

THE  
**FLIPPIN, BRUCE & PORTER**  
FBP  
FUNDS

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**FBP Equity & Dividend Plus Fund**  
**FBP Appreciation & Income Opportunities Fund**

**Annual Report**  
March 31, 2018

**No-Load Funds**



We are pleased to report on your Funds and their investments for the annual period ended March 31, 2018 and to provide some additional information since we last communicated with you.

## **Economic and Market Update**

Most broad domestic equity indices posted mildly negative results for the first quarter of 2018 with the S&P 500 coming in at -0.76% and the Russell 1000 Value at -2.83%. It was the first time since 2015 that large-cap stocks fell during a calendar quarter. While the negative numbers for the period were relatively modest, that tells only part of the story. After a long hiatus, equity market volatility came roaring back during the first three months of the year. Stocks surged in January, with the year-to-date return for the S&P 500 peaking at more than 7.55% through the twenty-sixth of that month. From there, it took only nine trading days for those gains to be erased and for the S&P 500 to slip into correction territory, down 10% from its previous high. Many investors were shaken by the decline, as it had been more than two years since the market had experienced any meaningful selloff. After stabilizing and recovering during much of February and March, another sharp decline near quarter end took the markets into red territory for the period. Approximately 37% of the market value gained by the S&P 500 since the presidential election in November 2016 was evaporated in the correction, according to calculations by financial firm Raymond James.

Wall Street pundits point to two main factors that triggered the negative sentiment shift for stocks: rising interest rates due to inflation worries and fears of an international trade war. These risks certainly bear monitoring. Jerome Powell's appointment as chairman of the Federal Reserve became effective during the quarter. New leadership adds an element of uncertainty regarding the magnitude and pace of forthcoming hikes to the fed funds rate expected for 2018. We believe the FOMC is likely to maintain its plan for three additional incremental increases this year. If so, we would expect gradual rate increases across the yield curve which should not cause significant disruptions to equity markets, especially considering the underlying strength of the economy. The bigger wild card is how White House trade policy will play out. Certainly, major disruptions to the global trading system would not be good for the U.S., China, Mexico or any other economy. Our hope is that the initial trade tariffs and the trade-related tweets by President Trump are meant to strengthen the U.S. position as negotiations continue.

We remain favorably disposed toward the equity markets even as volatility has increased. Falling stock prices and rising earnings expectations, primarily due to the tax cut enacted in December, have changed valuation calculations such that stocks are now more reasonably priced. S&P 500 earnings per share are estimated to grow almost 18% this year and another 8% in 2019, resulting in a price/earnings ratio of 17 times earnings for 2018 and 15.6 times for next year. Your Funds offer even more attractive valuation, trading at roughly 13.5 times earnings. While it is difficult to predict short-term moves in the market, we believe the potential has improved for solid returns from these levels over the longer term.

## **FBP Equity & Dividend Plus Fund Review**

The FBP Equity & Dividend Plus Fund returned 7.91% for the fiscal year ended March 31, 2018. The S&P 500 Index (the "Index") returned 13.99% and the Russell 1000 Value Index returned 6.95% over the same period. The Fund was 96.1% equity and 3.9% cash at fiscal year-end.

Since our last report to you for the period ended September 30, 2017, stocks were strong through late January, then began a correction over the balance of the period. For the semiannual period ended March 31, 2018, the Fund has gained 3.17% versus 5.84% for the Index and 2.34% for the Russell 1000 Value Index. During this period, the Fund's holdings in the Energy and Consumer Discretionary sectors produced the strongest returns, while Financials and Industrials were laggards. Individual standouts were Kohl's, Intel, Cisco Systems and Tapestry. General Electric, which is going through a difficult but needed restructuring, performed poorly. CVS Health, PPL Corp. and Ventas also held back returns.

New stock additions since our last report are Kellogg, PepsiCo and CenturyLink, all with attractive dividend yields. Kellogg is a dominant player in breakfast cereal, but the snack food segment, with brands like Pringles, Keebler and Kashi, is also important. The stock peaked in mid-2016, then sold off due to concerns about its decision to change a key segment of its business from direct-store delivery service to warehouse-based delivery. We believe the transition will result in improved operations over time. PepsiCo's stock, similar to many other branded food/beverage companies, came under pressure earlier this year and we established the Fund's holding after the decline. Its snack foods division is tremendously strong with brands such as Fritos, Lay's, Doritos and Quaker Oats, among others. And its beverage business is more than Pepsi and Mountain Dew. Aquafina, Tropicana and Gatorade help provide exposure to non-carbonated beverages, which are growing more quickly than carbonated drinks. We find the 3% dividend attractive and believe the company has the ability to increase the dividend later this year. We also added CenturyLink to the Fund. This telecommunications company recently completed an acquisition of Level 3, which should provide needed stability for earnings and cash flow metrics for CenturyLink. The stock is truly out of favor with investors, primarily given its exposure to traditional landline telephone customers.

Royal Philips and Manulife Financial were both eliminated from the Fund during the period. Each of the stocks had performed well and reached our price objectives. The Fund also eliminated Mosaic. The stock was sold following a surprise decision by the company to lower its dividend to fund an acquisition. The resulting dividend yield did not meet the minimum level we desire for the Fund.

The Fund does utilize as part of its investment discipline the use of covered call options as individual securities approach the top of the Adviser's growth and price expectations. The Fund's purpose in selling the call option is to generate additional cash flow to the Fund and to hedge the possibility the security may not achieve its price objective. In very strong stock markets, this discipline may limit the upside of the securities where options have been written, but in flat to negative markets, it may provide additional return. During the fiscal year ended March 31, 2018, the amount of premiums generated from selling covered call options was \$388,597.

### **FBP Appreciation & Income Opportunities Fund Review**

The FBP Appreciation & Income Opportunities Fund also returned 7.91% for the fiscal year ended March 31, 2018. The S&P 500 Index (the "Index") returned 13.99%, the Russell 1000 Value Index returned 6.95% and the Bloomberg Barclays U.S. Government/Credit Index returned 1.39% over the same period. The Fund was 76.5% equity, 14.4% fixed income and 9.1% cash at fiscal year-end.

For the semiannual period ended March 31, 2018, the Fund returned 4.05% versus 5.84% for the Index, 2.34% for the Russell 1000 Value Index and -1.10% for the Bloomberg Barclays U.S. Government/Credit Index. During this period, the Fund's holdings in Financials and Consumer Discretionary sectors produced solid returns, while Industrials and Materials were laggards. Individual standouts

in Financials were Bank of America and JPMorgan. Kohl's, Bloomin' Brands, Cisco Systems and Tapestry also did well. Just as in our other Fund, General Electric, CVS Health, PPL Corp. and Ventas also held back returns.

Fund activity since our last report included establishing new positions in CenturyLink, Schlumberger and CBS. CenturyLink, a large telecommunications company, recently completed an acquisition of Level 3 which should provide needed stability for earnings and cash flow metrics going forward. The stock is truly out of favor with investors, primarily given its exposure to traditional landline telephone customers. Schlumberger was acquired as part of a portfolio decision to eliminate Baker Hughes GE. We saw an opportunity to upgrade to a higher quality stock with similar characteristics and exposures. CBS was purchased following a steep stock price decline over the last year. The company is currently in talks to merge with Viacom, not unexpected given that the Redstone family has sizable positions in each company. We believe CBS's media assets are strong, which puts it in a slightly favorable position as negotiations progress. Royal Philips was eliminated as it had performed well and reached the Fund's price objective.

The Fund does utilize as part of its investment discipline the use of covered call options as individual securities approach the top of the Adviser's growth and price expectations. The Fund's purpose in selling the call option is to generate additional income to the Fund and to hedge the possibility the security may not achieve its price objective. In very strong stock markets, this discipline may limit the upside of the securities where options have been written, but in modest to negative markets, it may provide additional return. During the fiscal year ended March 31, 2018, the amount of premiums generated from selling covered call options was \$94,865

We want to thank you for your continued support and investment in the Flippin, Bruce & Porter Funds. Please visit our website at [www.fbpffunds.com](http://www.fbpffunds.com) for information on your Funds and the investment philosophy and process we utilize to achieve their investment objectives.



John T. Bruce, CFA  
President - Portfolio Manager  
April 24, 2018

*Data presented reflects past performance, which is no guarantee of future results. Investment results and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Due to market volatility, current performance may be higher or lower than the performance shown. Updated performance information, current through the most recent month-end, is available by contacting the Funds at 1-866-738-1127.*

This report is submitted for the general information of the shareholders of the Funds. It reflects our views, opinions and portfolio holdings as of the date of this letter. These views are subject to change at any time based upon market or other conditions. For more current information throughout the year please visit [www.fbpffunds.com](http://www.fbpffunds.com) or call the Funds at 1-866-738-1127. This report is not authorized for distribution to prospective investors in the Funds unless accompanied by a current prospectus.

# THE FLIPPIN, BRUCE & PORTER FUNDS

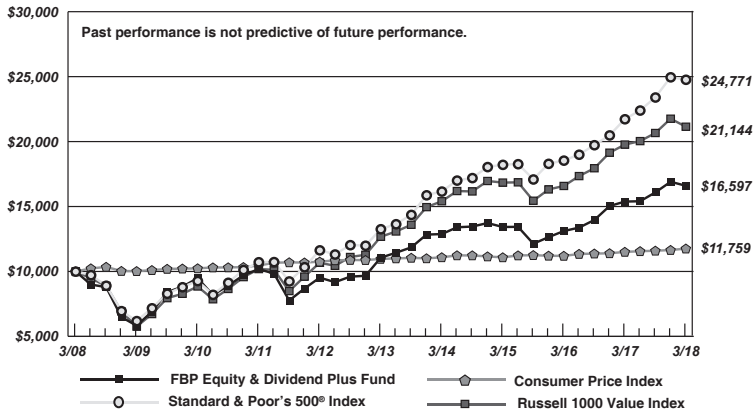
## COMPARATIVE PERFORMANCE CHARTS

(Unaudited)

Performance for each Fund is compared to the most appropriate broad-based index, the Standard and Poor's 500® Index, an unmanaged index of 500 large common stocks. Results are also compared to the Consumer Price Index, a measure of inflation.

