

THE
FLIPPIN, BRUCE & PORTER
FUND
FUNDS

FBP Value Fund
FBP Balanced Fund

Annual Report

March 31, 2007

No-Load Funds

We are pleased to report on the investment results of the FBP Value Fund and the FBP Balanced Fund (the “Funds”) for the fiscal year ending March 31, 2007. Illustrated below are the returns over the past year and longer time periods.

	% Average Annual Returns Periods Ended March 31, 2007			
	One Year	Three Year	Five Year	Ten Year
FBP Value Fund	11.57	9.36	7.07	8.83
FBP Balanced Fund	9.70	7.20	6.58	8.25

The economy is now clearly slowing after several years of excellent growth, with GDP estimated to be 2.0% to 2.5% for the full year. Escalating defaults in the subprime mortgage market and declining home prices in selected markets, combined with continued high energy costs, have depleted consumer purchasing power. Inflation has also been a concern of the Federal Reserve, thus they have kept short-term interest rates above 5% to constrain economic growth and potential inflation increases. Corporations have performed quite well in the face of these challenges, as corporate profit growth has continued to exceed expectations, although at a slower rate than the last several years, providing support to the economy and the stock market.

For virtually all of calendar 2006, the equity market appreciated and overall volatility decreased. Stocks were weak in May and early June last year, but since then have rallied strongly. The Federal Reserve decision last June to stop raising short-term interest rates was a signal to investors that economic momentum was slowing, inflationary pressures which had been building would moderate, and stocks could well enjoy a nice period of appreciation. This “Mid Cycle Slowdown,” which the U.S. economy is currently experiencing, has multiple long-term benefits assuming the slowdown doesn’t accelerate into a recession. Should the economy slow much more than we expect, then both monetary and fiscal actions would be initiated in an effort to re-accelerate the economy.

Performance in the Funds over the past year was driven by strong equity returns which were generally in line with the S&P 500 Index total return of 11.83% for the period. Information Technology was the Funds’ best sector, with Hewlett Packard, IBM and Sabre Holdings producing excellent gains. Consumer Discretionary was also a good sector, as General Motors staged a strong recovery as their cost saving efforts and new product platform improved profitability, and Kohl’s continued to execute on successful store opening and growing same store sales. Holding back potential returns for the Funds were under-weights in Materials, Telecommunication Services and Utilities, as these were the three strongest sectors last year.

During the first quarter of 2007, volatility of stock prices increased. We took advantage of market weakness to purchase several industry-leading companies at valuation levels that are very attractive compared to their historical averages. We expect **EMC**, the market leader in data storage hardware and software, to benefit from its move into higher margin software products. Its virtualization software division in particular has strong growth potential. The company also has an aggressive share repurchase program and should be able to implement cost savings as well. **Leggett & Platt** is a leading supplier of component products with an emphasis on furniture and bedding markets. Management is highly motivated to generate earnings growth by its heavy stock ownership levels. Current and retired employees, along with former merger partners, own about 20% of the stock. A management change at **Home Depot** should be a catalyst

for improvement at the world's largest home improvement retailer. We believe the new CEO, Frank Blake, is implementing changes that will allow the company to refocus on its core retail store base. The company has announced that it is pursuing strategic alternatives, including potential divestiture, for its HD Supply division. Employee attrition problems and store appearance will likely be addressed with the new emphasis on retailing. **Pioneer Natural Resources**, an independent oil and gas exploration and production company was also added. We believe earnings are poised to grow at a double digit clip from current levels, driven by a positive natural gas commodity price environment and reduced drilling costs. The stock sells at a substantial discount to its peers on an enterprise value/proven reserves basis. We expect improving investor sentiment and valuation as earnings bottom and reaccelerate. Recent eliminations from the Funds are **HCA**, which was acquired through a cash tender offer from a private investor group, and **Dillard's** and **Bristol-Myers Squibb** both sold due to valuation.

As we wrote to you in the Funds most recent quarterly update, when we analyze the overall valuation of each Fund's equity portfolio we believe there to be compelling opportunity. At quarter-end, each Fund's equity portfolio was selling at approximately 13 times forecasted earnings compared to 15 times for the S&P 500. We believe that the market has the opportunity for modest P/E expansion as the slowdown in growth runs its course, and since each Fund's portfolio is trading at a discount to the market, we believe the stocks held have added potential. We also see opportunity for the portfolio based on its weighted market capitalization. Approximately 50% of each Fund's portfolio is allocated to the 25 largest stocks in the market. In the last few quarters, each Fund's overweighting in these mega cap stocks has held back relative performance, yet in the last few weeks as economic slowing is more apparent these larger issues are performing better. We believe history matters, and history tells us that we should anticipate strong relative performance when the large cap/small cap cycle rotates to favor large caps again. Our internal price target work also suggests upside potential for each Fund's portfolio of equities.

We believe these uncertain times will provide opportunities to acquire additional high quality, well managed companies selling at attractive valuation levels. We appreciate your continued support and look forward to answering any questions you may have.

Please visit our website at www.fbpinc.com for information on our firm, philosophy, investment process and staff. As always, we thank you for your continued confidence and investment in The Flippin, Bruce & Porter Funds.



John T. Bruce, CFA
President - Portfolio Manager
May 11, 2007

This report is submitted for the general information of the shareholders of the Funds. The report is not authorized for distribution to prospective investors in the Funds unless it is accompanied by a current prospectus.

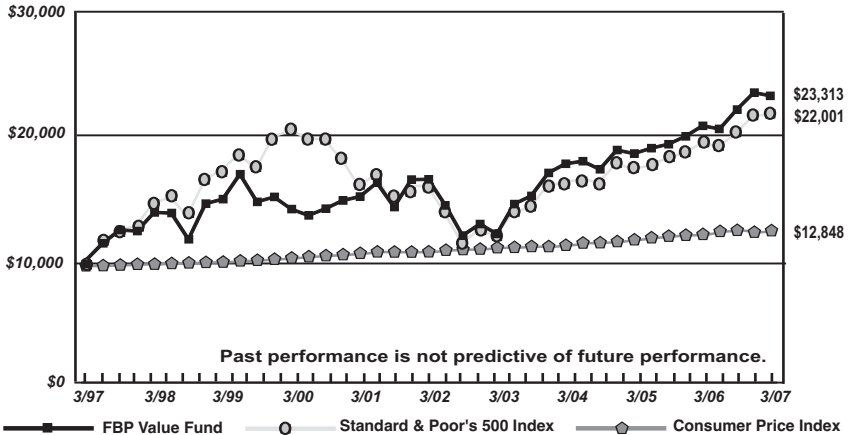
This report reflects our views, opinions and portfolio holdings as of March 31, 2007, the end of the reporting period. These views are subject to change at any time based upon market or other conditions. For more current information throughout the year please visit www.fbpinc.com.

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

Performance for each Fund is compared to the most appropriate broad-based index, the S&P 500, an unmanaged index of 500 large common stocks. Over time, this index has the potential to outpace the FBP Balanced Fund, which normally maintains at least 25% in bonds. Balanced funds have the growth potential to outpace inflation, but they will typically lag a 100% stock index over the long term because of the bond portion of their portfolios. However, the advantage of the bond portion is that it can make the return and principal of a balanced fund more stable than a portfolio completely invested in stocks. Results are also compared to the Consumer Price Index, a measure of inflation.

