

# **BLUE CHIP INVESTOR FUND**

**ANNUAL REPORT**

**December 31, 2014**

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## Blue Chip Investor Fund Annual Report December 31, 2014

2014 was another positive year for stock-market indices. The S&P 500 gained 13.7%. The index has now advanced in each of the last six years, posting a total return of 156%. Last year I stated it was hard to argue that stocks were underpriced. True, but I'm glad we didn't "sit out" 2014 (not that we ever would), as our Fund gained 12.6%. Our trailing five-year annualized return is 13.8% compared to 15.3% for the S&P 500, and our trailing ten-year annualized return is 6.2% compared to 7.6% for the S&P 500.

We sold five holdings in 2014, a fairly typical year for us, since our average holding period is approaching 4-5 years. Gains were recognized on all of these sales. After selling, each stock continued to move higher. Some may say that we sold too soon, but our objective is to capture the low-risk money in a stock move. Also, we'll sell if we're uncomfortable with a corporate development, such as a large acquisition.

We kept eight holdings for the entire year, making money on all except two. Our 2014 losers were Aflac (-6.4%) and IBM (-12.3%). Neither was down dramatically, but IBM had the distinction of being the worst performer in the Dow for the second consecutive year. The last time that this happened was Bethlehem Steel in 1995 and 1996. That said, we believe IBM will rebound.

Seven new positions were added last year: American Express, Ingredion, Leucadia National, Markel, Suncor Energy, US Bancorp and Verizon. At the moment, they're a mixed bag, with five higher and two lower. Of course, it's much too early to judge them. The Fund ended the year with 15 positions. Frankly, a market decline would be welcome, making attractive buys easier to find.

We often devote a portion of this letter to review of our investment strategy, and we feel it's important to do so again. Let's start by reiterating the philosophy behind that strategy: serving investors via prudent, conservative, principled money management. This mindset comes before performance. In fact, we believe it is this emphasis which ultimately produces attractive long-term performance. Using our philosophy, we identify:

### BLUE-CHIP COMPANIES

We look for companies that not only dominate their markets but are durable. Size is often an advantage. While we impose no hard-and-fast "size" criterion on our holdings, most are considered large-cap stocks. Stability is also important, and we look for businesses that have shown relatively stable growth over an extended period, generally 10 years. Standard & Poor's ranks companies based on this characteristic, and we usually invest in those ranked A+, A, A- or B+.

### GROWTH COMPANIES

As one would expect, we closely scrutinize earnings growth. As part of this analysis, we review what companies do with their earnings—all of our holdings pay dividends or buy back their stock. We're leery of highly leveraged firms. Significant debt could enable faster growth, but such debt elevates risk. We look for historic annual earnings growth greater than 8%-10% and the expectation that similar growth will continue.

### A FAVORABLE PURCHASE PRICE

We try to never overpay, because it's exceedingly difficult to achieve good returns by purchasing stocks with a high price/earnings ratio (P/E). If a stock whose P/E is, say, 30 (high) drops to a P/E of 15 over five years, one still wouldn't profit, even if earnings grew 15% a

year over that period. A useful rule of thumb is to pay no more than a P/E of 16. Nearly all stocks eventually trade at this level, so it's often best to wait for such opportunities.

Our current portfolio largely consists of industry-dominant, globally leading businesses. The average S&P ranking is 'A-', the return-on-equity averages over 20%, and the portfolio's P/E is 15. Berkshire remains our biggest position. The stock performed superbly last year, gaining 27%. The stock price is now 1.5 times estimated book value, a fairer price. Future gains may come largely from book-value growth (which we expect to continue at a rate of 8%-10% per year). Berkshire has now been managed by Warren Buffett for 50 years, and this year's annual report will be special, reflecting on Berkshire's long-term success.