### FBP Equity & Dividend Plus Fund

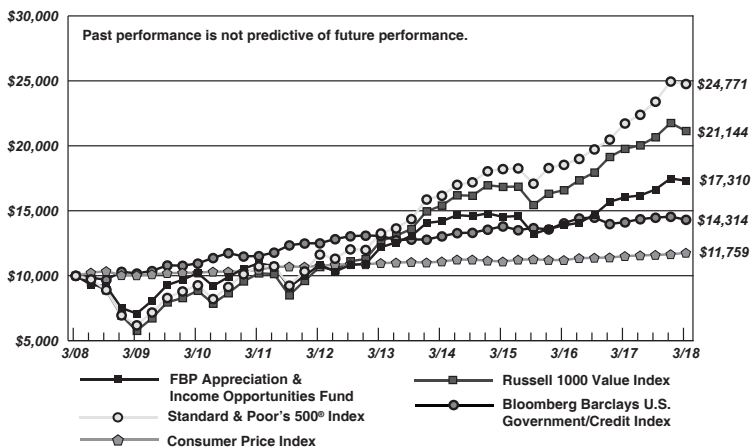
Comparison of the Change in Value of a \$10,000 Investment in FBP Equity & Dividend Plus Fund, the Standard & Poor's 500® Index, the Consumer Price Index and the Russell 1000 Value Index



# THE FLIPPIN, BRUCE & PORTER FUNDS COMPARATIVE PERFORMANCE CHARTS (Unaudited) (Continued)

## FBP Appreciation & Income Opportunities Fund

Comparison of the Change in Value of a \$10,000 Investment in FBP Appreciation & Income Opportunities Fund, the Standard & Poor's 500® Index, the Consumer Price Index, the Russell 1000 Value Index and the Bloomberg Barclays U.S. Government/Credit Index



### Average Annual Total Returns (for periods ended March 31, 2018)

	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
FBP Equity & Dividend Plus Fund <sup>(a)</sup>	7.91%	8.45%	5.20%
FBP Appreciation & Income Opportunities Fund <sup>(a)</sup>	7.91%	7.27%	5.64%
Standard & Poor's 500® Index	13.99%	13.31%	9.49%
Consumer Price Index	2.21%	1.41%	1.63%
Russell 1000 Value Index	6.95%	10.78%	7.78%
Bloomberg Barclays U.S. Government/Credit Index	1.39%	1.84%	3.65%

<sup>(a)</sup> Total returns are a measure of the change in value of an investment in the Funds over the periods covered, which assumes any dividends or capital gains distributions are reinvested in shares of the Funds. Returns do not reflect the deduction of taxes a shareholder would pay on the Funds' distributions or the redemption of Fund shares.

# FBP EQUITY & DIVIDEND PLUS FUND

## PORTFOLIO INFORMATION

### March 31, 2018 (Unaudited)

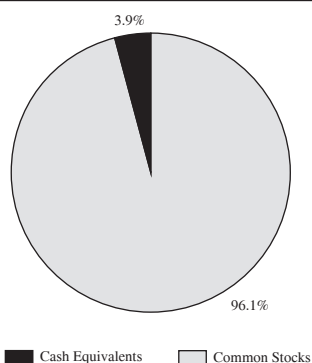
#### General Information

Net Asset Value Per Share	\$	25.68
Total Net Assets ( Millions )	\$	26.3
Current Expense Ratio		1.07%
Portfolio Turnover		18%
Fund Inception Date		7/30/1993

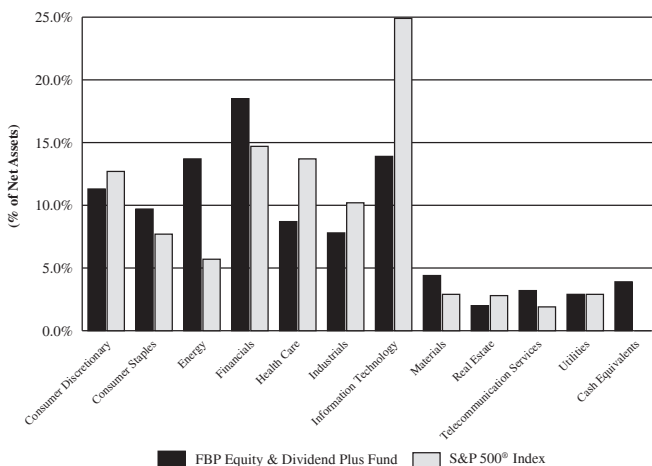
#### Stock Characteristics

	Fund	S&P 500® Index
Number of Stocks	53	500
Weighted Avg Market Capitalization ( Billions )	\$ 133.3	\$ 199.5
Price-to-Earnings Ratio (Bloomberg 1 Yr. Forecast EPS)	13.5	16.4
Price-to-Book Value	2.3	3.2

#### Asset Allocation (% of Net Assets)



#### Sector Diversification vs. the S&P 500® Index



#### Ten Largest Equity Holdings

	% of Net Assets
International Business Machines Corporation	3.4%
Cisco Systems, Inc.	3.3%
Kohl's Corporation	3.2%
BB&T Corporation	3.1%
U.S. Bancorp	2.7%
JPMorgan Chase & Company	2.7%
Procter & Gamble Company (The)	2.7%
ConocoPhillips	2.7%
Wells Fargo & Company	2.6%
Target Corporation	2.5%



# FBP APPRECIATION & INCOME OPPORTUNITIES FUND

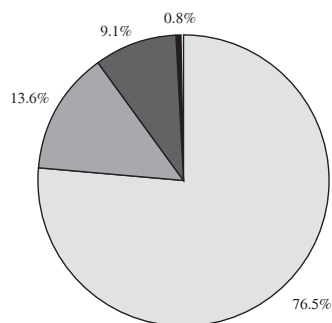
## PORTFOLIO INFORMATION

### March 31, 2018 (Unaudited)

#### General Information

Net Asset Value Per Share	\$ 18.99
Total Net Assets ( Millions )	\$ 34.6
Current Expense Ratio	1.00%
Portfolio Turnover	10%
Fund Inception Date	7/3/1989

#### Asset Allocation (% of Net Assets)



#### Common Stock Portfolio (76.5% of Net Assets)

Number of Stocks	48
Weighted Avg Market Capitalization ( Billions )	\$ 162.9
Price-to-Earnings Ratio (Bloomberg 1 Yr. Forecast EPS)	13.1
Price-to-Book Value	2.1

#### Ten Largest Equity Holdings

	% of Net Assets
Bank of America Corporation	3.9%
JPMorgan Chase & Company	3.8%
Cisco Systems, Inc.	3.3%
Apple, Inc.	3.0%
Lincoln National Corporation	3.0%
Kohl's Corporation	2.8%
Microsoft Corporation	2.6%
International Business Machines Corporation	2.3%
Travelers Companies, Inc. (The)	2.2%
Pfizer, Inc.	2.1%

#### Five Largest Sectors

	% of Net Assets
Financials	19.5%
Information Technology	15.3%
Energy	10.0%
Consumer Discretionary	8.8%
Industrials	6.5%

#### Fixed-Income Portfolio (13.6% of Net Assets)

Number of Fixed-Income Securities	9
Average Quality	BBB+
Average Weighted Maturity	2.8 yrs.
Average Effective Duration	2.6 yrs.

#### Sector Breakdown

	% of Net Assets
U.S. Government & Agency Obligations	1.4%
Consumer Discretionary	1.4%
Energy	2.9%
Financials	4.3%
Industrials	2.1%
Utilities	1.5%

**FBP EQUITY & DIVIDEND PLUS FUND**  
**SCHEDULE OF INVESTMENTS**  
**March 31, 2018**

<b>COMMON STOCKS — 96.1%</b>	<b>Shares</b>	<b>Value</b>
<b>Consumer Discretionary — 11.3%</b>		
Ford Motor Company .....	35,000	\$ 387,800
Kohl's Corporation <sup>(a)</sup> .....	13,000	851,630
Nordstrom, Inc. <sup>(a)</sup> .....	8,900	430,849
Tapestry, Inc. <sup>(a)</sup> .....	6,500	341,965
Target Corporation <sup>(a)</sup> .....	9,500	659,585
Williams-Sonoma, Inc. <sup>(a)</sup> .....	5,500	290,180
		<u>2,962,009</u>
<b>Consumer Staples — 9.7%</b>		
Coca-Cola Company (The) <sup>(a)</sup> .....	6,000	260,580
CVS Health Corporation .....	7,300	454,133
Kellogg Company .....	6,200	403,062
PepsiCo, Inc. ....	3,500	382,025
Procter & Gamble Company (The) <sup>(a)</sup> .....	9,000	713,520
Wal-Mart, Inc. <sup>(a)</sup> .....	3,700	329,189
		<u>2,542,509</u>
<b>Energy — 13.7%</b>		
Chevron Corporation <sup>(a)</sup> .....	4,800	547,392
ConocoPhillips <sup>(a)</sup> .....	12,000	711,480
Exxon Mobil Corporation .....	8,400	626,724
Occidental Petroleum Corporation <sup>(a)</sup> .....	8,300	539,168
Royal Dutch Shell plc - Class B - ADR .....	9,500	622,535
Schlumberger Ltd. <sup>(a)</sup> .....	8,700	563,586
		<u>3,610,885</u>
<b>Financials — 18.5%</b>		
BB&T Corporation .....	15,500	806,620
JPMorgan Chase & Company <sup>(a)</sup> .....	6,500	714,805
KeyCorp .....	19,940	389,827
MetLife, Inc. ....	10,200	468,078
People's United Financial, Inc. ....	25,000	466,500
Prudential Financial, Inc. ....	6,000	621,300
U.S. Bancorp .....	14,200	717,100
Wells Fargo & Company .....	13,000	681,330
		<u>4,865,560</u>
<b>Health Care — 8.7%</b>		
Amgen, Inc. <sup>(a)</sup> .....	2,400	409,152
Eli Lilly & Company .....	5,500	425,535
Johnson & Johnson <sup>(a)</sup> .....	2,600	333,190
Merck & Company, Inc. ....	9,400	512,018
Pfizer, Inc. ....	17,000	603,330
		<u>2,283,225</u>