FBP Value Fund

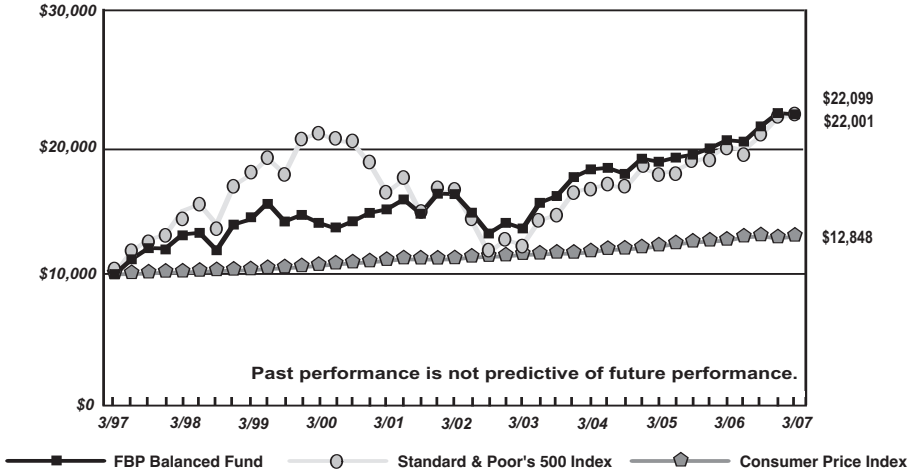
Comparison of the Change in Value of a \$10,000 Investment in the FBP Value Fund, the Standard & Poor's 500 Index and the Consumer Price Index



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

FBP Balanced Fund

Comparison of the Change in Value of a \$10,000 Investment in the FBP Balanced Fund, the Standard & Poor's 500 Index and the Consumer Price Index



Average Annual Total Returns ^(a) (for periods ended March 31, 2007)

	1 Year	5 Years	10 Years
FBP Value Fund	11.57%	7.07%	8.83%
FBP Balanced Fund	9.70%	6.58%	8.25%
Standard & Poor's 500 Index	11.83%	6.27%	8.20%
Consumer Price Index	2.41%	2.90%	2.54%

^(a) 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 Fund distributions or the redemption of Fund shares.

FBP VALUE FUND

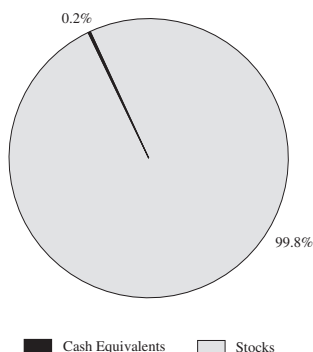
PORTFOLIO INFORMATION

March 31, 2007 (Unaudited)

General Information

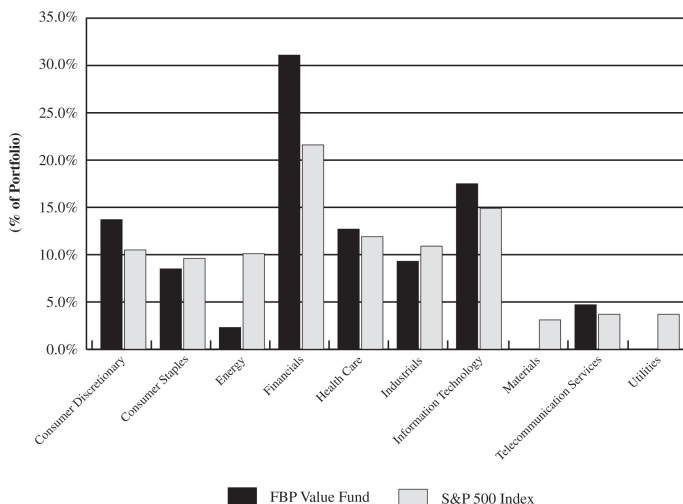
Net Asset Value Per Share	\$27.30
Total Net Assets (Millions)	\$60.2
Current Expense Ratio	1.01%
Portfolio Turnover	16%
Fund Inception Date	7/30/93

Asset Allocation



Stock Characteristics	FBP Value Fund	S&P 500 Index
Number of Stocks	48	500
Weighted Avg Market Capitalization (Billions)	107.8	96.9
Price-to-Earnings Ratio (IBES 1 Yr. Forecast EPS)	13.2	14.9
Price-to-Book Value	2.3	2.8

Industry Concentration vs. the S&P 500 Index



Ten Largest Holdings

	% of Net Assets
J.P. Morgan Chase & Company	4.0%
Citigroup, Inc.	4.0%
Bank of America Corporation	4.0%
Travelers Companies, Inc. (The)	4.0%
American International Group, Inc.	4.0%
Wachovia Corporation	3.9%
International Business Machines Corporation	3.9%
Wal-Mart Stores Inc.	3.5%
Pfizer Inc.	3.0%
Hewlett-Packard Company	3.0%

FBP BALANCED FUND

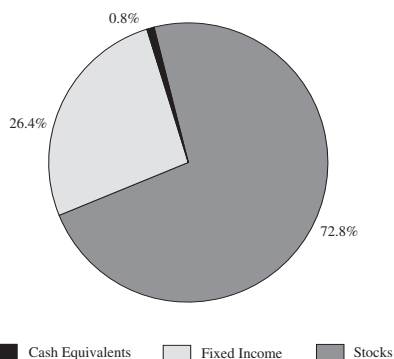
PORTFOLIO INFORMATION

March 31, 2007 (Unaudited)

General Information

Net Asset Value Per Share	\$18.95
Total Net Assets (Millions)	\$66.4
Current Expense Ratio	0.97%
Portfolio Turnover	17%
Fund Inception Date	7/3/89

Asset Allocation



Stock Portfolio (73.1% of Fund)

Number of Stocks	48
Weighted Avg Market Capitalization (Billions)	109.2
Price-to-Earnings Ratio (IBES 1 Yr. Forecast EPS)	13.2
Price-to-Book Value	2.3

Ten Largest Holdings

	% of Net Assets
J.P. Morgan Chase & Company	3.3%
Bank of America Corporation	3.1%
Travelers Companies, Inc. (The)	2.9%
International Business Machines Corporation	2.8%
Citigroup, Inc.	2.8%
Wachovia Corporation	2.7%
American International Group, Inc.	2.6%
Wal-Mart Stores	2.5%
Hewlett-Packard Company	2.4%
Johnson & Johnson	2.4%

Five Largest Sectors

	% of Net Assets
Financials	22.7%
Information Tech.	13.2%
Health Care	10.0%
Consumer Discretionary	9.3%
Consumer Staples	6.6%

Fixed-Income Portfolio (26.4% of Fund)

Number of Fixed-Income Securities	25
Average Quality	AA
Average Stated Maturity	2.0
Average Effective Duration	1.9