Sincerely,



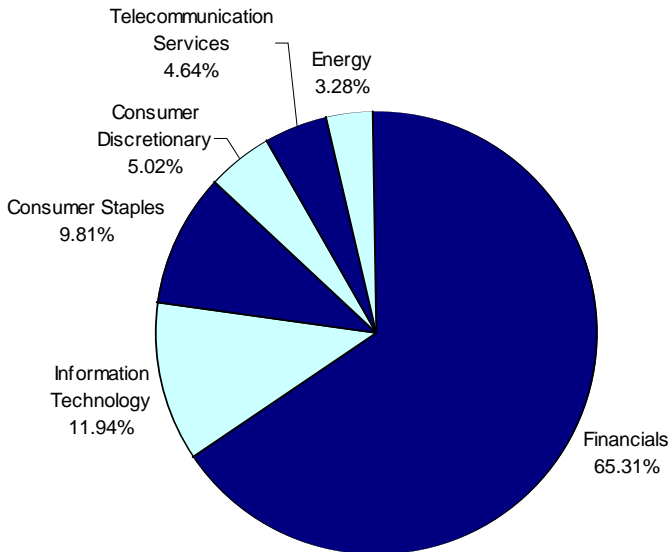
Steven Check  
Portfolio Manager

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## Blue Chip Investor Fund

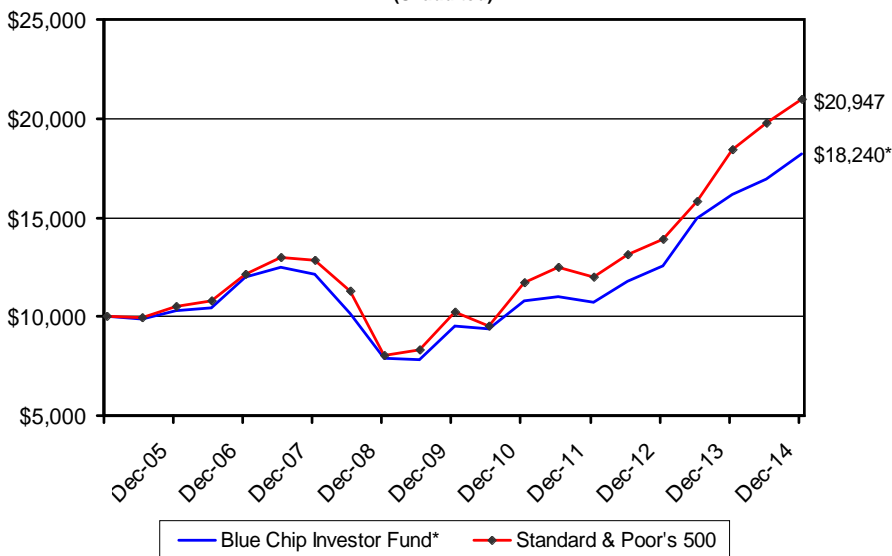
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**BLUE CHIP INVESTOR FUND**  
**by Sectors (Unaudited)**  
**(as a percentage of Total Assets)**



# Blue Chip Investor Fund

The Value of a \$10,000 Investment In Blue Chip Investor Fund  
From January 1, 2005 to December 31, 2014  
As Compared To The Standard & Poor's 500 Index  
(Unaudited)



## PERFORMANCE INFORMATION (Unaudited)

12/31/14 NAV \$161.10

AVERAGE ANNUAL RATE OF RETURN (%) FOR THE PERIODS ENDED DECEMBER 31, 2014

	<u>1 Year</u> <sup>(A)</sup>	<u>5 Year</u> <sup>(A)</sup>	<u>10 Year</u> <sup>(A)</sup>
Blue Chip Investor Fund	12.64%	13.82%	6.19%
S&P 500 <sup>(B)</sup>	13.69%	15.45%	7.67%

(A) The 1 Year, 5 Year and 10 Year returns include change in share prices and in each case includes reinvestment of any dividends and capital gain distributions.

(B) The S&P 500 is a broad market-weighted average dominated by blue-chip stocks and is an unmanaged group of stocks whose composition is different from the Fund.

PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS. INVESTMENT RETURN AND PRINCIPAL VALUE WILL FLUCTUATE SO THAT SHARES, WHEN REDEEMED, MAY BE WORTH MORE OR LESS THAN THEIR ORIGINAL COST. RETURNS DO NOT REFLECT THE DEDUCTION OF TAXES THAT A SHAREHOLDER WOULD PAY ON FUND DISTRIBUTIONS OR THE REDEMPTION OF FUND SHARES. CURRENT PERFORMANCE MAY BE LOWER OR HIGHER THAN THE PERFORMANCE DATA QUOTED. TO OBTAIN PERFORMANCE DATA CURRENT TO THE MOST RECENT MONTH END, PLEASE CALL 1-877-59-FUNDS.

## Proxy Voting Guidelines (Unaudited)

Check Capital Management, Inc., the Fund's Advisor, is responsible for exercising the voting rights associated with the securities held by the Fund. A description of the policies and procedures used by the Advisor in fulfilling this responsibility is available without charge on the Fund's website at [www.bluechipinvestorfund.com](http://www.bluechipinvestorfund.com). It is also included in the Fund's Statement of Additional Information, which is available on the Securities and Exchange Commission's website at <http://www.sec.gov>.

Information regarding how the Fund voted proxies, Form N-PX, relating to portfolio securities during the most recent 12-month period ended June 30th is available without charge, upon request, by calling our toll free number(1-877-59-FUNDS). This information is also available on the Securities and Exchange Commission's website at <http://www.sec.gov>.