# FBP EQUITY & DIVIDEND PLUS FUND

## SCHEDULE OF INVESTMENTS (Continued)

COMMON STOCKS — 96.1% (Continued)	Shares	Value
<b>Industrials — 7.8%</b>		
Eaton Corporation plc <sup>(a)</sup> .....	8,000	\$ 639,280
Emerson Electric Company .....	4,000	273,200
General Electric Company .....	29,000	390,920
United Parcel Service, Inc. - Class B <sup>(a)</sup> .....	4,400	460,504
United Technologies Corporation .....	2,200	276,804
		<u>2,040,708</u>
<b>Information Technology — 13.9%</b>		
Apple, Inc. ....	2,200	369,116
Cisco Systems, Inc. <sup>(a)</sup> .....	20,000	857,800
HP, Inc. <sup>(a)</sup> .....	27,500	602,800
Intel Corporation <sup>(a)</sup> .....	5,000	260,400
International Business Machines Corporation .....	5,800	889,894
Microsoft Corporation <sup>(a)</sup> .....	4,500	410,715
Western Union Company (The) <sup>(a)</sup> .....	14,000	269,220
		<u>3,659,945</u>
<b>Materials — 4.4%</b>		
Compass Minerals International, Inc. ....	4,100	247,230
LyondellBasell Industries N.V. - Class A <sup>(a)</sup> .....	3,100	327,608
Nucor Corporation .....	4,600	281,014
Rio Tinto plc - ADR <sup>(a)</sup> .....	5,600	288,568
		<u>1,144,420</u>
<b>Real Estate — 2.0%</b>		
Public Storage .....	1,200	240,468
Ventas, Inc. ....	6,000	297,180
		<u>537,648</u>
<b>Telecommunication Services — 3.2%</b>		
AT&T, Inc. ....	12,800	456,320
CenturyLink, Inc. ....	24,000	394,320
		<u>850,640</u>
<b>Utilities — 2.9%</b>		
FirstEnergy Corporation .....	15,000	510,150
PPL Corporation .....	8,500	240,465
		<u>750,615</u>
<b>Total Common Stocks</b> (Cost \$19,908,746) .....		<u>\$ 25,248,164</u>

## FBP EQUITY & DIVIDEND PLUS FUND SCHEDULE OF INVESTMENTS (Continued)

<b>MONEY MARKET FUNDS — 5.8%</b>	<b>Shares</b>	<b>Value</b>
Fidelity Institutional Money Market Government Portfolio - Class I, 1.49% <sup>(b)</sup> (Cost \$1,535,039) .....	1,535,039	\$ 1,535,039
<b>Total Investments at Value — 101.9%</b> (Cost \$21,443,785) .....		\$ 26,783,203
<b>Liabilities in Excess of Other Assets — (1.9%)</b> .....		(504,699)
<b>Net Assets — 100.0%</b> .....		\$ 26,278,504

ADR - American Depositary Receipt.

<sup>(a)</sup> Security covers a written call option.

<sup>(b)</sup> The rate shown is the 7-day effective yield as of March 31, 2018.

See accompanying notes to financial statements.

**FBP EQUITY & DIVIDEND PLUS FUND**  
**SCHEDULE OF OPEN OPTION CONTRACTS**  
**March 31, 2018**

<b>COVERED WRITTEN CALL OPTIONS</b>	<b>Contracts</b>	<b>Notional Value</b>	<b>Strike Price</b>	<b>Expiration Date</b>	<b>Value of Options</b>
Amgen, Inc. ....	10	\$ 170,480	\$ 210.00	09/21/18	\$ 1,390
Chevron Corporation ..	20	228,080	120.00	09/21/18	7,920
Cisco Systems, Inc. ....	60	257,340	39.00	06/15/18	24,900
Coca-Cola Company (The) .....	60	260,580	48.00	08/17/18	2,160
ConocoPhillips .....	60	355,740	55.00	05/18/18	32,340
Eaton Corporation plc	31	247,721	82.50	04/20/18	2,418
HP, Inc. ....	125	274,000	24.00	05/18/18	2,625
Intel Corporation .....	50	260,400	49.00	04/20/18	17,500
Johnson & Johnson ....	10	128,150	150.00	06/15/18	150
JPMorgan Chase & Company .....	10	109,970	110.00	06/15/18	4,950
Kohl's Corporation .....	30	196,530	55.00	07/20/18	37,500
Kohl's Corporation .....	40	262,040	62.50	07/20/18	28,800
LyondellBasell Industries N.V. - Class A .....	31	327,608	110.00	06/15/18	9,703
Microsoft Corporation	22	200,794	90.00	06/15/18	12,100
Nordstrom, Inc. ....	48	232,368	55.00	07/20/18	7,200
Occidental Petroleum Corporation .....	33	214,368	70.00	06/15/18	3,465
Procter & Gamble Company (The) .....	45	356,760	95.00	04/20/18	270
Rio Tinto plc - ADR ..	56	288,568	50.00	07/20/18	22,960
Schlumberger Ltd. ....	30	194,340	85.00	08/17/18	840
Tapestry, Inc. ....	65	341,965	55.00	08/17/18	17,680
Target Corporation .....	30	208,290	75.00	07/20/18	6,240
United Parcel Service, Inc. - Class B .....	16	167,456	120.00	04/20/18	64
Wal-Mart, Inc. ....	25	222,425	92.50	06/15/18	5,350
Western Union Company (The) .....	140	269,220	21.00	05/18/18	3,500
Williams-Sonoma, Inc. ....	25	131,900	60.00	05/18/18	875
<b>Total Covered Written Call Options</b> (Premiums received \$211,599) .....		<u>\$ 5,907,093</u>			<u>\$ 252,900</u>

ADR - American Depositary Receipt.

See accompanying notes to financial statements.

# FBP APPRECIATION & INCOME OPPORTUNITIES FUND

## SCHEDULE OF INVESTMENTS

March 31, 2018

COMMON STOCKS — 76.5%	Shares	Value
<b>Consumer Discretionary — 8.8%</b>		
Bloomin' Brands, Inc. ....	14,000	\$ 339,920
CBS Corporation - Class B ....	5,100	262,089
Ford Motor Company ....	40,000	443,200
Kohl's Corporation <sup>(a)</sup> ....	15,000	982,650
Tapestry, Inc. ....	7,000	368,270
Target Corporation <sup>(a)</sup> ....	9,500	659,585
		<u>3,055,714</u>
<b>Consumer Staples — 3.9%</b>		
CVS Health Corporation ....	7,500	466,575
PepsiCo, Inc. ....	2,500	272,875
Wal-Mart, Inc. <sup>(a)</sup> ....	7,000	622,790
		<u>1,362,240</u>
<b>Energy — 10.0%</b>		
Chevron Corporation ....	5,000	570,200
ConocoPhillips ....	11,000	652,190
Devon Energy Corporation ....	17,000	540,430
Occidental Petroleum Corporation ....	8,200	532,672
Royal Dutch Shell plc - Class B - ADR ....	10,000	655,300
Schlumberger Ltd. ....	8,000	518,240
		<u>3,469,032</u>
<b>Financials — 19.5%</b>		
Bank of America Corporation ....	45,000	1,349,550
Bank of New York Mellon Corporation (The) ....	13,500	695,655
Capital One Financial Corporation ....	6,000	574,920
JPMorgan Chase & Company ....	12,000	1,319,640
KeyCorp ....	16,320	319,056
Lincoln National Corporation ....	14,000	1,022,840
MetLife, Inc. ....	15,000	688,350
Travelers Companies, Inc. (The) ....	5,500	763,730
		<u>6,733,741</u>
<b>Health Care — 5.7%</b>		
Eli Lilly & Company ....	6,000	464,220
Johnson & Johnson ....	2,000	256,300
Merck & Company, Inc. ....	10,000	544,700
Pfizer, Inc. ....	20,000	709,800
		<u>1,975,020</u>
<b>Industrials — 6.5%</b>		
Eaton Corporation plc ....	7,200	575,352
FedEx Corporation ....	1,700	408,187
General Electric Company ....	25,000	337,000
Ingersoll-Rand plc ....	4,700	401,897
United Technologies Corporation ....	4,200	528,444
		<u>2,250,880</u>

## FBP APPRECIATION & INCOME OPPORTUNITIES FUND SCHEDULE OF INVESTMENTS (Continued)

COMMON STOCKS — 76.5% (Continued)	Shares	Value
<b>Information Technology — 15.3%</b>		
Apple, Inc. <sup>(a)</sup> .....	6,200	\$ 1,040,236
Cisco Systems, Inc. <sup>(a)</sup> .....	27,000	1,158,030
HP, Inc. <sup>(a)</sup> .....	20,000	438,400
International Business Machines Corporation .....	5,200	797,836
Microsoft Corporation <sup>(a)</sup> .....	10,000	912,700
Nokia Corporation - ADR .....	67,000	366,490
Western Union Company (The) <sup>(a)</sup> .....	30,000	576,900
		<u>5,290,592</u>
<b>Materials — 2.6%</b>		
Freeport-McMoRan, Inc. <sup>(b)</sup> .....	11,000	193,270
Mosaic Company (The) .....	8,000	194,240
Nucor Corporation .....	4,500	274,905
Rio Tinto plc - ADR .....	4,500	231,885
		<u>894,300</u>
<b>Real Estate — 0.7%</b>		
Ventas, Inc. ....	4,500	222,885
<b>Telecommunication Services — 2.0%</b>		
AT&T, Inc. ....	8,000	285,200
CenturyLink, Inc. ....	25,000	410,750
		<u>695,950</u>
<b>Utilities — 1.5%</b>		
FirstEnergy Corporation .....	8,000	272,080
PPL Corporation .....	9,000	254,610
		<u>526,690</u>
<b>Total Common Stocks</b> (Cost \$17,111,163) .....		<u>\$ 26,477,044</u>

U.S. GOVERNMENT AGENCY OBLIGATIONS — 1.4%	Par Value	Value
<b>Federal National Mortgage Association — 1.4%</b>		
1.20%, due 07/17/2020 (Cost \$500,000) .....	\$ 500,000	\$ 486,977

# FBP APPRECIATION & INCOME OPPORTUNITIES FUND

## SCHEDULE OF INVESTMENTS (Continued)

CORPORATE BONDS — 12.2%	Par Value	Value
<b>Consumer Discretionary — 1.4%</b>		
Mattel, Inc., 2.35%, due 05/06/2019 .....	\$ 500,000	\$ 488,750
<b>Energy — 2.9%</b>		
Dominion Resources, Inc., 2.50%, due 12/01/2019 .....	500,000	494,174
Pioneer Natural Resources Company, 3.95%, due 07/15/2022 .....	500,000	508,236
		<u>1,002,410</u>
<b>Financials — 4.3%</b>		
Citigroup, Inc., 2.90%, due 12/08/2021 .....	500,000	492,383
Unum Group, 3.00%, due 05/15/2021 .....	500,000	495,750
Wells Fargo & Company, 3.50%, due 03/08/2022 .....	500,000	501,336
		<u>1,489,469</u>
<b>Industrials — 2.1%</b>		
Ryder System, Inc., 2.50%, due 05/11/2020 .....	750,000	740,512
<b>Utilities — 1.5%</b>		
PSEG Power LLC, 3.00%, due 06/15/2021 .....	500,000	498,217
<b>Total Corporate Bonds (Cost \$4,261,250) .....</b>		<b>\$ 4,219,358</b>

CLOSED-END FUNDS — 0.8%	Shares	Value
Prudential Short Duration High Yield Fund, Inc. (Cost \$291,069) .....	20,000	\$ 282,600

MONEY MARKET FUNDS — 9.4%	Shares	Value
Fidelity Institutional Money Market Government Portfolio - Class I, 1.49% <sup>(c)</sup> (Cost \$3,240,823) .....	3,240,823	\$ 3,240,823
<b>Total Investments at Value — 100.3%</b> (Cost \$25,404,305) .....		\$ 34,706,802
<b>Liabilities in Excess of Other Assets — (0.3%) .....</b>		<u>(92,646)</u>
<b>Net Assets — 100.0% .....</b>		<b>\$ 34,614,156</b>

ADR - American Depositary Receipt.