Sector Breakdown

	% of Net Assets
U.S. Treasury	3.4%
Government Agency	7.9%
Corporate	15.1%

FBP VALUE FUND
PORTFOLIO OF INVESTMENTS
March 31, 2007

Shares	COMMON STOCKS — 99.8%	Value
	Consumer Discretionary — 13.7%	
20,000	Best Buy Company, Inc.	\$ 974,400
20,000	Family Dollar Stores, Inc.	592,400
18,000	Federated Department Stores, Inc.	810,900
9,600	Gannett Company, Inc.	540,384
35,000	General Motors Corporation ^(b)	1,072,400
15,000	Home Depot, Inc. (The)	551,100
13,000	Kohl's Corporation ^{(a) (b)}	995,930
39,000	Leggett & Platt, Inc.	884,130
4,500	Whirlpool Corporation.....	382,095
42,000	Wyndham Worldwide Corporation ^(a)	1,434,300
		8,238,039
	Consumer Staples — 8.5%	
12,000	Altria Group, Inc.	1,053,720
37,000	CVS Caremark Corporation	1,263,180
10,000	Kimberly-Clark Corporation.....	684,900
45,200	Wal-Mart Stores, Inc.	2,122,140
		5,123,940
	Energy — 2.3%	
15,000	Pioneer Natural Resources Company.....	646,650
11,000	Royal Dutch Shell PLC - Class A - ADR	729,300
		1,375,950
	Financials — 31.1%	
17,000	American Express Company.....	958,800
35,400	American International Group, Inc.	2,379,588
47,000	Bank of America Corporation.....	2,397,940
47,000	Citigroup, Inc.	2,412,980
16,000	Fannie Mae	873,280
17,700	Freddie Mac	1,052,973
50,000	JPMorgan Chase & Company	2,419,000
17,065	Lincoln National Corporation	1,156,836
11,500	Realty Corporation ^(a)	340,515
46,200	Travelers Companies, Inc. (The).....	2,391,774
43,000	Wachovia Corporation.....	2,367,150
		18,750,836
	Health Care — 12.7%	
29,000	Johnson & Johnson	1,747,540
35,000	Merck & Company, Inc.	1,545,950
72,000	Pfizer, Inc.	1,818,720
47,000	Watson Pharmaceuticals, Inc. ^(a)	1,242,210
16,000	WellPoint, Inc. ^(a)	1,297,600
		7,652,020

FBP VALUE FUND

PORTFOLIO OF INVESTMENTS

Shares	COMMON STOCKS - 99.8% (Continued)	Value
	Industrials — 9.3%	
12,000	Avery Dennison Corporation	\$ 771,120
5,700	Avis Budget Group, Inc.	155,724
10,300	FedEx Corporation	1,106,529
51,000	General Electric Company	1,803,360
55,000	Tyco International Ltd.	1,735,250
		<u>5,571,983</u>
	Information Technology — 17.5%	
25,000	Agilent Technologies, Inc. ^(a)	842,250
34,000	Cisco Systems, Inc. ^(a)	868,020
20,400	Computer Sciences Corporation ^(a)	1,063,452
45,000	EMC Corporation ^(a)	623,250
45,000	Hewlett-Packard Company	1,806,300
24,800	International Business Machines Corporation	2,337,648
60,000	Microsoft Corporation	1,672,200
25,000	Sabre Holdings Corporation	818,750
156,000	Solectron Corporation ^(a)	491,400
		<u>10,523,270</u>
	Telecommunications Services — 4.7%	
70,000	Sprint Nextel Corporation	1,327,200
40,000	Verizon Communications, Inc.	1,516,800
		<u>2,844,000</u>
	Total Common Stocks (Cost \$40,733,078)	\$ 60,080,038

Shares	MONEY MARKET FUNDS — 0.3%	Value
194,231	Fidelity Institutional Government Portfolio — Class I (Cost \$194,231)	\$ 194,231
	Total Investments at Value — 100.1% (Cost \$40,927,309)	\$ 60,274,269
	Liabilities in Excess of Other Assets — (0.1%)	(41,359)
	Net Assets — 100.0%	<u>\$ 60,232,910</u>

^(a) Non-income producing security.

^(b) Security covers a written call option.

ADR - American Depositary Receipt

See accompanying notes to financial statements.

FBP VALUE FUND
SCHEDULE OF OPEN OPTION CONTRACTS
March 31, 2007

Option Contracts	COVERED CALL OPTIONS	Value of Options	Premiums Received
50	General Motors Corporation, 09/22/2007 at \$40.....	\$ 3,750	\$ 11,600
40	Kohl's Corporation, 04/21/2007 at \$70.....	28,000	21,879
		<u>\$ 31,750</u>	<u>\$ 33,479</u>

See accompanying notes to financial statements.

FBP BALANCED FUND PORTFOLIO OF INVESTMENTS

March 31, 2007

Shares	COMMON STOCKS — 73.1%	Value
	Consumer Discretionary — 9.3%	
15,000	Best Buy Company, Inc.	\$ 730,800
16,000	Family Dollar Stores, Inc.	473,920
13,500	Federated Department Stores, Inc.	608,175
7,000	Gannett Company, Inc.	394,030
26,000	General Motors Corporation ^(b)	796,640
12,000	Home Depot, Inc. (The)	440,880
10,000	Kohl's Corporation ^{(a) (b)}	766,100
25,000	Leggett & Platt, Inc.	566,750
4,000	Whirlpool Corporation.....	339,640
31,000	Wyndham Worldwide Corporation ^(a)	1,058,650
		<u>6,175,585</u>
	Consumer Staples — 6.6%	
14,000	Altria Group, Inc.	1,229,340
29,500	CVS Caremark Corporation	1,007,130
7,700	Kimberly-Clark Corporation.....	527,373
35,000	Wal-Mart Stores, Inc.	1,643,250
		<u>4,407,093</u>
	Energy — 1.6%	
12,000	Pioneer Natural Resources Company.....	517,320
8,000	Royal Dutch Shell PLC - Class A - ADR	530,400
		<u>1,047,720</u>
	Financials — 22.7%	
18,000	American Express Company.....	1,015,200
25,400	American International Group, Inc.	1,707,388
40,000	Bank of America Corporation.....	2,040,800
36,000	Citigroup, Inc.	1,848,240
13,000	Fannie Mae	709,540
13,400	Freddie Mac	797,166
45,000	JPMorgan Chase & Company	2,177,100
11,676	Lincoln National Corporation	791,516
9,400	Realogy Corporation ^(a)	278,334
37,000	Travelers Companies, Inc. (The).....	1,915,490
32,800	Wachovia Corporation.....	1,805,640
		<u>15,086,414</u>
	Health Care — 10.0%	
26,000	Johnson & Johnson	1,566,791
31,000	Merck & Company, Inc.	1,369,270
55,100	Pfizer, Inc.	1,391,826
36,000	Watson Pharmaceuticals, Inc. ^(a)	951,480
16,400	WellPoint, Inc. ^(a)	1,330,040
		<u>6,609,407</u>

FBP BALANCED FUND

PORTFOLIO OF INVESTMENTS (Continued)

Shares	COMMON STOCKS — 73.1% (Continued)	Value
	Industrials — 6.4%	
9,300	Avery Dennison Corporation	\$ 597,618
4,600	Avis Budget Group, Inc.	125,672
7,400	FedEx Corporation	794,982
40,000	General Electric Company	1,414,400
42,000	Tyco International Ltd.	1,325,100
		<u>4,257,772</u>
	Information Technology — 13.2%	
21,000	Agilent Technologies, Inc. ^(a)	707,490
23,000	Cisco Systems, Inc. ^(a)	587,190
20,000	Computer Sciences Corporation ^(a)	1,042,600
35,000	EMC Corporation ^(a)	484,750
40,000	Hewlett-Packard Company	1,605,600
20,000	International Business Machines Corporation	1,885,200
51,000	Microsoft Corporation	1,421,370
20,000	Sabre Holdings Corporation	655,000
115,000	Solectron Corporation ^(a)	362,250
		<u>8,751,450</u>
	Telecommunications Services — 3.3%	
53,000	Sprint Nextel Corporation	1,004,880
31,000	Verizon Communications, Inc.	1,175,520
		<u>2,180,400</u>
	Total Common Stocks (Cost \$30,049,491)	\$ 48,515,841