## Availability of Quarterly Schedule of Investments (Unaudited)

The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission ("SEC") for the first and third quarters of each fiscal year on Form N-Q. The Fund's Form N-Q is available on the SEC's web site at <http://www.sec.gov>. The Fund's Form N-Q may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

## Disclosure of Expenses (Unaudited)

Shareholders of this Fund incur ongoing costs, including investment advisor fees and other Fund expenses. Although the Fund charges no sales loads or transaction fees, you will be assessed fees for outgoing wire transfers, returned checks and stop payment orders at prevailing rates charged by Mutual Shareholder Services, LLC, the Fund's transfer agent. IRA accounts will be charged an \$8.00 annual maintenance fee. The following example is intended to help you understand your ongoing costs of investing in the Fund and to compare these costs with similar costs of investing in other mutual funds. The example is based on an investment of \$1,000 invested in the Fund on July 1, 2014 and held through December 31, 2014.

### Actual Expenses

The first line of the table below provides information about actual account values and actual expenses. In order to estimate the expenses a shareholder paid during the period covered by this report, shareholders can divide their account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6) and then multiply the result by the number in the first line under the heading entitled "Expenses Paid During the Period."

### Hypothetical Example for Comparison Purposes

The second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses paid by a shareholder for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare the 5% hypothetical example with the 5% hypothetical examples that appear in other funds' shareholder reports.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as the annual maintenance fee charged to IRA accounts or exchange fees or the expenses of underlying funds. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	Beginning Account Value July 1, 2014	Ending Account Value December 31, 2014	Expenses Paid During the Period* July 1, 2014 to December 31, 2014
Actual	\$1,000.00	\$1,077.27	\$5.24
Hypothetical (5% annual return before expenses)	\$1,000.00	\$1,020.16	\$5.09

\* Expenses are equal to the Fund's annualized expense ratio of 1.00%, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period).

# Blue Chip Investor Fund

## Schedule of Investments December 31, 2014

Shares	Fair Value	% of Net Assets
<b>COMMON STOCKS</b>		
<b>Communication Services</b>		
14,000 DIRECTV *	\$ 1,213,800	4.56%
<b>Communications Equipment</b>		
16,000 QUALCOMM Incorporated	1,189,280	4.47%
<b>Diversified Bank</b>		
20,000 U.S. Bancorp	899,000	
30,000 Wells Fargo & Co.	1,644,600	
	2,543,600	9.55%
<b>Finance Services</b>		
10,000 American Express Company	930,400	
33,000 Leucadia National Corporation	739,860	
	1,670,260	6.27%
<b>Fire, Marine &amp; Casualty Insurance</b>		
1,500 Market Corporation *	1,024,260	3.85%
<b>Grain Mill Products</b>		
13,000 Ingredion Incorporated	1,102,920	4.14%
<b>Hyper-Markets &amp; Super Centers</b>		
14,800 Wal-Mart Stores Inc.	1,271,024	4.77%
<b>Insurance - Life/Health</b>		
25,000 AFLAC Inc.	1,527,250	5.73%
<b>Insurance - Property/Casualty</b>		
40 Berkshire Hathaway Inc. Class A * (a)	9,040,000	33.95%
<b>IT Consulting &amp; Other Services</b>		
5,000 International Business Machines Corporation	802,200	3.01%
<b>Petroleum Refining</b>		
25,000 Suncor Energy Inc. (Canada)	794,500	2.98%
<b>Systems Software</b>		
20,000 Oracle Corporation	899,400	3.38%
<b>Telephone Communications (No Radio Telephone)</b>		
24,000 Verizon Communications Inc.	1,122,720	4.22%
<b>Total for Common Stocks (Cost \$14,869,941)</b>	<b>24,201,214</b>	<b>90.88%</b>
<b>Money Market Funds</b>		
2,419,915 Fidelity Governmental Fund 57 0.01% **	2,419,915	9.08%
	(Cost - \$2,419,915)	
Total Investments	26,621,129	99.96%
	(Cost - \$17,289,856)***	
Other Assets in Excess of Liabilities	9,568	0.04%
Net Assets	\$ 26,630,697	100.00%

\* Non-Income Producing Securities.

\*\* Variable rate security; the yield rate shown represents the rate at December 31, 2014.

\*\*\* At December 31, 2014, tax basis cost of the Fund's investments was \$17,289,856 and the unrealized appreciation and depreciation were \$9,588,127 and (\$256,854), respectively, with a net unrealized appreciation of \$9,331,273.

(a) The company's 2013 annual report is available at [www.berkshirehathaway.com/reports.html](http://www.berkshirehathaway.com/reports.html).