<sup>(a)</sup> Security covers a written call option.

<sup>(b)</sup> Non-income producing security.

<sup>(c)</sup> The rate shown is the 7-day effective yield as of March 31, 2018.

See accompanying notes to financial statements.



# FBP APPRECIATION & INCOME OPPORTUNITIES FUND

## SCHEDULE OF OPEN OPTION CONTRACTS

**March 31, 2018**

COVERED WRITTEN CALL OPTIONS	Contracts	Notional Value	Strike Price	Expiration Date	Value of Options
Apple, Inc. ....	14	\$ 234,892	\$ 190.00	04/20/18	\$ 154
Cisco Systems, Inc. ....	60	257,340	39.00	06/15/18	24,900
HP, Inc. ....	100	219,200	24.00	05/18/18	2,100
Kohl's Corporation ....	50	327,550	55.00	07/20/18	62,500
Kohl's Corporation ....	50	327,550	62.50	07/20/18	36,000
Microsoft Corporation	30	273,810	90.00	06/15/18	16,500
Target Corporation ....	30	208,290	75.00	07/20/18	6,240
Wal-Mart, Inc. ....	15	133,455	100.00	06/15/18	855
Western Union Company (The) .....	15	28,845	21.00	05/18/18	375
<b>Total Covered Written Call Options</b>					
(Premiums received \$68,735) .....		<u>\$ 2,010,932</u>			<u>\$ 149,624</u>

See accompanying notes to financial statements.

**THE FLIPPIN, BRUCE & PORTER FUNDS**  
**STATEMENTS OF ASSETS AND LIABILITIES**  
**March 31, 2018**

	<b>FBP Equity &amp; Dividend Plus Fund</b>	<b>FBP Appreciation &amp; Income Opportunities Fund</b>
<b>ASSETS</b>		
Investments in securities:		
At cost .....	\$ 21,443,785	\$ 25,404,305
At value (Note 2) .....	\$ 26,783,203	\$ 34,706,802
Cash .....	2,660	19,187
Dividends and interest receivable .....	55,094	87,584
Receivable for capital shares sold .....	2,150	—
Other assets .....	3,826	4,160
<b>TOTAL ASSETS</b> .....	<u>26,846,933</u>	<u>34,817,733</u>
<b>LIABILITIES</b>		
Written call options, at value (Notes 2 and 5) (premiums received \$211,599 and \$68,735, respectively) .	252,900	149,624
Distributions payable .....	2,021	10,836
Payable for capital shares redeemed .....	4,455	15,127
Payable for investment securities purchased .....	287,182	—
Accrued investment advisory fees (Note 4) .....	14,386	20,335
Payable to administrator (Note 4) .....	5,700	5,700
Other accrued expenses and liabilities .....	1,785	1,955
<b>TOTAL LIABILITIES</b> .....	<u>568,429</u>	<u>203,577</u>
<b>NET ASSETS</b> .....	<u>\$ 26,278,504</u>	<u>\$ 34,614,156</u>
<b>Net assets consist of:</b>		
Paid-in capital .....	\$ 20,287,688	\$ 25,471,382
Undistributed (distributions in excess of) net investment income .....	2,581	(1,981)
Accumulated net realized gains (losses) from investment transactions and written option contracts .....	690,118	(76,853)
Net unrealized appreciation (depreciation) on:		
Investments .....	5,339,418	9,302,497
Written option contracts .....	(41,301)	(80,889)
<b>Net assets</b> .....	<u>\$ 26,278,504</u>	<u>\$ 34,614,156</u>
Shares of beneficial interest outstanding (unlimited number of shares authorized, \$0.01 par value) .....	<u>1,023,364</u>	<u>1,822,753</u>
Net asset value, offering price and redemption price per share (Note 2) .....	<u>\$ 25.68</u>	<u>\$ 18.99</u>

See accompanying notes to financial statements.

**THE FLIPPIN, BRUCE & PORTER FUNDS**  
**STATEMENTS OF OPERATIONS**  
**Year Ended March 31, 2018**

	<b>FBP Equity &amp; Dividend Plus Fund</b>	<b>FBP Appreciation &amp; Income Opportunities Fund</b>
<b>INVESTMENT INCOME</b>		
Dividends .....	\$ 875,113	\$ 962,764
Foreign withholding taxes on dividends .....	(1,853)	(4,140)
Interest .....	—	123,862
<b>TOTAL INVESTMENT INCOME</b> .....	<u>873,260</u>	<u>1,082,486</u>
<b>EXPENSES</b>		
Investment advisory fees (Note 4) .....	187,627	240,126
Administration fees (Note 4) .....	60,000	60,000
Professional fees .....	22,916	22,916
Trustees' fees and expenses (Note 4) .....	10,452	10,452
Registration and filing fees .....	10,810	8,077
Compliance service fees (Note 4) .....	8,400	8,400
Custodian and bank service fees .....	8,082	6,899
Postage and supplies .....	6,477	4,592
Printing of shareholder reports .....	6,560	4,150
Account maintenance fees .....	1,414	2,706
Insurance expense .....	1,131	1,280
Other expenses .....	7,211	8,655
<b>TOTAL EXPENSES</b> .....	<u>331,080</u>	<u>378,253</u>
Fees voluntarily waived by the Adviser (Note 4) .....	(44,279)	(35,216)
<b>NET EXPENSES</b> .....	<u>286,801</u>	<u>343,037</u>
<b>NET INVESTMENT INCOME</b> .....	<u>586,459</u>	<u>739,449</u>
<b>REALIZED AND UNREALIZED GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gains from:		
Investment transactions .....	1,141,946	791,841
Written option contracts (Note 5) .....	122,178	39,716
Net realized gains from in-kind redemptions (Note 2) .....	498,179	—
Net change in unrealized appreciation (depreciation) on:		
Investments .....	(230,632)	1,095,760
Written option contracts (Note 5) .....	(77,199)	(83,560)
<b>NET REALIZED AND UNREALIZED GAINS ON INVESTMENTS</b> .....	<u>1,454,472</u>	<u>1,843,757</u>
<b>NET INCREASE IN NET ASSETS FROM OPERATIONS</b> .....	<u>\$ 2,040,931</u>	<u>\$ 2,583,206</u>

See accompanying notes to financial statements.

# FBP EQUITY & DIVIDEND PLUS FUND

## STATEMENTS OF CHANGES IN NET ASSETS

	Year Ended March 31, 2018	Year Ended March 31, 2017
<b>FROM OPERATIONS</b>		
Net investment income .....	\$ 586,459	\$ 535,532
Net realized gains (losses) from:		
Investment transactions .....	1,141,946	1,606,222
Written option contracts (Note 5) .....	122,178	(15,969)
Net realized gains from in-kind redemptions (Note 2) .....	498,179	—
Net change in unrealized appreciation (depreciation) on:		
Investments .....	(230,632)	1,920,752
Written option contracts (Note 5) .....	(77,199)	81,002
Net increase in net assets from operations .....	<u>2,040,931</u>	<u>4,127,539</u>
<b>DISTRIBUTIONS TO SHAREHOLDERS (Note 2)</b>		
From net investment income .....	(586,581)	(534,664)
From net realized gains from investment transactions .....	(1,700,035)	(65,593)
Decrease in net assets from distributions to shareholders .....	<u>(2,286,616)</u>	<u>(600,257)</u>
<b>FROM CAPITAL SHARE TRANSACTIONS</b>		
Proceeds from shares sold .....	415,812	823,184
Net asset value of shares issued in reinvestment of distributions to shareholders .....	2,251,859	589,831
Payments for shares redeemed .....	(3,558,200)	(2,289,634)
Net decrease in net assets from capital share transactions .....	<u>(890,529)</u>	<u>(876,619)</u>
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS .....</b>	<b>(1,136,214)</b>	<b>2,650,663</b>
<b>NET ASSETS</b>		
Beginning of year .....	27,414,718	24,764,055
End of year .....	<u>\$ 26,278,504</u>	<u>\$ 27,414,718</u>
<b>UNDISTRIBUTED NET INVESTMENT INCOME .....</b>	<b>\$ 2,581</b>	<b>\$ 2,703</b>
<b>CAPITAL SHARE ACTIVITY</b>		
Shares sold .....	16,167	33,608
Shares reinvested .....	89,387	24,107
Shares redeemed .....	(138,180)	(95,151)
Net decrease in shares outstanding .....	(32,626)	(37,436)
Shares outstanding, beginning of year .....	1,055,990	1,093,426
Shares outstanding, end of year .....	<u>1,023,364</u>	<u>1,055,990</u>

See accompanying notes to financial statements.