Par Value	U.S. GOVERNMENT AND AGENCY OBLIGATIONS — 11.3%	Value
	U.S. Treasury Notes - 3.4%	
\$ 750,000	4.375%, due 05/15/2007	\$ 749,326
750,000	3.875%, due 07/31/2007	747,100
750,000	4.50%, due 11/15/2010	749,414
		<u>2,245,840</u>
	Federal Home Loan Bank — 4.9%	
500,000	4.28%, due 07/14/2008	495,715
500,000	4.035%, due 03/09/2009	492,240
750,000	5.25%, due 03/17/2010	748,898
750,000	5.125%, due 05/28/2010	747,967
750,000	5.05%, due 08/24/2011	749,620
		<u>3,234,440</u>
	Federal Home Loan Mortgage Corporation — 1.1%	
750,000	5.25%, due 10/06/2011	748,697
	Federal National Mortgage Association — 1.9%	
500,000	2.50%, due 04/19/2007	499,340
750,000	5.375%, due 10/11/2011	749,536
		<u>1,248,876</u>
	Total U.S. Government and Agency Obligations	
	(Cost \$7,500,272)	\$ 7,477,853

FBP BALANCED FUND

PORTFOLIO OF INVESTMENTS (Continued)

Par Value	CORPORATE BONDS — 15.1%	Value
	Financials — 6.5%	
\$ 750,000	Bankers Trust New York Corporation, 7.375%, due 05/01/2008	\$ 763,816
750,000	Credit Suisse First Boston USA, Inc., 4.70%, due 06/01/2009	745,054
500,000	John Deere Capital Corporation, 3.375%, due 10/01/2007	495,245
500,000	Merrill Lynch & Company, Inc., 3.00%, due 04/30/2007	499,108
1,000,000	Northern Trust Company, 7.10%, due 08/01/2009	1,042,056
750,000	Student Loan Marketing Corporation, 3.625%, due 03/17/2008	738,066
		<u>4,283,345</u>
	Health Care — 0.7%	
500,000	UnitedHealth Group, Inc., 3.30%, due 01/30/2008	491,370
	Industrials — 4.5%	
750,000	Donnelley (R.R.) & Sons Company, 3.75%, due 04/01/2009	729,404
1,000,000	Raychem Corporation, 7.20%, due 10/15/2008	1,026,300
750,000	Ryder System, Inc., 5.00%, due 04/01/2011	738,297
500,000	Stanley Works (The), 3.50%, due 11/01/2007	494,433
		<u>2,988,434</u>
	Utilities — 3.4%	
750,000	Dominion Resources, Inc., 4.125%, due 02/15/2008	742,191
750,000	Ohio Power Company, 5.30%, due 11/01/2010	754,474
750,000	Public Service Electric & Gas Company, 4.00%, due 11/01/2008	736,887
		<u>2,233,552</u>
	Total Corporate Bonds (Cost \$9,932,203)	\$ 9,996,701

FBP BALANCED FUND PORTFOLIO OF INVESTMENTS (Continued)

Shares	MONEY MARKET FUNDS — 0.7%	Value
454,206	Fidelity Institutional Government Portfolio — Class I (Cost \$454,206)	\$ 454,206
	Total Investments at Value — 100.1% (Cost \$47,936,172)	\$ 66,444,601
	Liabilities in Excess of Other Assets — (0.1%)	(87,012)
	Net Assets — 100.0%	<u>\$ 66,357,589</u>

^(a) Non-income producing security.

^(b) Security covers a written call option.

ADR - American Depositary Receipt

See accompanying notes to financial statements.

FBP BALANCED FUND SCHEDULE OF OPEN OPTION CONTRACTS March 31, 2007

Option Contracts	COVERED CALL OPTIONS	Value of Options	Premiums Received
66	General Motors Corporation, 09/22/2007 at \$40.....	\$ 4,950	\$ 15,312
30	Kohl's Corporation, 04/21/2007 at \$70.....	<u>21,000</u>	<u>16,409</u>
		<u>\$ 25,950</u>	<u>\$ 31,721</u>

See accompanying notes to financial statements.

THE FLIPPIN, BRUCE & PORTER FUNDS
STATEMENTS OF ASSETS AND LIABILITIES
March 31, 2007

	FBP Value Fund	FBP Balanced Fund
ASSETS		
Investments in securities:		
At acquisition cost	\$ 40,927,309	\$ 47,936,172
At value (Note 1)	\$ 60,274,269	\$ 66,444,601
Dividends and interest receivable	81,294	349,169
Receivable for capital shares sold	969	900
Other assets	6,030	4,114
TOTAL ASSETS	<u>60,362,562</u>	<u>66,798,784</u>
LIABILITIES		
Distributions payable	41,075	138,818
Payable for investment securities purchased	—	180,811
Payable for capital shares redeemed	500	32,547
Accrued investment advisory fees (Note 3)	35,676	39,297
Accrued administration fees (Note 3)	6,700	7,200
Accrued compliance fees (Note 3)	800	800
Other accrued expenses and liabilities	13,151	15,772
Covered call options, at value (Notes 1 and 4) (premiums received \$33,479 and \$31,721, respectively)	31,750	25,950
TOTAL LIABILITIES	<u>129,652</u>	<u>441,195</u>
NET ASSETS	<u>\$ 60,232,910</u>	<u>\$ 66,357,589</u>
Net assets consist of:		
Paid-in capital	\$ 40,875,773	\$ 47,761,654
Accumulated undistributed net investment income	8,299	81,506
Accumulated net realized gains from security transactions	149	229
Net unrealized appreciation on investments	19,348,689	18,514,200
Net assets	<u>\$ 60,232,910</u>	<u>\$ 66,357,589</u>
Shares of beneficial interest outstanding (unlimited number of shares authorized, no par value)	<u>2,206,440</u>	<u>3,501,546</u>
Net asset value, offering price and redemption price per share (Note 1)	<u>\$ 27.30</u>	<u>\$ 18.95</u>

See accompanying notes to financial statements.

THE FLIPPIN, BRUCE & PORTER FUNDS
STATEMENTS OF OPERATIONS
Year Ended March 31, 2007

	FBP Value Fund	FBP Balanced Fund
INVESTMENT INCOME		
Interest	\$ 45,726	\$ 893,392
Dividends	1,252,629	1,000,800
TOTAL INVESTMENT INCOME	<u>1,298,355</u>	<u>1,894,192</u>
EXPENSES		
Investment advisory fees (Note 3)	414,554	452,725
Administration fees (Note 3).....	78,258	83,467
Professional fees.....	16,754	17,951
Postage and supplies	16,597	11,460
Trustees' fees and expenses	12,513	12,513
Custodian fees	11,634	9,850
Registration fees.....	12,860	7,522
Compliance service fees (Note 3).....	9,353	9,541
Insurance expense	4,264	4,434
Printing of shareholder reports	5,365	3,213
Pricing costs	1,518	4,653
Other expenses	11,563	13,212
TOTAL EXPENSES	<u>595,233</u>	<u>630,541</u>
NET INVESTMENT INCOME	<u>703,122</u>	<u>1,263,651</u>
REALIZED AND UNREALIZED GAINS ON INVESTMENTS		
Net realized gains on security transactions.....	3,893,568	2,661,939
Net realized gains on option contracts written	269,755	180,970
Net change in unrealized appreciation/ depreciation on investments	<u>1,578,555</u>	<u>1,880,976</u>
NET REALIZED AND UNREALIZED GAINS ON INVESTMENTS	<u>5,741,878</u>	<u>4,723,885</u>
NET INCREASE IN NET ASSETS FROM OPERATIONS	<u>\$ 6,445,000</u>	<u>\$ 5,987,536</u>

See accompanying notes to financial statements.