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

# Blue Chip Investor Fund

## Statement of Assets and Liabilities

December 31, 2014

Assets:	
Investment Securities at Fair Value	\$ 26,621,129
(Cost - \$17,289,856)	
Dividends and Interest Receivable	17,470
Prepaid Expenses	3,788
Receivable for Shareholder Purchases	32,925
Total Assets	<u>26,675,312</u>
Liabilities:	
Advisory Fee Payable	18,723
Administration Fee Payable	2,000
Other Accrued Expenses	20,842
Payable for Shareholder Redemptions	3,050
Total Liabilities	<u>44,615</u>
Net Assets	<u>\$ 26,630,697</u>
Net Assets Consist of:	
Paid In Capital	\$ 17,284,556
Accumulated Undistributed Realized Gain on Investments - Net	14,868
Unrealized Appreciation in Value	
of Investments Based on Cost - Net	<u>9,331,273</u>
Net Assets, for 165,305 Shares Outstanding	<u>\$ 26,630,697</u>
(Unlimited shares authorized, without par value)	
Net Asset Value, Offering Price and Redemption Price	
Per Share (\$26,630,697/165,305 shares)	\$ 161.10

## Statement of Operations

For the fiscal year ended December 31, 2014

Investment Income:	
Dividends (Net of foreign withholding tax and fees of \$3,237)	\$ 246,187
Interest	149
Total Investment Income	<u>246,336</u>
Expenses:	
Investment Advisor Fees	244,036
Transfer Agent & Accounting Fees	33,768
Administration Fees	24,000
Audit Fees	17,537
Legal Fees	18,000
Registration Fees	5,229
Custody Fees	7,242
Trustee Fees	4,000
Other Fees	1,824
Insurance Expense	1,056
Printing and Postage Expense	944
Total Expenses	<u>357,636</u>
Less: Advisory Fee Waiver	<u>(94,943)</u>
Net Expenses	<u>262,693</u>
Net Investment Loss	(16,357)
Realized and Unrealized Gain on Investments:	
Net Realized Gain on Investments	1,936,745
Net Change in Unrealized Appreciation on Investments	1,085,336
Net Realized and Unrealized Gain on Investments	<u>3,022,081</u>
Net Increase in Net Assets from Operations	<u>\$ 3,005,724</u>

# Blue Chip Investor Fund

## Statements of Changes in Net Assets

	1/1/2014 to 12/31/2014	1/1/2013 to 12/31/2013
From Operations:		
Net Investment Loss	\$ (16,357)	\$ (58,495)
Net Realized Gain on Investments	1,936,745	1,579,417
Net Change in Unrealized Appreciation on Investments	1,085,336	3,332,137
Increase in Net Assets from Operations	3,005,724	4,853,059
From Distributions to Shareholders:		
Net Investment Income	0	(366)
Net Realized Gain from Security Transactions	(811,206)	0
Change in Net Assets from Distributions	(811,206)	(366)
From Capital Share Transactions:		
Proceeds From Sale of Shares	3,407,302	2,928,836
Shares Issued on Reinvestment of Dividends	807,811	365
Cost of Shares Redeemed	(2,521,081)	(1,631,036)
Net Increase from Shareholder Activity	1,694,032	1,298,165
Net Increase in Net Assets	3,888,550	6,150,858
Net Assets at Beginning of Period	22,742,147	16,591,289
Net Assets at End of Period (Including accumulated undistributed net investment income of \$0 and \$0, respectively)	<u>\$ 26,630,697</u>	<u>\$ 22,742,147</u>
Share Transactions:		
Issued	22,448	21,531
Reinvested	4,964	2
Redeemed	(16,335)	(12,198)
Net Increase in Shares	11,077	9,335
Shares Outstanding Beginning of Period	154,228	144,893
Shares Outstanding End of Period	<u>165,305</u>	<u>154,228</u>

## Financial Highlights

Selected data for a share outstanding throughout the period:

	1/1/2014 to 12/31/2014	1/1/2013 to 12/31/2013	1/1/2012 to 12/31/2012	1/1/2011 to 12/31/2011	1/1/2010 to 12/31/2010
Net Asset Value -					
Beginning of Period	\$147.46	\$114.51	\$ 97.95	\$ 99.15	\$ 87.48
Net Investment Income (Loss) ***	(0.10)	(0.39)	0.44	0.16	0.07
Net Gains or (Losses) on Securities (realized and unrealized)	18.78	33.34	16.57	(1.19)	11.66
Total from Investment Operations	18.68	32.95	17.01	(1.03)	11.73
Distributions (From Net Investment Income)	0.00	0.00 +	(0.45)	(0.17)	(0.06)
Distributions (From Capital Gains)	(5.04)	0.00	0.00	0.00	0.00
Total Distributions	(5.04)	0.00	(0.45)	(0.17)	(0.06)
Net Asset Value -					
End of Period	<u>\$161.10</u>	<u>\$147.46</u>	<u>\$114.51</u>	<u>\$ 97.95</u>	<u>\$ 99.15</u>
Total Return ++	12.64%	28.78%	17.36%	(1.04)%	13.41%
Ratios/Supplemental Data					
Net Assets - End of Period (Thousands)	\$26,631	\$22,742	\$16,591	\$14,917	\$17,239
Before Reimbursement					
Ratio of Expenses to Average Net Assets	1.46%	1.57%	1.90%	2.28%	1.96%
Ratio of Net Investment Income (Loss) to Average Net Assets	-0.46%	-0.60%	-0.07%	-0.33%	-0.38%
After Reimbursement					
Ratio of Expenses to Average Net Assets	1.08%	1.27%	1.43%	1.79%	1.50%
Ratio of Net Investment Income (Loss) to Average Net Assets	-0.07%	-0.29%	0.41%	0.16%	0.08%
Portfolio Turnover Rate	20.07%	22.66%	7.28%	6.26%	0.00%