# FBP APPRECIATION & INCOME OPPORTUNITIES FUND

## STATEMENTS OF CHANGES IN NET ASSETS

	Year Ended March 31, 2018	Year Ended March 31, 2017
<b>FROM OPERATIONS</b>		
Net investment income .....	\$ 739,449	\$ 514,941
Net realized gains from:		
Investment transactions .....	791,841	925,796
Written option contracts (Note 5) .....	39,716	1,635
Net change in unrealized appreciation (depreciation) on:		
Investments .....	1,095,760	3,253,840
Written option contracts (Note 5) .....	(83,560)	17,747
Net increase in net assets from operations .....	<u>2,583,206</u>	<u>4,713,959</u>
<b>DISTRIBUTIONS TO SHAREHOLDERS (Note 2)</b>		
From net investment income .....	(740,853)	(522,350)
From net realized gains from investment transactions .....	(1,510,840)	(30,246)
Decrease in net assets from distributions to shareholders .....	<u>(2,251,693)</u>	<u>(552,596)</u>
<b>FROM CAPITAL SHARE TRANSACTIONS</b>		
Proceeds from shares sold .....	470,661	1,579,250
Net asset value of shares issued in reinvestment of distributions to shareholders .....	2,180,127	513,848
Payments for shares redeemed .....	(2,436,914)	(3,854,197)
Net increase (decrease) in net assets from capital share transactions .....	<u>213,874</u>	<u>(1,761,099)</u>
<b>TOTAL INCREASE IN NET ASSETS</b> .....	545,387	2,400,264
<b>NET ASSETS</b>		
Beginning of year .....	34,068,769	31,668,505
End of year .....	<u>\$ 34,614,156</u>	<u>\$ 34,068,769</u>
<b>DISTRIBUTIONS IN EXCESS OF NET INVESTMENT INCOME</b> .....		
	\$ (1,981)	\$ (492)
<b>CAPITAL SHARE ACTIVITY</b>		
Shares sold .....	24,569	85,200
Shares reinvested .....	115,761	28,901
Shares redeemed .....	(128,348)	(216,526)
Net increase (decrease) in shares outstanding .....	11,982	(102,425)
Shares outstanding, beginning of year .....	1,810,771	1,913,196
Shares outstanding, end of year .....	<u>1,822,753</u>	<u>1,810,771</u>

See accompanying notes to financial statements.

# FBP EQUITY & DIVIDEND PLUS FUND

## FINANCIAL HIGHLIGHTS

### Selected Per Share Data and Ratios for a Share Outstanding Throughout Each Year

	Years Ended March 31,				
	2018	2017	2016	2015	2014
Net asset value at beginning of year .....	\$ 25.96	\$ 22.65	\$ 24.89	\$ 24.78	\$ 21.67
Income (loss) from investment operations:					
Net investment income .....	0.57	0.50	0.61	0.50	0.42
Net realized and unrealized gains (losses) on investments .....	1.38	3.37	(1.21)	0.57	3.11
Total from investment operations .....	1.95	3.87	(0.60)	1.07	3.53
Less distributions:					
Dividends from net investment income .....	(0.57)	(0.50)	(0.61)	(0.51)	(0.42)
Distributions from net realized gains .....	(1.66)	(0.06)	(1.03)	(0.45)	—
Total distributions .....	(2.23)	(0.56)	(1.64)	(0.96)	(0.42)
Net asset value at end of year .....	\$ 25.68	\$ 25.96	\$ 22.65	\$ 24.89	\$ 24.78
Total return <sup>(a)</sup> .....	7.91%	17.29%	(2.31%)	4.23%	16.40%
Net assets at end of year (000's) .....	\$ 26,279	\$ 27,415	\$ 24,764	\$ 28,782	\$ 27,794
Ratio of total expenses to average net assets .....	1.24%	1.25%	1.19%	1.17%	1.21%
Ratio of net expenses to average net assets <sup>(b)</sup> .....	1.07%	1.07%	1.07%	1.07%	1.07%
Ratio of net investment income to average net assets <sup>(b)</sup> .....	2.19%	2.07%	2.60%	1.98%	1.82%
Portfolio turnover rate .....	18%	19%	21%	19%	24%

<sup>(a)</sup> Total return is a measure of the change in value of an investment in the Fund over the periods covered, which assumes any dividends or capital gains distributions are reinvested in shares of the Fund. Returns shown do not reflect the deduction of taxes a shareholder would pay on Fund distributions or the redemption of Fund shares.

<sup>(b)</sup> Ratios were determined after voluntary advisory fee waivers by the Adviser (Note 4).

See accompanying notes to financial statements.

# FBP APPRECIATION & INCOME OPPORTUNITIES FUND

## FINANCIAL HIGHLIGHTS

### Selected Per Share Data and Ratios for a Share Outstanding Throughout Each Year

	Years Ended March 31,				
	2018	2017	2016	2015	2014
Net asset value at beginning of year .....	\$ 18.81	\$ 16.55	\$ 18.53	\$ 18.97	\$ 17.16
Income (loss) from investment operations:					
Net investment income .....	0.41	0.28	0.31	0.26	0.25
Net realized and unrealized gains (losses) on investments .....	1.03	2.28	(1.11)	0.19	2.50
Total from investment operations .....	1.44	2.56	(0.80)	0.45	2.75
Less distributions:					
Dividends from net investment income .....	(0.41)	(0.28)	(0.32)	(0.26)	(0.26)
Distributions from net realized gains .....	(0.85)	(0.02)	(0.86)	(0.63)	(0.68)
Total distributions .....	(1.26)	(0.30)	(1.18)	(0.89)	(0.94)
Net asset value at end of year .....	\$ 18.99	\$ 18.81	\$ 16.55	\$ 18.53	\$ 18.97
Total return <sup>(a)</sup> .....	7.91%	15.58%	(4.48%)	2.36%	16.50%
Net assets at end of year (000's) .....	\$ 34,614	\$ 34,069	\$ 31,669	\$ 38,991	\$ 39,951
Ratio of total expenses to average net assets .....	1.10%	1.12%	1.05%	1.04%	1.03%
Ratio of net expenses to average net assets <sup>(b)</sup> .....	1.00%	1.00%	1.00%	1.00%	1.00%
Ratio of net investment income to average net assets <sup>(b)</sup> .....	2.16%	1.57%	1.75%	1.36%	1.36%
Portfolio turnover rate .....	10%	18%	23%	12%	10%

<sup>(a)</sup> Total return is a measure of the change in value of an investment in the Fund over the periods covered, which assumes any dividends or capital gains distributions are reinvested in shares of the Fund. Returns shown do not reflect the deduction of taxes a shareholder would pay on Fund distributions or the redemption of Fund shares.

<sup>(b)</sup> Ratios were determined after voluntary advisory fee waivers by the Adviser (Note 4).

See accompanying notes to financial statements.

# THE FLIPPIN, BRUCE & PORTER FUNDS

## NOTES TO FINANCIAL STATEMENTS

### March 31, 2018

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## 1. Organization

FBP Equity & Dividend Plus Fund and FBP Appreciation & Income Opportunities Fund (the “Funds”) are no-load, diversified series of Williamsburg Investment Trust (the “Trust”), an open-end management investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”). The Trust was organized as a Massachusetts business trust on July 18, 1988. Other series of the Trust are not included in this report.

FBP Equity & Dividend Plus Fund seeks to provide above-average and growing income while also achieving long-term growth of capital.

FBP Appreciation & Income Opportunities Fund seeks long term capital appreciation and current income, assuming a moderate level of investment risk.

## 2. Significant Accounting Policies

In October 2016, the U.S. Securities and Exchange Commission (the “SEC”) adopted amendments to Regulation S-X, which impact financial statement presentation, particularly the presentation of derivative investments. The Funds have adopted these amendments, which were effective August 1, 2017, with these financial statements.

Each Fund follows accounting and reporting guidance under Financial Accounting Standards Board Accounting Standards Codification Topic 946, “Financial Services – Investment Companies.” The following is a summary of the Funds’ significant accounting policies. These policies are in conformity with accounting principles generally accepted in the United States of America (“GAAP”).

**Securities valuation** — The Funds’ portfolio securities are valued as of the close of business of the regular session of the New York Stock Exchange (normally 4:00 p.m. Eastern time). Securities traded on a national stock exchange, including common stocks and closed-end investment companies, are valued based upon the closing price on the principal exchange where the security is traded, if available, otherwise, at the last quoted bid price. Securities that are quoted by NASDAQ are valued at the NASDAQ Official Closing Price. Covered call options written by the Funds are valued at the last quoted sale price or, in the absence of a sale, at the ask price on the principal exchanges on which they are traded. Investments representing shares of other open-end investment companies, including money market funds, are valued at their net asset value (“NAV”) as reported by such companies. When using a quoted price and when the market is considered active, securities will be classified as Level 1 within the fair value hierarchy (see below).

Fixed income securities, including U.S. government agency obligations and corporate bonds, are typically valued on the basis of prices provided by an independent pricing service. The prices provided by the pricing service are determined with consideration given to institutional bid and last sale prices and take into account securities prices, yields, maturities, call features, ratings, institutional trading in similar groups of securities, and developments related to specific securities. Given the inputs used by the pricing service, these securities are classified as Level 2 within the fair value hierarchy.



# THE FLIPPIN, BRUCE & PORTER FUNDS

## NOTES TO FINANCIAL STATEMENTS (Continued)

When market quotations are not readily available, if a pricing service cannot provide a price, or if the investment adviser believes the price received from the pricing service is not indicative of market value, securities will be valued in good faith at fair value using methods consistent with procedures adopted by the Board of Trustees and will be classified as Level 2 or 3 within the fair value hierarchy, depending on the inputs used. Such methods of fair valuation may include, but are not limited to: multiple of earnings, multiple of book value, discount from market of a similar freely traded security, purchase price of the security, subsequent private transactions in the security or related securities, or a combination of these and other factors.

GAAP establishes a single authoritative definition of fair value, sets out a framework for measuring fair value and requires additional disclosures about fair value measurements. Various inputs are used in determining the value of each Fund's investments. These inputs are summarized in the three broad levels listed below:

- Level 1 – quoted prices in active markets for identical securities
- Level 2 – other significant observable inputs
- Level 3 – significant unobservable inputs

The inputs or methodology used for valuing securities are not necessarily an indication of the risks associated with investing in those securities. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement.