THE FLIPPIN, BRUCE & PORTER FUNDS

STATEMENTS OF CHANGES IN NET ASSETS

	FBP Value Fund		FBP Balanced Fund	
	Year Ended March 31, 2007	Year Ended March 31, 2006	Year Ended March 31, 2007	Year Ended March 31, 2006
FROM OPERATIONS				
Net investment income	\$ 703,122	\$ 696,545	\$ 1,263,651	\$ 1,065,036
Net realized gains on:				
Security transactions	3,893,568	4,111,677	2,661,939	2,973,321
Option contracts written	269,755	28,430	180,970	18,671
Net change in unrealized appreciation/ depreciation on investments	<u>1,578,555</u>	<u>1,875,071</u>	<u>1,880,976</u>	<u>1,102,573</u>
Net increase in net assets from operations	<u>6,445,000</u>	<u>6,711,723</u>	<u>5,987,536</u>	<u>5,159,601</u>
DISTRIBUTIONS TO SHAREHOLDERS				
From net investment income.....	(703,259)	(699,731)	(1,261,402)	(1,054,135)
From realized capital gains on security transactions	<u>(4,163,508)</u>	<u>(3,930,094)</u>	<u>(2,826,469)</u>	<u>(2,978,247)</u>
Net decrease in net assets from distributions to shareholders	<u>(4,866,767)</u>	<u>(4,629,825)</u>	<u>(4,087,871)</u>	<u>(4,032,382)</u>
FROM CAPITAL SHARE TRANSACTIONS				
Proceeds from shares sold.....	7,533,124	5,846,188	2,955,850	3,742,137
Net asset value of shares issued in reinvestment of distributions to shareholders.....	4,724,181	4,481,385	3,694,969	3,703,976
Payments for shares redeemed	<u>(13,213,446)</u>	<u>(14,011,089)</u>	<u>(4,973,441)</u>	<u>(7,259,209)</u>
Net increase (decrease) in net assets from capital share transactions	<u>(956,141)</u>	<u>(3,683,516)</u>	<u>1,677,378</u>	<u>186,904</u>
TOTAL INCREASE (DECREASE) IN NET ASSETS	622,092	(1,601,618)	3,577,043	1,314,123
NET ASSETS				
Beginning of year.....	59,610,818	61,212,436	62,780,546	61,466,423
End of year	<u>\$ 60,232,910</u>	<u>\$ 59,610,818</u>	<u>\$ 66,357,589</u>	<u>\$ 62,780,546</u>
ACCUMULATED UNDISTRIBUTED NET INVESTMENT INCOME	<u>\$ 8,299</u>	<u>\$ 8,436</u>	<u>\$ 81,506</u>	<u>\$ 62,655</u>
CAPITAL SHARE ACTIVITY				
Sold	276,657	220,216	155,242	202,061
Reinvested	171,718	170,458	194,182	202,709
Redeemed	<u>(483,330)</u>	<u>(528,043)</u>	<u>(260,834)</u>	<u>(395,037)</u>
Net increase (decrease) in shares outstanding	(34,955)	(137,369)	88,590	9,733
Shares outstanding at beginning of year ..	2,241,395	2,378,764	3,412,956	3,403,223
Shares outstanding at end of year	<u>2,206,440</u>	<u>2,241,395</u>	<u>3,501,546</u>	<u>3,412,956</u>

See accompanying notes to financial statements.

FBP VALUE FUND

FINANCIAL HIGHLIGHTS

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

	Years Ended March 31,				
	2007	2006	2005	2004	2003
Net asset value at beginning of year	\$ 26.60	\$ 25.73	\$ 24.86	\$ 17.12	\$ 23.59
Income (loss) from investment operations:					
Net investment income	0.33	0.32	0.29	0.22	0.20
Net realized and unrealized gains (losses) on investments	2.71	2.70	0.86	7.74	(6.47)
Total from investment operations	<u>3.04</u>	<u>3.02</u>	<u>1.15</u>	<u>7.96</u>	<u>(6.27)</u>
Less distributions:					
Dividends from net investment income	(0.33)	(0.32)	(0.28)	(0.22)	(0.20)
Distributions from net realized gains	(2.01)	(1.83)	—	—	—
Total distributions	<u>(2.34)</u>	<u>(2.15)</u>	<u>(0.28)</u>	<u>(0.22)</u>	<u>(0.20)</u>
Net asset value at end of year	\$ 27.30	\$ 26.60	\$ 25.73	\$ 24.86	\$ 17.12
Total return ^(a)	<u>11.57%</u>	<u>12.03%</u>	<u>4.65%</u>	<u>46.60%</u>	<u>(26.61%)</u>
Net assets at end of year (000's)	\$ 60,233	\$ 59,611	\$ 61,212	\$ 50,400	\$ 48,552
Ratio of expenses to average net assets	1.01%	1.01%	1.00%	1.02%	1.00%
Ratio of net investment income to average net assets	1.19%	1.17%	1.17%	0.94%	1.06%
Portfolio turnover rate	16%	15%	15%	19%	12%

^(a) 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.

See accompanying notes to financial statements.

FBP BALANCED FUND

FINANCIAL HIGHLIGHTS

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

	Years Ended March 31,				
	2007	2006	2005	2004	2003
Net asset value at beginning of year	\$ 18.39	\$ 18.06	\$ 18.40	\$ 14.46	\$ 17.68
Income (loss) from investment operations:					
Net investment income	0.37	0.33	0.29	0.29	0.36
Net realized and unrealized gains (losses) on investments	1.39	1.22	0.28	4.49	(3.21)
Total from investment operations.....	<u>1.76</u>	<u>1.55</u>	<u>0.57</u>	<u>4.78</u>	<u>(2.85)</u>
Less distributions:					
Dividends from net investment income	(0.37)	(0.32)	(0.30)	(0.31)	(0.37)
Distributions from net realized gains	(0.83)	(0.90)	(0.61)	(0.53)	—
Total distributions	<u>(1.20)</u>	<u>(1.22)</u>	<u>(0.91)</u>	<u>(0.84)</u>	<u>(0.37)</u>
Net asset value at end of year.....	\$ <u>18.95</u>	\$ <u>18.39</u>	\$ <u>18.06</u>	\$ <u>18.40</u>	\$ <u>14.46</u>
Total return ^(a)	<u>9.70%</u>	<u>8.81%</u>	<u>3.20%</u>	<u>33.19%</u>	<u>(16.16%)</u>
Net assets at end of year (000's).....	\$ <u>66,358</u>	\$ <u>62,781</u>	\$ <u>61,466</u>	\$ <u>58,290</u>	\$ <u>44,333</u>
Ratio of expenses to average net assets	0.97%	0.99%	0.96%	0.98%	1.00%
Ratio of net investment income to average net assets	1.95%	1.75%	1.62%	1.68%	2.31%
Portfolio turnover rate	17%	24%	17%	21%	21%

^(a) 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.