\*\*\* Per share amounts calculated using the average shares method.

+ Per share amount less than \$0.005.

++ Total return in the above calculation represents the rate that the investor would have earned or lost on an investment in the Fund assuming reinvestment of all dividends and distributions.

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



**NOTES TO FINANCIAL STATEMENTS**  
**BLUE CHIP INVESTOR FUND**  
**December 31, 2014**

**1.) ORGANIZATION**

Blue Chip Investor Fund (the "Fund") is a non-diversified series of the Blue Chip Investor Funds (the "Trust"), formerly Premier Funds. The Trust is an open-end investment company. The Trust was organized in Ohio as a business trust on November 1, 2001 and may offer shares of beneficial interest in a number of separate series, each series representing a distinct fund with its own investment objectives and policies. The Fund commenced operations on January 1, 2002. At present, the Fund is the only series authorized by the Trust. The Fund's investment objective is to seek long-term growth of capital. The Advisor to the Fund is Check Capital Management, Inc. (the "Advisor").

**2.) SIGNIFICANT ACCOUNTING POLICIES**

**SECURITY VALUATION:**

All investments in securities are recorded at their estimated fair value, as described in Note 3.

**FEDERAL INCOME TAXES:**

The Fund's policy is to continue to comply with the requirements of the Internal Revenue Code that are applicable to regulated investment companies and to distribute all of its taxable income to shareholders. Therefore, no federal income tax provision is required. It is the Fund's policy to distribute annually, prior to the end of the calendar year, dividends sufficient to satisfy excise tax requirements of the Internal Revenue Code. This Internal Revenue Code requirement may cause an excess of distributions over the book year-end accumulated income. In addition, it is the Fund's policy to distribute annually, after the end of the fiscal year, any remaining net investment income and net realized capital gains.

The Fund recognizes the tax benefits of certain tax positions only where the position is "more likely than not" to be sustained assuming examination by tax authorities. Management has analyzed the Fund's tax positions, and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on returns filed for open tax years (2011-2013), or expected to be taken on the Fund's 2014 tax return. The Fund identifies its major tax jurisdictions as U.S. Federal tax authorities; however the Fund is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next twelve months. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statement of Operations. During the year, the Fund did not incur any interest or penalties.

**SHARE VALUATION:**

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

**DISTRIBUTIONS TO SHAREHOLDERS:**

Distributions to shareholders, which are determined in accordance with income tax regulations, are recorded on the ex-dividend date. The treatment for financial reporting purposes of distributions made to shareholders during the year from net investment income or net realized capital gains may differ from their ultimate treatment for federal income tax purposes. These differences are caused primarily by differences in the timing of the recognition of certain components of income, expenses or realized capital gain for federal income tax purposes. Where such differences are permanent in nature, they are reclassified in the components of the net assets based on their ultimate characterization for federal income tax purposes. Any such reclassifications will have no effect on net assets, results of operations or net asset values per share of the Fund. As of December 31, 2014, accumulated net investment income was increased by \$16,357 and paid in capital was decreased by \$16,357 due to the reclassification of net investment loss.

**USE OF ESTIMATES:**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

**OTHER:**

The Fund records security transactions based on trade date. Dividend income is recognized on the ex-dividend date. Interest income and expense is recognized on an accrual basis. The Fund uses the specific identification method in computing gain or loss on sale of investment securities. Discounts and premiums on securities purchased are accreted and amortized over the life of the respective securities. Withholding taxes on foreign dividends have been provided for in accordance with the Fund's understanding of the applicable country's tax rules and regulations.

## Notes to Financial Statements - continued

### 3.) SECURITIES VALUATIONS

The Fund utilizes various methods to measure the fair value of its investments on a recurring basis. GAAP establishes a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.

Level 2 - Observable inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 - Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund's own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in level 3.

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 in its entirety.

#### FAIR VALUE MEASUREMENTS

A description of the valuation techniques applied to the Fund's major categories of assets measured at fair value on a recurring basis follows.