The following is a summary of the inputs used to value each Fund's investments and other financial instruments as of March 31, 2018, by security type:

FBP Equity & Dividend Plus Fund	Level 1	Level 2	Level 3	Total
<b>Investments in Securities:</b>				
Common Stocks .....	\$ 25,248,164	\$ —	\$ —	\$ 25,248,164
Money Market Funds .....	1,535,039	—	—	1,535,039
<b>Total .....</b>	<b><u>\$ 26,783,203</u></b>	<b><u>\$ —</u></b>	<b><u>\$ —</u></b>	<b><u>\$ 26,783,203</u></b>
<b>Other Financial Instruments:</b>				
Covered Written Call Options .....	\$ (252,900)	\$ —	\$ —	\$ (252,900)
<b>Total .....</b>	<b><u>\$ (252,900)</u></b>	<b><u>\$ —</u></b>	<b><u>\$ —</u></b>	<b><u>\$ (252,900)</u></b>

# THE FLIPPIN, BRUCE & PORTER FUNDS

## NOTES TO FINANCIAL STATEMENTS (Continued)

FBP Appreciation & Income Opportunities Fund	Level 1	Level 2	Level 3	Total
<b>Investments in Securities:</b>				
Common Stocks .....	\$ 26,477,044	\$ —	\$ —	\$ 26,477,044
U.S. Government Agency Obligations .....	—	486,977	—	486,977
Corporate Bonds .....	—	4,219,358	—	4,219,358
Closed-End Funds .....	282,600	—	—	282,600
Money Market Funds .....	3,240,823	—	—	3,240,823
<b>Total</b> .....	<b>\$ 30,000,467</b>	<b>\$ 4,706,335</b>	<b>\$ —</b>	<b>\$ 34,706,802</b>
<b>Other Financial Instruments:</b>				
Covered Written Call Options .....	\$ (149,624)	\$ —	\$ —	\$ (149,624)
<b>Total</b> .....	<b>\$ (149,624)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (149,624)</b>

Refer to each Fund's Schedule of Investments for a listing of the common stocks and corporate bonds by sector type. As of March 31, 2018, the Funds did not have any transfers into or out of any Level. There were no Level 3 securities held by the Funds as of March 31, 2018. It is the Funds' policy to recognize transfers into or out of any Level at the end of the reporting period.

**Share valuation** — The NAV per share of each Fund is calculated daily by dividing the total value of its assets, less liabilities, by the number of shares outstanding. The offering price and redemption price per share of each Fund is equal to its NAV per share.

**Investment income** — Interest income is accrued as earned. Dividend income is recorded on the ex-dividend date. Discounts and premiums on fixed income securities purchased are amortized using the interest method. Withholding taxes on foreign dividends have been recorded in accordance with the Funds' understanding of the applicable country's rules and tax rates.

**Distributions to shareholders** — Dividends arising from net investment income are declared and paid quarterly to shareholders of each Fund. Net realized short-term capital gains, if any, may be distributed throughout the year and net realized long-term capital gains, if any, are distributed at least once each year. The amount of distributions from net investment income and net realized capital gains are determined in accordance with federal income tax regulations, which may differ from GAAP. These "book/tax" differences are either temporary or permanent in nature. Dividends and distributions are recorded on the ex-dividend date. The tax character of distributions paid during the years ended March 31, 2018 and 2017 was as follows:

	Year Ended	Ordinary Income	Long-Term Capital Gains	Total Distributions
<b>FBP Equity &amp; Dividend Plus Fund</b>	3/31/2018	\$ 636,626	\$ 1,649,990	\$ 2,286,616
	3/31/2017	\$ 576,357	\$ 23,900	\$ 600,257
<b>FBP Appreciation &amp; Income Opportunities Fund</b>	3/31/2018	\$ 816,087	\$ 1,435,606	\$ 2,251,693
	3/31/2017	\$ 552,596	\$ —	\$ 552,596

# THE FLIPPIN, BRUCE & PORTER FUNDS

## NOTES TO FINANCIAL STATEMENTS (Continued)

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**Investment transactions** — Investment transactions are accounted for on trade date for financial reporting purposes. Realized gains and losses on securities sold are determined on a specific identification basis.

**Common expenses** — Common expenses of the Trust are allocated among the series of the Trust based on relative net assets of each series or the nature of the services performed and the relative applicability to each series.

**Options transactions** — When the Funds' investment adviser believes that individual portfolio securities held by the Funds are approaching the top of the adviser's growth and price expectations, covered call options can be written (sold) against such securities and the Funds will receive a premium in return. The Funds write options only for income generation and hedging purposes and not for speculation. The premiums received from writing the options are recorded as a liability and are subsequently valued daily at the closing prices on their primary exchanges. Premiums received from writing options that expire are treated as realized gains. Premiums received from writing options that are exercised increase the proceeds used to calculate the realized gain or loss on the sale of the underlying security. If a closing purchase transaction is used to terminate a Fund's obligation on a call option, a gain or loss will be realized, depending upon whether the price of the closing purchase transaction is more or less than the premium previously received on the call option written.

**Estimates** — 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 the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

**Federal income tax** — Each Fund has qualified and intends to continue to qualify as a regulated investment company under the Internal Revenue Code of 1986, as amended (the "Code"). Qualification generally will relieve the Funds of liability for federal income taxes to the extent 100% of their net investment income and any net realized capital gains are distributed in accordance with the Code.

In order to avoid imposition of the excise tax applicable to regulated investment companies, it is also each Fund's intention to declare as dividends in each calendar year at least 98% of its net investment income (earned during the calendar year) and 98.2% of its net realized capital gains (earned during the twelve months ended October 31) plus undistributed amounts from prior years.

# THE FLIPPIN, BRUCE & PORTER FUNDS

## NOTES TO FINANCIAL STATEMENTS (Continued)

The following information is computed on a tax basis for each item as of March 31, 2018:

	<b>FBP Equity &amp; Dividend Plus Fund</b>	<b>FBP Appreciation &amp; Income Opportunities Fund</b>
Cost of portfolio investments and written option contracts .....	\$ 21,232,186	\$ 25,339,595
Gross unrealized appreciation .....	\$ 6,064,985	\$ 10,129,704
Gross unrealized depreciation .....	(766,868)	(912,121)
Net unrealized appreciation .....	5,298,117	9,217,583
Undistributed ordinary income .....	22,220	12,880
Undistributed long-term capital gains .....	672,500	—
Accumulated capital and other losses .....	—	(76,853)
Distributions payable .....	(2,021)	(10,836)
Distributable earnings .....	<u>\$ 5,990,816</u>	<u>\$ 9,142,774</u>

The difference between the federal income tax cost of portfolio investments and the financial statement cost of portfolio investments for FBP Appreciation & Income Opportunities Fund is due to certain differences in the recognition of capital gains and losses under income tax regulations and GAAP. These “book/tax” differences are temporary in nature and are primarily due to differing methods in the amortization of discounts and premiums on fixed income securities.

Certain capital losses incurred after October 31, and within the current taxable year, are deemed to arise on the first business day of a Fund’s following taxable year. For the tax year ended March 31, 2018, FBP Appreciation & Income Opportunities Fund deferred until April 1, 2018 post-October capital losses in the amount of \$76,853.

During the year ended March 31, 2018, FBP Equity & Dividend Plus Fund realized \$498,179 of net capital gains resulting from in-kind redemptions (redemptions in which shareholders who redeemed Fund shares received securities held by the Fund rather than cash). The Fund recognizes a gain on in-kind redemptions to the extent that the value of the distributed securities on the date of redemption exceeds the cost of those securities. Such gains are not taxable to the Fund and are not required to be distributed to shareholders. The Fund has reclassified this amount against paid-in capital on the Statements of Assets and Liabilities. Such reclassification, the result of permanent differences between the financial statement and income tax reporting requirements, had no effect on the Fund’s net assets or net asset value per share.

During the year ended March 31, 2018, the following reclassification was made as a result of permanent differences between the financial statements and income tax reporting requirements:

	<b>Decrease in distributions in excess of net investment income</b>	<b>Increase in accumulated net realized losses from investment transactions</b>
FBP Appreciation & Income Opportunities Fund .....	\$ (85)	\$ 85

# THE FLIPPIN, BRUCE & PORTER FUNDS

## NOTES TO FINANCIAL STATEMENTS (Continued)

Such reclassification has no effect on the Fund's total net assets or its NAV per share.

The Funds recognize the tax benefits or expenses of uncertain tax positions only when the position is "more likely than not" to be sustained assuming examination by tax authorities. Management has reviewed the tax positions taken by each Fund on federal income tax returns for all open tax years (tax years ended March 31, 2015 through March 31, 2018) and has concluded that no provision for unrecognized tax benefits or expenses is required in these financial statements.

### 3. Investment Transactions

Investment transactions, other than short-term investments and U.S. government securities, were as follows for the year ended March 31, 2018:

	FBP Equity & Dividend Plus Fund	FBP Appreciation & Income Opportunities Fund
Purchases of investment securities .....	\$ 4,586,961	\$ 3,134,289
Proceeds from sales and maturities of investment securities .....	\$ 5,358,648	\$ 4,345,219

### 4. Transactions with Related Parties

#### INVESTMENT ADVISORY AGREEMENTS

Each Fund's investments are managed by Flippin, Bruce & Porter, Inc. (the "Adviser") under the terms of an Investment Advisory Agreement. Under the Investment Advisory Agreements, each Fund pays the Adviser a fee, which is computed and accrued daily and paid monthly, at an annual rate of 0.70% of its average daily net assets up to \$250 million; 0.65% of the next \$250 million of such assets; and 0.50% of such assets in excess of \$500 million.

During the year ended March 31, 2018, the Adviser voluntarily waived \$44,279 and \$35,216 of its investment advisory fees from FBP Equity & Dividend Plus Fund and FBP Appreciation & Income Opportunities Fund, respectively. These amounts are not subject to recapture in future periods.

Certain officers and a Trustee of the Trust are also officers of the Adviser.

#### OTHER SERVICE PROVIDERS

Ultimus Fund Solutions, LLC ("Ultimus") provides administration, fund accounting, compliance and transfer agent services to the Funds. The Funds pay Ultimus fees in accordance with the agreements for such services. In addition, the Funds pay out-of-pocket expenses including, but not limited to, postage, supplies, and costs of pricing the Funds' portfolio securities. Certain officers of the Trust are also officers of Ultimus, or of Ultimus Fund Distributors, LLC (the "Distributor"), the principal underwriter of each Fund's shares and an affiliate of Ultimus. The Distributor is compensated by the Adviser (not the Funds) for acting as principal underwriter.

# THE FLIPPIN, BRUCE & PORTER FUNDS

## NOTES TO FINANCIAL STATEMENTS (Continued)

### COMPENSATION OF TRUSTEES

Trustees and officers affiliated with the Adviser or Ultimus are not compensated by the Trust for their services. Each Trustee who is not an affiliated person of the Adviser or Ultimus received from the Trust an annual retainer of \$15,000, payable quarterly; a fee of \$1,500 for attendance at each meeting of the Board of Trustees (except that such fee was \$2,500 for the independent chair); and a fee of \$1,000 for attendance at each meeting of any committee of the Board (except that such fee was \$1,500 for the committee chair); plus reimbursement of travel and other expenses incurred in attending meetings. Effective April 1, 2018, each Trustee who is not an affiliated person of the Adviser or Ultimus will receive from the Trust an annual retainer of \$20,000, payable quarterly; a fee of \$2,000 for attendance at each meeting of the Board of Trustees (except that such fee will be \$3,000 for the independent chair); and a fee of \$1,000 for attendance at each meeting of any committee of the Board (except that such fee will be \$1,500 for the committee chair); plus reimbursement of travel and other expenses incurred in attending meetings. Each series of the Trust pays its proportionate share of such fees.