See accompanying notes to financial statements.

THE FLIPPIN, BRUCE & PORTER FUNDS

NOTES TO FINANCIAL STATEMENTS

March 31, 2007

1. Significant Accounting Policies

The FBP Value Fund and the FBP Balanced Fund (the Funds) are no-load, diversified series of the Williamsburg Investment Trust (the Trust), an open-end management investment company registered under the Investment Company Act of 1940. The Trust was organized as a Massachusetts business trust on July 18, 1988.

The FBP Value Fund seeks long term growth of capital through investment in a diversified portfolio comprised primarily of equity securities, with current income as a secondary objective.

The FBP Balanced Fund seeks long term capital appreciation and current income through investment in a balanced portfolio of equity and fixed income securities assuming a moderate level of investment risk.

The following is a summary of the Funds' significant accounting policies:

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 are valued based upon the closing price on the principal exchange where the security is traded. Securities which are quoted by NASDAQ are valued at the NASDAQ Official Closing Price. Securities which are traded over-the-counter are valued at the last sales price, if available, otherwise, at the last quoted bid price. It is expected that fixed income securities will ordinarily be traded in the over-the-counter market, and common stocks will ordinarily be traded on a national securities exchange, but may also be traded in the over-the-counter market. When market quotations are not readily available, securities may be valued on the basis of prices provided by an independent pricing service. Call options written by the Funds are valued at the then current market quotation, using the ask price as of the close of each day on the principal exchanges on which they are traded. Short-term instruments (those with remaining maturities of 60 days or less) are valued at amortized cost, which approximates market value. Securities and other assets for which no quotations are readily available or are considered to be unreliable due to significant market or other events will be valued in good faith at fair value using methods determined by the Board of Trustees. 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 security, subsequent private transactions in the security or related securities, or a combination of these and other factors.

Repurchase agreements — The Funds may enter into joint repurchase agreements with other funds within the Trust. The joint repurchase agreement, which is collateralized by U.S. Government obligations, is valued at cost which, together with accrued interest, approximates market value. At the time the Funds enter into the joint repurchase agreement, the Funds take possession of the underlying securities and the seller agrees that the value of the underlying securities, including accrued interest, will at all times be equal to or exceed the face amount of the repurchase agreement. In addition, each Fund actively monitors and seeks additional collateral, as needed.

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

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 gains are determined in accordance with federal income tax regulations which may differ from accounting principles generally accepted in the United States. These "book/tax" differences are either temporary or permanent in nature.

THE FLIPPIN, BRUCE & PORTER FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

The tax character of distributions paid during the years ended March 31, 2007 and March 31, 2006 are as follows:

	Year Ended	Ordinary Income	Long-Term Capital Gains	Total Distributions
FBP Value Fund	3/31/07	\$ 952,036	\$ 3,914,731	\$ 4,866,767
	3/31/06	\$ 840,818	\$ 3,789,007	\$ 4,629,825
FBP Balanced Fund	3/31/07	\$ 1,457,134	\$ 2,630,737	\$ 4,087,871
	3/31/06	\$ 1,095,937	\$ 2,936,445	\$ 4,032,382

Security transactions — Security transactions are accounted for on trade date. Gains and losses on securities sold are determined on a specific identification basis.

Common expenses — Common expenses of the Trust are allocated among the funds of the Trust which may be based on relative net assets of each fund or the nature of the services performed and the relative applicability to each fund.

Options transactions — The Funds may write covered call options for which premiums are received and are recorded as liabilities, and are subsequently valued daily at the closing prices on their primary exchanges. Premiums received from writing options which expire are treated as realized gains. Premiums received from writing options which are exercised increase the proceeds used to calculate the realized gain or loss on the sale of the security. If a closing purchase transaction is used to terminate the Funds' obligation on a call, 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 written.

Estimates — The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at 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 — It is each Fund's policy to comply with the special provisions of Subchapter M of the Internal Revenue Code applicable to regulated investment companies. As provided therein, in any fiscal year in which a Fund so qualifies and distributes at least 90% of its taxable net income, the Fund (but not the shareholders) will be relieved of federal income tax on the income distributed. Accordingly, no provision for income taxes has been made.

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% of its net realized capital gains (earned during the twelve months ended October 31) plus undistributed amounts from prior years.

The following information is computed on a tax basis for each item as of March 31, 2007:

	FBP Value Fund	FBP Balanced Fund
Cost of portfolio investments and written options	\$ 40,893,830	\$ 47,832,237
Gross unrealized appreciation	\$ 20,096,285	\$ 19,129,267
Gross unrealized depreciation	(747,596)	(542,853)
Net unrealized appreciation	19,348,689	18,586,414
Undistributed ordinary income	18,748	58,626
Undistributed long-term gains	30,775	89,713
Other temporary differences	(41,075)	(138,818)
Total distributable earnings	\$ 19,357,137	\$ 18,595,935

THE FLIPPIN, BRUCE & PORTER FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

The difference between the federal income tax cost of portfolio investments and the financial statement cost for the FBP Balanced Fund is due to certain differences in the recognition of capital gains and losses under income tax regulations and accounting principles generally accepted in the United States. 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.

For the year ended March 31, 2007, the FBP Balanced Fund reclassified \$16,602 of undistributed net investment income against accumulated net realized gains from security transactions on the Statement of Assets and Liabilities due to permanent differences in the recognition of capital gains and losses under income tax regulations and accounting principles generally accepted in the United States. These differences are primarily due to the tax treatment of certain debt obligations. Such reclassification has no effect on the Fund’s net assets or net asset value per share.

2. Investment Transactions

During the year ended March 31, 2007, cost of purchases and proceeds from sales and maturities of investment securities, other than short-term investments and U.S. government securities, amounted to \$9,303,769 and \$14,117,661, respectively, for the FBP Value Fund and \$7,502,360 and \$7,938,761, respectively, for the FBP Balanced Fund.

3. Transactions with Affiliates

INVESTMENT ADVISORY AGREEMENT

The Funds’ investments are managed by Flippin, Bruce & Porter, Inc. (the Adviser) under the terms of an Investment Advisory Agreement. Under the Investment Advisory Agreement, each Fund pays the Adviser a fee, which is computed and accrued daily and paid monthly, at an annual rate of .70% of its average daily net assets up to \$250 million; .65% of the next \$250 million of such net assets; and .50% of such net assets in excess of \$500 million. Certain Trustees and officers of the Trust are also officers of the Adviser.

Until August 2006, the Adviser was reimbursed for the estimated costs of providing a Chief Compliance Officer (CCO) for the Funds. The Adviser received fees of \$2,940 and \$3,060 from the FBP Value Fund and the FBP Balanced Fund, respectively, for providing CCO services during the year ended March 31, 2007.