*Equity securities (common stocks).* Equity securities are carried at fair value. The market quotation used for common stocks, including those listed on the NASDAQ National Market System, is the last sale price on the date on which the valuation is made or, in the absence of sales, at the closing bid price. Over-the-counter securities will be valued on the basis of the bid price at the close of each business day. Generally, if the security is traded in an active market and is valued at the last sale price, the security is categorized as a level 1 security. When the security position is not considered to be part of an active market or when the security is valued at the bid price, the position is generally categorized as level 2. When market quotations are not readily available, when the Advisor determines the last bid price does not accurately reflect the current value or when restricted securities are being valued, such securities are valued as determined in good faith by the Advisor, in conformity with guidelines adopted by and subject to review of the Board of Trustees (the "Trustees") and are categorized in level 2 or level 3, when appropriate.

*Money market funds.* Money market funds are valued at net asset value and are classified in level 1 of the fair value hierarchy.

*Fixed income securities.* Fixed income securities generally are valued by using market quotations, but may be valued on the basis of prices furnished by a pricing service when the Advisor believes such prices accurately reflect the fair value of such securities. A pricing service utilizes electronic data processing techniques based on yield spreads relating to securities with similar characteristics to determine prices for normal institutional-size trading units of debt securities without regard to sale or bid prices. When prices are not readily available from a pricing service, or when restricted or illiquid securities are being valued, securities are valued at fair value as determined in good faith by the Advisor, subject to review of the Trustees. Short-term investments in fixed income securities with maturities of less than 60 days when acquired, or which subsequently are within 60 days of maturity, are valued by using the amortized cost method of valuation. Generally, fixed income securities are categorized as level 2.

In accordance with the Trust's good faith pricing guidelines, the Advisor is required to consider all appropriate factors relevant to the value of securities for which it has determined other pricing sources are not available or reliable as described above. There is no single standard for determining fair value controls, since fair value depends upon the circumstances of each individual case. As a general principle, the current fair value of an issue of securities being valued by the Advisor would appear to be the amount which the owner might reasonably expect to receive for them upon their current sale. Methods which are in accordance with this principle may, for example, be based on (i)

## Notes to Financial Statements - continued

a multiple of earnings; (ii) a discount from market of a similar freely traded security (including a derivative security or a basket of securities traded on other markets, exchanges or among dealers); or (iii) yield to maturity with respect to debt issues, or a combination of these and other methods.

The following table summarizes the inputs used to value the Fund's assets measured at fair value as of December 31, 2014:

<u>Valuation Inputs of Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stocks	\$24,201,214	\$0	\$0	\$24,201,214
Money Market Funds	<u>2,419,915</u>	<u>0</u>	<u>0</u>	<u>2,419,915</u>
Total	\$26,621,129	\$0	\$0	\$26,621,129

Refer to the Fund's Schedule of Investments for a listing of securities by industry. The Fund did not hold any level 2 or level 3 assets during the fiscal year ended December 31, 2014. There were no transfers into or out of the levels during the fiscal year ended December 31, 2014. It is the Fund's policy to consider transfers into or out of each level as of the end of the reporting period.

The Fund did not invest in any derivative instruments during the fiscal year ended December 31, 2014.

### 4.) INVESTMENT ADVISORY AGREEMENT

The Fund has entered into an investment advisory agreement (the "Management Agreement") with the Advisor, Check Capital Management, Inc. Under the terms of the Management Agreement, the Advisor manages the investment portfolio of the Fund, subject to policies adopted by the Trustees. Under the Management Agreement, the Advisor, at its own expense and without reimbursement from the Trust, furnishes office space and all necessary office facilities, equipment and executive personnel necessary for managing the assets of the Fund. The Advisor also pays the salaries and fees of all of its officers and employees that serve as officers and trustees of the Trust. For its services, the Advisor receives an annual investment management fee from the Fund of 1.00% of the average daily net assets of the Fund which is payable monthly. As a result of the above calculation, for the fiscal year ended December 31, 2014, the Advisor earned management fees totaling \$244,036, before the waiver of fees and/or reimbursement of expenses described below. Effective May 1, 2014, the Advisor has contractually agreed to waive management fees and reimburse expenses to the extent necessary to maintain total annual operating expenses of the Fund (excluding brokerage fees, commissions, interest and other borrowing expenses, taxes, extraordinary expenses and the indirect costs of investing in acquired funds) at 1.00% of its average daily net assets through May 1, 2016. From May 1, 2010 through April 30, 2014, the Advisor had contractually agreed to waive management fees and reimburse expenses to the extent necessary to maintain total annual operating expenses of the Fund (excluding brokerage fees, commissions, interest and other borrowing expenses, taxes, extraordinary expenses and the indirect costs of investing in acquired funds) at 1.25% of its average daily net assets. Prior to May 1, 2010, the Advisor has contractually agreed to waive management fees and reimburse expenses to the extent necessary to maintain total annual operating expenses of the Fund (excluding brokerage fees, commissions, interest and other borrowing expenses, taxes, extraordinary expenses and the indirect costs of investing in acquired funds) at 1.35% of its average daily net assets. There are no provisions for recoupment for any of the contractual waivers entered by the Advisor. The Advisor waived and/or reimbursed expenses of \$94,943 for the fiscal year ended December 31, 2014. At December 31, 2014, the Fund owed the Advisor \$18,723.