### 5. Derivatives Transactions

The location in the Statements of Assets and Liabilities of the Funds' derivative positions is as follows:

#### FBP Equity & Dividend Plus Fund

Type of Derivative (Risk)	Location	Fair Value		Gross Notional Amount Outstanding March 31, 2018
		Asset Derivatives	Liability Derivatives	
Call options written (Equity)	Written call options, at value	\$ —	\$ (252,900)	\$ (5,907,093)

#### FBP Appreciation & Income Opportunities Fund

Type of Derivative (Risk)	Location	Fair Value		Gross Notional Amount Outstanding March 31, 2018
		Asset Derivatives	Liability Derivatives	
Call options written (Equity)	Written call options, at value	\$ —	\$ (149,624)	\$ (2,010,932)

# THE FLIPPIN, BRUCE & PORTER FUNDS

## NOTES TO FINANCIAL STATEMENTS (Continued)

The Funds' transactions in derivative instruments during the year ended March 31, 2018 are recorded in the following location in the Statements of Operations:

### FBP Equity & Dividend Plus Fund

Type of Derivative (Risk)	Location	Net Realized Gains	Location	Change in Unrealized Appreciation (Depreciation)
Call options written (Equity)	Net realized gains from written option contracts	\$ 122,178	Net change in unrealized appreciation (depreciation) on written option contracts	\$ (77,199)

### FBP Appreciation & Income Opportunities Fund

Type of Derivative (Risk)	Location	Net Realized Gains	Location	Change in Unrealized Appreciation (Depreciation)
Call options written (Equity)	Net realized gains from written option contracts	\$ 39,716	Net change in unrealized appreciation (depreciation) on written option contracts	\$ (83,560)

The average monthly notional amount of written call options during the year ended March 31, 2018 is \$5,917,489 and \$1,236,064 for FBP Equity & Dividend Plus Fund and FBP Appreciation & Income Opportunities Fund, respectively.

## 6. Contingencies and Commitments

The Funds indemnify the Trust's officers and Trustees for certain liabilities that might arise from the performance of their duties to the Funds. Additionally, in the normal course of business the Funds enter into contracts that contain a variety of representations and warranties and which provide general indemnifications. The Funds' maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Funds that have not yet occurred. However, based on experience, the Trust expects the risk of loss to be remote.

## 7. Subsequent Events

The Funds are required to recognize in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed as of the date of the Statements of Assets and Liabilities. For non-recognized subsequent events that must be disclosed to keep the financial statements from being misleading, the Funds are required to disclose the nature of the event as well as an estimate of its financial effect, or a statement that such an estimate cannot be made. Management has evaluated subsequent events through the issuance of these financial statements and has noted no such events.

# THE FLIPPIN, BRUCE & PORTER FUNDS

## REPORT OF INDEPENDENT REGISTERED

### PUBLIC ACCOUNTING FIRM

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To the Shareholders of The Flippin, Bruce & Porter Funds and  
Board of Trustees of Williamsburg Investment Trust

#### Opinion on the Financial Statements

We have audited the accompanying statements of assets and liabilities, including the schedules of investments and open option contracts, of The Flippin, Bruce & Porter Funds, comprising FBP Equity & Dividend Plus Fund and FBP Appreciation & Income Opportunities Fund, (the “Funds”), each a series of Williamsburg Investment Trust, as of March 31, 2018, and the related statements of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, including the related notes, and the financial highlights for each of the three years in the period then ended (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Funds as of March 31, 2018, the results of their operations for the year then ended, the changes in their net assets for each of the two years in the period then ended, and the financial highlights for each of the three years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

The Funds’ financial highlights for the periods ended March 31, 2015 and prior, were audited by other auditors whose report dated May 22, 2015, expressed an unqualified opinion on those financial highlights.

#### Basis for Opinion

These financial statements are the responsibility of the Funds’ management. Our responsibility is to express an opinion on the Funds’ financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Funds in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits include performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and confirmation of securities owned as of March 31, 2018, by correspondence with the custodian and brokers. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

We have served as the Funds’ auditor since 2016.

COHEN & COMPANY, LTD.  
Cleveland, Ohio  
May 11, 2018



# THE FLIPPIN, BRUCE & PORTER FUNDS

## BOARD OF TRUSTEES AND EXECUTIVE OFFICERS

### (Unaudited)

Overall responsibility for management of the Funds rests with the Board of Trustees. The Trustees serve during the lifetime of the Trust and until its termination, or until death, resignation, retirement or removal. The Trustees, in turn, elect the officers of the Funds. The officers have been elected for an annual term. The following are the Trustees and executive officers of the Funds:

Trustees and Officers	Address	Year of Birth	Position Held with the Trust	Length of Time Served
Robert S. Harris, Ph.D.	225 Pictoria Drive, Suite 450 Cincinnati, OH	1949	Chairman and Trustee	Since January 2007
* John P. Ackerly, IV	One James Center 901 E. Cary Street Richmond, VA	1963	Trustee and President of Davenport Funds	Since July 2012
* John T. Bruce	800 Main Street Lynchburg, VA	1953	Trustee and President of FBP Funds	Since September 1988
George K. Jennison	225 Pictoria Drive, Suite 450 Cincinnati, OH	1957	Trustee	Since January 2015
Harris V. Morrisette	225 Pictoria Drive, Suite 450 Cincinnati, OH	1959	Trustee	Since March 1993
Elizabeth W. Robertson	225 Pictoria Drive, Suite 450 Cincinnati, OH	1953	Trustee	Since February 2014
Norman D. Darden, III	800 Main Street Lynchburg, VA	1965	Vice President	Since February 2018
John H. Hanna, IV	800 Main Street Lynchburg, VA	1955	Vice President	Since February 2007
David J. Marshall	800 Main Street Lynchburg, VA	1956	Vice President	Since February 2007
Robert G. Dorsey	225 Pictoria Drive, Suite 450 Cincinnati, OH	1957	Vice President	Since November 2000
Mark J. Seger	225 Pictoria Drive, Suite 450 Cincinnati, OH	1962	Treasurer	Since November 2000
Dina A. Tantra	225 Pictoria Drive, Suite 450 Cincinnati, OH	1969	Secretary	Since May 2018
Simon H. Berry	225 Pictoria Drive, Suite 450 Cincinnati, OH	1971	Chief Compliance Officer	Since May 2017

\* Messrs. Ackerly and Bruce, as affiliated persons of investment advisers to the Trust, are “interested persons” of the Trust within the meaning of Section 2(a)(19) of the 1940 Act.

# **THE FLIPPIN, BRUCE & PORTER FUNDS**

## **BOARD OF TRUSTEES AND EXECUTIVE OFFICERS**

### **(Unaudited) (Continued)**

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Each Trustee oversees twelve portfolios of the Trust, including the Funds. The principal occupations of the Trustees and executive officers of the Funds during the past five years and public directorships held by the Trustees are set forth below:

Robert S. Harris, Ph.D. is the C. Stewart Sheppard Professor of Business Administration at The Darden Graduate School of Business Administration at the University of Virginia. He was previously the dean at Darden. Professor Harris has published widely on corporate finance, financial markets and mergers and acquisitions and has served as a consultant to corporations and government agencies.

John P. Ackerly, IV is Senior Vice President and Portfolio Manager of Davenport & Company LLC (a broker-dealer and investment advisory firm).

John T. Bruce is President, Director and member of the Executive Committee of the Adviser.

George K. Jennison is President of Oyster Consulting, LLC (a management consulting firm). He previously was a financial adviser with Wells Fargo Advisors, LLC.

Harris V. Morrisette is President of China Doll Rice and Beans, Inc. and Dixie Lily Foods. He is also a Director of Trustmark Corporation (bank holding company).

Elizabeth W. Robertson is Chief Financial Officer for Monument Restaurants LLC (restaurant franchises) and a Director of Towne Bank.

Norman D. Darden, III is Senior Portfolio Manager, Analyst and Principal of the Adviser.

John H. Hanna, IV is Vice President, Director and member of the Executive Committee of the Adviser.

David J. Marshall is Secretary, Director and member of the Executive Committee of the Adviser.

Robert G. Dorsey is a Managing Director of Ultimus Fund Solutions, LLC and Ultimus Fund Distributors, LLC.

Mark J. Seger is a Managing Director of Ultimus Fund Solutions, LLC and Ultimus Fund Distributors, LLC.

Dina A. Tantra is an Executive Vice President and Director of Fund Administration and Compliance of Ultimus Fund Solutions, LLC (2017 to present). She previously was Managing Director of Foreside Financial Group, LLC (2016 to 2017); Trustee and President of Advisers Investment Trust (2012 to 2017); Managing Director, Secretary and General Counsel of Beacon Hill Fund Services, Inc. (2008 to 2016) and Secretary and General Counsel of BHL Distributors, Inc. (2008 to 2016).

Simon H. Berry is a Senior Attorney of Ultimus Fund Solutions, LLC (2016 to present). He previously was an Attorney at the Kentucky Department of Financial Institutions (2009-2016).

Additional information about members of the Board of Trustees and executive officers is available in the Statement of Additional Information (“SAI”). To obtain a free copy of the SAI, please call 1-800-327-9375.

# THE FLIPPIN, BRUCE & PORTER FUNDS

## ABOUT YOUR FUNDS' EXPENSES (Unaudited)

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We believe it is important for you to understand the impact of costs on your investment. All mutual funds have operating expenses. As a shareholder of the Funds, you incur ongoing costs, including management fees and other operating expenses. These ongoing costs, which are deducted from each Fund's gross income, directly reduce the investment return of the Funds.

A mutual fund's ongoing costs are expressed as a percentage of its average net assets. This figure is known as the expense ratio. The following examples are intended to help you understand the ongoing costs (in dollars) of investing in the Funds and to compare these costs with the ongoing costs of investing in other mutual funds. The examples below are based on an investment of \$1,000 made at the beginning of the period shown and held for the entire period (October 1, 2017 through March 31, 2018).