MUTUAL FUND SERVICES AGREEMENT

Under the terms of a Mutual Fund Services Agreement between the Trust and Ultimus Fund Solutions, LLC (Ultimus), Ultimus provides administrative, pricing, accounting, dividend disbursing, shareholder servicing and transfer agent services for the Funds. For these services, Ultimus receives a monthly fee from each Fund at an annual rate of .15% of its average daily net assets up to \$25 million; .125% of the next \$25 million of such net assets; and .10% of such net assets in excess of \$50 million, plus a shareholder recordkeeping fee at the annual rate of \$10 per shareholder account in excess of 1,000 accounts. In addition, each Fund pays 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. The Distributor is compensated by the Adviser (not the Funds) for acting as principal underwriter.

COMPLIANCE CONSULTING AGREEMENT

Effective August 7, 2006, under the terms of a Compliance Consulting Agreement between the Trust and Ultimus, Ultimus provides an individual to serve as the Trust’s Chief Compliance Officer and to administer the Trust’s compliance policies and procedures. For these services, the Funds pay Ultimus an annual base fee of \$16,800 plus an asset-based fee equal to 0.01% per annum on total net assets in excess of \$100 million. During the year ended March 31, 2007, Ultimus received fees of \$6,413 and \$6,481 from the FBP Value Fund and the FBP Balanced Fund, respectively, for compliance consulting services.

THE FLIPPIN, BRUCE & PORTER FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

4. Covered Call Options

A summary of covered call option contracts during the year ended March 31, 2007 is as follows:

	FBP Value Fund		FBP Balanced Fund	
	Option Contracts	Option Premiums	Option Contracts	Option Premiums
Options outstanding at beginning of year ..	305	\$ 191,981	190	\$ 120,405
Options written	575	194,937	463	151,940
Options exercised	(190)	(69,913)	(140)	(49,496)
Options expired	(315)	(155,119)	(206)	(94,854)
Options cancelled in a closing purchase transaction.....	(285)	(128,407)	(211)	(96,274)
Options outstanding at end of year	<u>90</u>	<u>\$ 33,479</u>	<u>96</u>	<u>\$ 31,721</u>

5. Contingencies and Commitments

The Funds indemnify the Trust's officers and trustees for certain liabilities that might arise from their 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 Funds expect the risk of loss to be remote.

6. Accounting Pronouncements

On July 13, 2006, the Financial Accounting Standards Board (FASB) released FASB Interpretation No. 48 (FIN 48) "Accounting for Uncertainty in Income Taxes". FIN 48 provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. FIN 48 requires the evaluation of tax positions taken in the course of preparing the Funds' tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense in the current year. Adoption of FIN 48 is required for fiscal years beginning after December 15, 2006 and is to be applied to all open tax years as of the effective date. Recent SEC guidance allows implementing FIN 48 in fund NAV calculations as late as the fund's last NAV calculation in the first required financial statement reporting period. As a result, the Funds will incorporate FIN 48 in their Semi-Annual Report on September 30, 2007. Management is in the process of determining the impact of the adoption of FIN 48.

In September 2006, the Financial Accounting Standards Board issued Statement on Financial Accounting Standards (SFAS) No. 157, "Fair Value Measurements." This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value and requires additional disclosures about fair value measurements. SFAS No. 157 applies to fair value measurements already required or permitted by existing standards. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. The changes to current generally accepted accounting principles from the application of SFAS No. 157 relate to the definition of fair value, the methods used to measure fair value, and the expanded disclosures about fair value measurements. As of March 31, 2007, the Funds do not believe the adoption of SFAS No. 157 will impact the amounts reported in the financial statements. However, additional disclosures may be required about the inputs used to develop the measurements and the effect of certain of the measurements reported on the statement of changes in net assets for a fiscal period.

THE FLIPPIN, BRUCE & PORTER FUNDS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Trustees of
the FBP Value Fund and the FBP Balanced Fund
of the Williamsburg Investment Trust

We have audited the accompanying statements of assets and liabilities, including the portfolios of investments, of the FBP Value Fund and the FBP Balanced Fund (the "Funds") (each a series of the Williamsburg Investment Trust) as of March 31, 2007, 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, and the financial highlights for each of the four years in the period then ended. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits. The financial highlights presented for the year ended March 31, 2003 were audited by other auditors whose report dated April 25, 2003, expressed an unqualified opinion on those financial highlights.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Funds' internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes, examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of March 31, 2007 by correspondence with the custodian and by other appropriate auditing procedures where replies from brokers were not received. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial positions of the FBP Value Fund and the FBP Balanced Fund as of March 31, 2007, 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 four years in the period then ended in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

Cincinnati, Ohio
May 16, 2007

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:

Trustee	Address	Age	Position Held with the Trust	Length of Time Served
*Charles M. Caravati, Jr.	931 Broad Street Road, Manakin-Sabot, VA	70	Chairman and Trustee	Since June 1991
*Austin Brockenbrough III	1802 Bayberry Court, Suite 400 Richmond, VA	70	Trustee	Since September 1988
*John T. Bruce	800 Main Street Lynchburg, VA	53	President and Trustee	Since September 1988
Robert S. Harris	100 Darden Boulevard Charlottesville, VA	57	Trustee	Since January 2007
J. Finley Lee, Jr.	4488 Pond Apple Drive North Naples, FL	67	Trustee	Since September 1988
Richard L. Morrill	University of Richmond Richmond, VA	67	Trustee	Since March 1993
Harris V. Morrisette	100 Jacintoport Boulevard Saraland, AL	47	Trustee	Since March 1993
Erwin H. Will, Jr.	47 Willway Avenue Richmond, VA	74	Trustee	Since July 1997
Samuel B. Witt III	302 Clovelly Road Richmond, VA	71	Trustee	Since November 1988
John M. Flippin	800 Main Street Lynchburg, VA	65	Vice President	Since September 1988
R. Gregory Porter III	800 Main Street Lynchburg, VA	65	Vice President	Since September 1988
John H. Hanna IV	800 Main Street Lynchburg, VA	51	Vice President	Since February 2007
David J. Marshall	800 Main Street Lynchburg, VA	50	Vice President	Since February 2007
Robert G. Dorsey	225 Pictoria Drive, Suite 450 Cincinnati, OH	50	Vice President	Since November 2000
Mark J. Seger	225 Pictoria Drive, Suite 450 Cincinnati, OH	45	Treasurer	Since November 2000
John F. Splain	225 Pictoria Drive, Suite 450 Cincinnati, OH	50	Secretary	Since November 2000
Tina H. Bloom	225 Pictoria Drive, Suite 450 Cincinnati, OH	38	Chief Compliance Officer	Since August 2006

* Messrs. Bruce, Brockenbrough and Caravati are "interested persons" of the Trust within the meaning of Section 2(a)(19) of the Investment Company Act of 1940. Charles M. Caravati, Jr. is the father of Charles M. Caravati III, an officer of The Jamestown Funds, which are other portfolios of the Trust.

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:

THE FLIPPIN, BRUCE & PORTER FUNDS

BOARD OF TRUSTEES AND EXECUTIVE OFFICERS

(Unaudited) (Continued)

Charles M. Caravati, Jr. is a retired physician. He is also the retired President of Dermatology Associates of Virginia, P.C.

Austin Brockenbrough III is President and Managing Director of Lowe, Brockenbrough & Company, Inc. (an investment advisory firm). He is a member of the Board of Directors of Tredegar Corporation (a plastics manufacturer) and Wilkinson O'Grady & Co., Inc. (a global asset manager).