### 5.) RELATED PARTY TRANSACTIONS

The Fund has entered into an administration servicing agreement with Premier Fund Solutions, Inc. (the "Administrator"). The Fund pays 0.07% on the first \$200 million of assets, 0.05% on the next \$500 million of assets and 0.03% on assets above \$500 million subject to a minimum monthly fee of \$2,000. The Fund also pays all out of pocket expenses directly attributable to the Fund. Jeffrey R. Provence of the Administrator is also an officer and trustee of the Fund. For the fiscal year ended December 31, 2014, the Administrator earned \$24,000. At December 31, 2014, the Fund owed the Administrator \$2,000.

### 6.) CAPITAL SHARES

The Trust is authorized to issue an unlimited number of shares of beneficial interest. Paid in capital at December 31, 2014 was \$17,284,556 representing 165,305 shares outstanding.

### 7.) PURCHASES AND SALES OF SECURITIES

For the fiscal year ended December 31, 2014, purchases and sales of investment securities other than U.S. Government obligations and short-term investments aggregated \$6,314,540 and \$4,564,227, respectively. Purchases and sales of U.S. Government obligations aggregated \$0 and \$0, respectively.

## Notes to Financial Statements - continued

### 8.) CONTROL OWNERSHIP

The beneficial ownership, either directly or indirectly, of more than 25% of the voting securities of a fund creates a presumption of control of a fund, under Section 2(a)(9) of the Investment Company Act of 1940. As of December 31, 2014, Charles Schwab & Co. Inc., located in San Francisco, California, held for the benefit of others, in aggregate, 69.61% of the Fund, and thus may be deemed to control the Fund. Also, National Financial Services, LLC, located at 200 Liberty Street, New York, New York, held for the benefit of others, in aggregate, 28.07% of the Fund, and thus may be deemed to control the Fund.

### 9.) TAX MATTERS

For Federal income tax purposes, the cost of investments owned at December 31, 2014 was \$17,289,856. At December 31, 2014, the composition of unrealized appreciation (the excess of value over tax cost) and depreciation (the excess of tax cost over value) was as follows:

<u>Appreciation</u>	<u>(Depreciation)</u>	<u>Net Appreciation</u>
\$9,588,127	(\$256,854)	\$9,331,273

The tax character of distributions paid during fiscal year 2014 and 2013 was as follows.

Distributions paid from:

	<u>2014</u>	<u>2013</u>
Ordinary Income	\$ 0	\$ 366
Long-term Capital Gains	<u>811,206</u>	<u>0</u>
	<u>\$ 811,206</u>	<u>\$ 366</u>

As of December 31, 2014, the components of distributable earnings on a tax basis were as follows:

Undistributed Long-Term Capital Gains	\$ 14,868
Unrealized Appreciation	<u>9,331,273</u>
	<u>\$ 9,346,141</u>

The Fund utilized \$1,110,671 of capital loss carryforward during the fiscal year ended December 31, 2014.

### 10.) LOAN AGREEMENT

A loan agreement, subject to certain covenants and restrictions, is in place between the Fund and its custodian, U.S. Bank, N.A. The Fund may seek to obtain loans for the purpose of funding redemptions or purchasing securities up to the lesser of \$4,000,000 or the maximum amount that the Fund is permitted to borrow under the Investment Company Act of 1940 using the securities in its portfolio as collateral and allowing U.S. Bank, N.A. the right to setoff to those securities. The maximum interest rate of such loans is set at a rate per annum equal to U.S. Bank's prime-lending rate (which is 3.25%). During the fiscal year ended December 31, 2014 the Fund had an average loan balance of \$0. As of December 31, 2014 there was no outstanding loan balance. No compensating balances are required. The loan matures on February 14, 2015. The loan was renewed through February 14, 2016.

### 11.) SUBSEQUENT EVENTS

Subsequent events after the date of the Statement of Assets and Liabilities have been evaluated through the date the financial statements were issued. Management has concluded that there is no impact requiring adjustment or disclosure in the financial statements.