The table below illustrates each Fund's ongoing costs in two ways:

**Actual fund return** – This section helps you to estimate the actual expenses that you paid over the period. The “Ending Account Value” shown is derived from each Fund's actual return, and the fourth column shows the dollar amount of operating expenses that would have been paid by an investor who started with \$1,000 in the Funds. You may use the information here, together with the amount you invested, to estimate the expenses that you paid over the period.

To do so, 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 given for the Funds under the heading “Expenses Paid During Period.”

**Hypothetical 5% return** – This section is intended to help you compare the Funds' ongoing costs with those of other mutual funds. It assumes that each Fund had an annual return of 5% before expenses during the period shown, but that the expense ratio is unchanged. In this case, because the returns used are not the Funds' actual returns, the results do not apply to your investment. The example is useful in making comparisons because the SEC requires all mutual funds to calculate expenses based on a 5% return. You can assess each Fund's ongoing costs by comparing this hypothetical example with the hypothetical examples that appear in shareholder reports of other funds.

Note that expenses shown in the table are meant to highlight and help you compare ongoing costs only. The Funds do not charge sales loads or redemption fees.

The calculations assume no shares were bought or sold during the period. Your actual costs may have been higher or lower, depending on the amount of your investment and the timing of any purchases or redemptions.

More information about the Funds' expenses, including annual expense ratios for the past five fiscal years, can be found in this report. For additional information on operating expenses and other shareholder costs, please refer to the Funds' prospectus.

# THE FLIPPIN, BRUCE & PORTER FUNDS

## ABOUT YOUR FUNDS' EXPENSES (Unaudited) (Continued)

	Beginning Account Value October 1, 2017	Ending Account Value March 31, 2018	Net Expense Ratio <sup>(a)</sup>	Expenses Paid During Period <sup>(b)</sup>
<b>FBP Equity &amp; Dividend Plus Fund</b>				
Based on Actual Fund Return	\$1,000.00	\$1,031.70	1.07%	\$5.42
Based on Hypothetical 5% Return (before expenses)	\$1,000.00	\$1,019.60	1.07%	\$5.39
<b>FBP Appreciation &amp; Income Opportunities Fund</b>				
Based on Actual Fund Return	\$1,000.00	\$1,040.50	1.00%	\$5.09
Based on Hypothetical 5% Return (before expenses)	\$1,000.00	\$1,019.95	1.00%	\$5.04

<sup>(a)</sup> Annualized, based on the Fund's most recent one-half year expenses.

<sup>(b)</sup> Expenses are equal to the Fund's net expense ratio multiplied by the average account value over the period, multiplied by 182/365 (to reflect the one-half year period).

## THE FLIPPIN, BRUCE & PORTER FUNDS

### OTHER INFORMATION (Unaudited)

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The Trust files a complete listing of portfolio holdings for the Funds with the SEC as of the end of the first and third quarters of each fiscal year on Form N-Q. The filings are available upon request, by calling 1-800-327-9375. Furthermore, you may obtain a copy of these filings on the SEC's website at <http://www.sec.gov>. The Trust's Forms N-Q may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC, and information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

A description of the policies and procedures that the Funds use to determine how to vote proxies relating to portfolio securities is available without charge upon request by calling toll-free 1-800-327-9375, or on the SEC's website at <http://www.sec.gov>. Information regarding how the Funds voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is also available without charge upon request by calling toll-free 1-800-327-9375, or on the SEC's website at <http://www.sec.gov>.

### FEDERAL TAX INFORMATION (Unaudited)

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For the fiscal year ended March 31, 2018, FBP Equity & Dividend Plus Fund and FBP Appreciation & Income Opportunities Fund designated \$1,700,035 and \$1,435,606, respectively, as 20% long-term capital gain distributions.

**Qualified Dividend Income** – FBP Equity & Dividend Plus Fund and FBP Appreciation & Income Opportunities Fund each designates 100%, or up to the maximum amount of such dividends allowable pursuant to the Internal Revenue Code, as qualified dividend income eligible for the reduced tax rate of 15%.

**Dividends Received Deduction** – Corporate shareholders are generally entitled to take the dividends received deduction on the portion of a fund's dividend distribution that qualifies under tax law. For FBP Equity & Dividend Plus Fund and FBP Appreciation & Income Opportunities Fund's fiscal year 2018 ordinary income dividends, 100% qualifies for the corporate dividends received deduction.

# **THE FLIPPIN, BRUCE & PORTER FUNDS DISCLOSURE REGARDING APPROVAL OF INVESTMENT ADVISORY AGREEMENTS (Unaudited)**

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At an in-person meeting held on February 20, 2018, the Board of Trustees, including a majority of the Independent Trustees, approved the continuance for a one-year period of the Investment Advisory Agreements with the Adviser on behalf of the FBP Equity & Dividend Plus Fund and the FBP Appreciation & Income Opportunities Fund. Below is a discussion of the factors considered by the Board of Trustees along with the conclusions with respect thereto that formed the basis for the Board's approval.

In approving the continuance of the Investment Advisory Agreements, the Independent Trustees considered all information they deemed reasonably necessary to evaluate the terms of the Agreements. The principal areas of review by the Independent Trustees were the nature, extent and quality of the services provided by the Adviser and the reasonableness of the fees charged for those services. These matters were considered by the Independent Trustees consulting with experienced counsel for the Independent Trustees, who is independent of the Adviser.

The Independent Trustees' evaluation of the quality of the Adviser's services considered their knowledge and experience gained through meetings with and reports of the Adviser's senior management over the course of the preceding year. Both short-term and long-term investment performance of the Funds were considered. Each Fund's performance was compared to its performance benchmark, a competitive peer group of funds with similar investment objectives and strategies, and to the Adviser's comparably managed private accounts. The Independent Trustees also considered: the scope and quality of the in-house capabilities of the Adviser and other resources that it dedicated to performing services for the Funds; the quality of administrative and other services, including the Adviser's role in coordinating the activities of the Funds' other service providers; the Adviser's compliance with investment policies of the Funds and applicable laws and regulations; information provided by management and the Funds' independent public accounting firm in periodic meetings with the Trust's Audit Committee; the business reputation of the Adviser; the qualifications of the Adviser's key investment and compliance personnel; and the Adviser's financial resources.

In reviewing the fees payable under the Investment Advisory Agreements, the Independent Trustees compared the advisory fees and overall expense levels of each Fund with those of competitive funds with similar investment objectives as well as the private accounts managed by the Adviser. The Independent Trustees considered information provided by the Adviser concerning the Adviser's profitability with respect to each Fund, including the assumptions and methodology used in preparing the profitability information, in light of applicable case law relating to advisory fees. For these purposes, the Independent Trustees considered not only the fees paid by the Funds, but also so-called "fallout" benefits to the Adviser. The Independent Trustees also considered the Adviser's representations that the Funds' portfolio trades were executed based on the best available price and execution, and that the Adviser does not participate in any soft dollar or directed brokerage arrangements. The Independent Trustees further considered that the Adviser does not participate in any revenue sharing arrangements relating to the Funds. In evaluating the Funds' advisory fees, the Trustees considered the complexity and quality of the investment management of the Funds.

# **THE FLIPPIN, BRUCE & PORTER FUNDS DISCLOSURE REGARDING APPROVAL OF INVESTMENT ADVISORY AGREEMENTS (Unaudited) (Continued)**

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Based upon their review of this information, the Independent Trustees concluded that: (i) based upon the performance of the FBP Dividend Fund and the FBP Appreciation Fund during 2017, as compared to the S&P 500 Index and each Fund's respective Morningstar peer group average, the Adviser has provided satisfactory services to the FBP Funds; (ii) the underperformance of each FBP Fund in recent years is largely attributable to the Fund's value-oriented investment approach and use of covered call options, strategies that have limited the FBP Funds' returns amidst rising equity markets; (iii) the advisory fees for each Fund, after fee waivers, are competitive with (and in the case of the FBP Dividend Plus Fund, lower than) similarly managed funds; (iv) the total operating expense ratio of each Fund, after fee waivers, is competitive with the average expense ratio for comparably managed funds, according to statistics derived from Morningstar, Inc.; (v) the Adviser's decision to cap overall operating expenses of the FBP Funds by voluntarily waiving a portion of its investment advisory fees has enabled each Fund to increase returns for its shareholders and to maintain an overall expense ratio that is competitive with the average for similarly managed funds, despite the small size of the Funds; and (vi) the Adviser did not realize any profits with respect to its management of the FBP Funds.

Given the current size of the FBP Funds and their expected growth, the Independent Trustees did not believe that it was relevant to consider the extent to which economies of scale would be realized as the Funds grow, and whether fee levels reflect these economies of scale. The Independent Trustees did consider the "fallout" benefits to FBP with respect to the FBP Funds, but given the amounts involved viewed these as secondary factors in connection with the evaluation of the reasonableness of the advisory fees paid by the Funds.

No single factor was considered in isolation or to be determinative to the decision of the Independent Trustees to approve the continuance of the Investment Advisory Agreements. Rather the Independent Trustees concluded, after weighing and balancing of all factors considered, that it was in the best interests of each Fund and its shareholders to continue the Investment Advisory Agreements without modification to its terms, including the fees charged for services thereunder.

THE  
**FLIPPIN, BRUCE & PORTER**  
FUNDS

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**Investment Adviser**

Flippin, Bruce & Porter, Inc.  
800 Main Street, Second Floor  
P.O. Box 6138  
Lynchburg, Virginia 24505  
**Toll-Free 1-800-851-3804**  
**www.fbpfunds.com**

**Administrator**

Ultimus Fund Solutions, LLC  
P.O. Box 46707  
Cincinnati, Ohio 45246-0707  
**Toll-Free 1-866-738-1127**

**Custodian**

U.S. Bank, N.A.  
425 Walnut Street  
Cincinnati, Ohio 45202

**Independent Registered  
Public Accounting Firm**

Cohen & Company, Ltd.  
1350 Euclid Avenue, Suite 800  
Cleveland, Ohio 44115

**Legal Counsel**

Sullivan & Worcester LLP  
1666 K Street, N.W.  
Washington, DC 20006

**Officers**

John T. Bruce, President  
and Portfolio Manager  
Norman D. Darden, III,  
Vice President  
John H. Hanna, IV, Vice President  
David J. Marshall, Vice President

**Trustees**

Robert S. Harris, Ph.D., Chairman  
John P. Ackerly, IV  
John T. Bruce  
George K. Jennison  
Harris V. Morrissette  
Elizabeth W. Robertson