</u>
Level 1—Common Stocks	\$211,427,662
Publicly Traded Partnerships	260,253
REITS	833,086
Warrants	33,485
Preferred Stocks	586,744
Total Level 1	213,141,230
Level 2—Common Stocks	25,628
Level 3—Common Stocks	0
Total	<u>\$213,166,858*</u>

It is the Fund's policy to recognize transfers between levels at the end of the quarterly reporting period. For the six months ended March 31, 2012, the following transfers were made:

Transfers into Level 1 and out of Level 2: \$804.

The security transferred out of Level 2 and into Level 1 is a result of a quoted price being available as of March 31, 2012.

Transfers out of Level 1 and into Level 2: \$25,628.

The security transferred out of Level 1 and into Level 2 is a result of a decrease in the level of observable inputs available as of March 31, 2012.

Transfers out of Level 1 and into Level 3: \$0.

The securities transferred out of Level 1 and into Level 3 are a result of securities filing bankruptcy and no additional observable inputs being available as of March 31, 2012.

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

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

# Reynolds Blue Chip Growth Fund

## NOTES TO FINANCIAL STATEMENTS (Continued)

March 31, 2012 (Unaudited)

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

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

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

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

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

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

(h) The Fund has reviewed all open tax years and major jurisdictions, which include Federal and the state of Maryland, and concluded that there are no significant uncertain tax positions that would require recognition in the financial statements. Open tax years are those that are open for exam by taxing authorities and, as of March 31, 2012, open Federal tax years include the tax years ended September 30, 2008 through 2011. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Fund's Statement of Operations. During the six months ending March 31, 2012, the Fund did not incur any interest or penalties. The Fund has no examinations in progress and is also not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

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

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

The agreement further stipulates that RCM will reimburse the Fund for all expenses exceeding 2% of its daily average net assets (excluding interest, taxes, brokerage commissions and extraordinary items). The Fund is not obligated to reimburse RCM for any expenses reimbursed in previous fiscal years. No such reimbursements were required for the six months ending March 31, 2012.

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

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

### (3) Distributions to Shareholders —

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

### (4) Investment Transactions —

For the six months ending March 31, 2012, purchases and proceeds of sales of investment securities (excluding short-term securities) were \$88,612,970 and \$122,613,389, respectively.



## NOTES TO FINANCIAL STATEMENTS (Continued)

March 31, 2012 (Unaudited)

(5) **Income Tax Information —**

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

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

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

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

<u>September 30, 2011</u>				<u>September 30, 2010</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>
\$ —	\$ —	\$3,761,412	\$ —	\$ —	\$ —

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

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

## ADVISORY AGREEMENT

On December 16, 2011, the Board of Directors ("Directors") of Reynolds Funds, Inc. approved the continuation of the Reynolds Blue Chip Growth Fund's ("Fund") investment advisory agreement with Reynolds Capital Management, LLC ("RCM"). Prior to approving the continuation of the advisory agreement, the Directors considered:

- the nature, extent and quality of the services provided by RCM
- the investment performance of the Fund
- the costs of the services to be provided and profits to be realized by RCM 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 RCM, the Directors reviewed a report describing the portfolio management, shareholder communication and servicing services provided by RCM to the Fund. The Directors concluded that RCM 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 RCM, 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.

**REYNOLDS BLUE CHIP GROWTH FUND**  
c/o U.S. BANCORP FUND SERVICES, LLC  
615 East Michigan Street  
Milwaukee, Wisconsin 53202  
[www.reynoldsfunds.com](http://www.reynoldsfunds.com)

**Board of Directors**

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

**Investment Adviser**

REYNOLDS CAPITAL MANAGEMENT, LLC  
3565 South Las Vegas Boulevard, #403  
Las Vegas, Nevada 89109

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

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

**Custodian**

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