John T. Bruce is a Principal of the Adviser.

Robert S. Harris 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.

J. Finley Lee, Jr. is a financial consultant and the Julian Price Professor Emeritus at the University of North Carolina.

Richard L. Morrill is the Chancellor of the University of Richmond. He is also a member of the Board of Directors of Tredegar Corporation and Albemarle Corporation (polymers and chemical manufacturer).

Harris V. Morrissette is Chief Executive Officer of Marshall Biscuit Co., Inc. He is a member of the Board of Directors of BancTrust Financial Group, Inc. (a bank holding company) and EnergySouth, Inc. In addition, he is Chairman of Azalea Aviation, Inc. (an airplane fueling company).

Erwin H. Will, Jr. is the retired Chief Investment Officer of Equities of Virginia Retirement System (VRS). Subsequent to his retirement, he temporarily served as Acting Managing Director of Equities for VRS.

Samuel B. Witt III is the retired Senior Vice President and General Counsel of Stateside Associates, Inc. He is also a member of the Board of Directors of The Swiss Helvetia Fund, Inc. (a closed-end investment company).

John M. Flippin is a Principal of the Adviser.

R. Gregory Porter III is a Principal of the Adviser.

John H. Hanna IV is a Principal of the Adviser.

David J. Marshall is a Principal 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.

John F. Splain is a Managing Director of Ultimus Fund Solutions, LLC and Ultimus Fund Distributors, LLC.

Tina H. Bloom is Vice President of Administration of Ultimus Fund Solutions, LLC and Ultimus Fund Distributors, LLC.

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 1-800-281-3217.

FEDERAL TAX INFORMATION (Unaudited)

In accordance with federal tax requirements, the following provides shareholders with information concerning distributions from ordinary income and net realized gains made by the Funds during the year ended March 31, 2007. For the fiscal year ended March 31, 2007, certain dividends paid by the Funds may be subject to a maximum tax rate of 15%, as provided by the Jobs and Growth Tax Relief Reconciliation Act of 2003. The FBP Value Fund and the FBP Balanced Fund intend to designate up to a maximum amount of \$4,866,767 and \$4,087,871, respectively, as taxed at a maximum rate of 15%. Additionally, for the fiscal year ended March 31, 2007, 100% and 80% of the dividends paid from ordinary income by the FBP Value Fund and the FBP Balanced Fund, respectively, qualified for the dividends received deduction for corporations. As required by federal regulations, complete information will be computed and reported in conjunction with your 2007 Form 1099-DIV.

THE FLIPPIN BRUCE & PORTER FUNDS

ABOUT YOUR FUNDS' EXPENSES (Unaudited)

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 fund expenses. Operating expenses, which are deducted from each Fund's gross income, directly reduce the investment return of the Funds.

A 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.

The table below illustrates each Fund's 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 third 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' 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 return used is not the Funds' actual returns, the results do not apply to your investment. The example is useful in making comparisons because the Securities and Exchange Commission requires all mutual funds to calculate expenses based on a 5% return. You can assess each Fund's 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 transaction fees, such as purchase or redemption fees, nor do they carry a "sales load."

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 prior 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.

FBP Value Fund

	Beginning Account Value October 1, 2006	Ending Account Value March 31, 2007	Expenses Paid During Period*
Based on Actual Fund Return	\$1,000.00	\$1,049.70	\$5.11
Based on Hypothetical 5% Return (before expenses)	\$1,000.00	\$1,019.95	\$5.04

* Expenses are equal to the FBP Value Fund's annualized expense ratio of 1.00% for the period, 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 ABOUT YOUR FUNDS' EXPENSES (Unaudited) (Continued)

FBP Balanced Fund

	Beginning Account Value October 1, 2006	Ending Account Value March 31, 2007	Expenses Paid During Period*
Based on Actual Fund Return	\$1,000.00	\$1,043.00	\$4.94
Based on Hypothetical 5% Return (before expenses)	\$1,000.00	\$1,020.09	\$4.89

* Expenses are equal to the FBP Balanced Fund's annualized expense ratio of 0.97% for the period, 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)

The Trust files a complete listing of portfolio holdings for the Funds with the Securities and Exchange Commission (the SEC) as 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>.

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

At an in-person meeting held on February 5, 2007, 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 Value Fund and the FBP Balanced Fund. Below is a discussion of the factors considered by the Board of Trustees along with their conclusions with respect thereto that formed the basis for the Board's approvals.

In selecting the Adviser and approving the most recent annual continuance of the Investment Advisory Agreements, the Trustees considered all information they deemed reasonably necessary to evaluate the terms of the Agreements. The principal areas of review by the 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 Trustees' evaluation of the quality of the Adviser's services took into account 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 was considered. Each Fund's performance was compared to its performance benchmark and to that of competitive funds with similar investment objectives and to the Adviser's comparably managed private accounts. The Trustees also considered the scope and quality of the in-house capabilities of the Adviser and other resources 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, were considered in light of the Funds' compliance with investment policies and applicable laws and regulations and of related reports by management and the Funds' independent public accountants in periodic meetings with the Trust's Audit Committee. The Trustees also considered the business reputation of the Adviser, the qualifications of its key investment and compliance personnel, and its financial resources.

In reviewing the fees payable under the Investment Advisory Agreements, the 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 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 Trustees took into account not only the fees paid by the Funds, but also so-called "fallout" benefits to the Adviser, such as the benefits of research made available to the Adviser by reason of brokerage commissions generated by the Funds' securities transactions. The Trustees also reviewed the revenue sharing arrangements relating to the Funds, whereby fees are paid by the Adviser to various intermediaries that direct assets to the Funds. In evaluating the Funds' advisory fees, the Trustees took into account the complexity and quality of the investment management of the Funds.

Based upon their review of this information, the Independent Trustees concluded that: (i) based on the performance of each Fund managed by the Adviser and the other services provided under the Investment Advisory Agreements, they believe that the Adviser has provided quality services to the Funds as compared to similarly managed funds and comparable private accounts managed by the Adviser; (ii) although the advisory fees payable to the Adviser by each Fund are in the higher range of fees for other comparably managed funds, they believe the fees to be reasonable given the quality of services provided by the Adviser; and (iii) the total operating expense ratio of each Fund is lower than the average of comparably managed funds, as calculated and published by Morningstar. Given the size of the Funds and their expected growth, the Independent Trustees did not believe that at the present time it would be 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 also considered the "fallout" benefits to, and the profitability of, the Adviser 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.

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

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

THE
FLIPPIN, BRUCE & PORTER
FUNDS

Investment Adviser

Flippin, Bruce & Porter, Inc.
800 Main Street, Second Floor
P.O. Box 6138
Lynchburg, Virginia 24505
Toll-Free 1-800-327-9375
www.fbpinc.com

Administrator

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

Custodian

US Bank
425 Walnut Street
Cincinnati, Ohio 45202

**Independent Registered
Public Accounting Firm**

Ernst & Young LLP
1900 Scripps Center
312 Walnut Street
Cincinnati, Ohio 45202

Legal Counsel

Sullivan & Worcester LLP
One Post Office Square
Boston, Massachusetts 02109

Officers

John T. Bruce, President
and Portfolio Manager
John M. Flippin, Vice President
R. Gregory Porter, III,
Vice President
John H. Hanna, IV, Vice President
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Trustees

Austin Brockenbrough, III
John T. Bruce
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