## **ADDITIONAL INFORMATION**

**December 31, 2014**  
**(UNAUDITED)**

### APPROVAL OF INVESTMENT ADVISORY AGREEMENT

On December 3, 2014 the Board of Trustees (the "Board" or the "Trustees") considered the renewal of the Management Agreement (the "Agreement"). In renewing the Management Agreement, the Board of Trustees received material from the Advisor (the "Report") addressing the following factors: (i) the investment performance of the Fund and the Advisor; (ii) the nature, extent and quality of the services provided by the investment Advisor to the Fund; (iii) the cost of the services to be provided and the profits to be realized by the Advisor and its affiliates from the relationship with the Fund; (iv) the extent to which economies of scale will be realized as the fund grows; and (v) whether the fee levels reflect these economies of scale to the benefit of shareholders.

As to the performance of the Fund, the Report included information regarding the performance of the Fund compared to a group of funds of similar size, style and objective (the "Peer Group") as well as the category average for the Fund. The Report also included comparative performance information for other accounts managed by the Advisor and S&P 500® benchmark index (the "Index"). As to the performance of the Fund, the Trustees reviewed the Peer Group, which consisted of Funds similar in size and characteristics to the Fund for the period ended September 30, 2014. The data showed that the Fund lagged the Index, the Peer Group and the category average for the Fund for the one, three, five and ten year periods, but was within the range of the Peer Group. The Trustees reviewed the information and concluded that the Fund's performance was acceptable.

As for the nature, extent and quality of the services provided by the Advisor, the Trustees discussed the Advisor's experience and capabilities. The representatives of the Advisor reviewed and discussed with the Board the Advisor's Form ADV and the 17j-1 certifications. They summarized the information provided in the Report regarding matters such as the Advisor's financial condition and investment personnel. They also discussed the portfolio manager's background and investment management experience. Furthermore, they reviewed the Advisor's financial information and discussed the firm's ability to meet its obligations under the Agreement. The Board concluded that the nature and extent of the services provided by the Advisor were consistent with their expectations, that they were satisfied with the quality of services provided by the Advisor, and that the Advisor has the resources to meet its obligations under the Agreement. They noted that both portfolio management and CCO services were acceptable.

As to the costs of the services provided, the Board reviewed the fees under the Agreement compared to the Peer Group, the Fund's category average and fees charged to other clients of the Advisor (1% or 10% of profits). The Board noted that the current net expense ratio was below the Peer Group and the category average. The information showed that the management fee was above the Peer Group, but within the range of the Peer Group. The Board concluded that the advisory fee was reasonable, particularly in light of the Fund's size and the net management fees received after waivers. The Board also reviewed a profit and loss analysis prepared by the Advisor that analyzed the expenses incurred by the Advisor in managing the Fund and the total revenue derived by the Advisor from the Fund. The Trustees noted that the Advisor did not utilize an affiliated broker and received no soft dollar benefits. The Trustees concluded that the Advisor was not overly profitable. As to the economies of scale, it was noted that the Advisor capped the Fund's expenses during the previous period, excluding certain expenses, and will cap the Fund's expenses for an additional one year period. Next, the independent Trustees met in executive session to discuss the continuation of the Agreement. The officers of the Trust were excused during this discussion.

Upon reconvening the meeting, it was the consensus of the Trustees, including the disinterested Trustees, that renewal of the Management Agreement would be in the best interests of the Fund and the shareholders. Resolutions were then approved by unanimous vote of the disinterested Trustees and thereafter all the Trustees.

Cohen Fund Audit Services, Ltd.  
Certified Public Accountants

1350 Euclid Ave., Ste 800  
Cleveland, Ohio 44115  
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[www.cohenfund.com](http://www.cohenfund.com)

## **REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Shareholders and Board of Trustees of  
Blue Chip Investor Fund

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Blue Chip Investor Fund (the "Fund") as of December 31, 2014, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2014, by correspondence with the custodian. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Blue Chip Investor Fund as of December 31, 2014, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

*Cohen Fund Audit Services*

COHEN FUND AUDIT SERVICES, LTD.  
Cleveland, Ohio  
February 20, 2015

## TRUSTEES AND OFFICERS (Unaudited)

The Board of Trustees supervises the business activities of the Trust. The names of the Trustees and executive officers of the Trust are shown below. Each Trustee who is an "interested person" of the Trust, as defined in the Investment Company Act of 1940, is indicated by an asterisk. Each Trustee serves until the Trustee sooner dies, resigns, retires or is removed. Officers hold office for one year and until their respective successors are chosen and qualified.

The trustees and officers of the Trust and their principal business activities during the past five years are:

### Interested Trustees and Officers

Name, Address, and Age	Position with the Trust	Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios Overseen By Trustee	Other Directorships Held By Trustee During the Past 5 Years
Ross C. Provence*, (76) 1939 Friendship Drive, Suite C, El Cajon, California 92020	President, Trustee and Chairman	Since 2001	General Partner and Portfolio Manager for Value Trend Capital Management, LP (1995 to current). Estate planning attorney (1963 to current).	1	PFS Funds
Jeffrey R. Provence*, (45) 1939 Friendship Drive, Suite C, El Cajon, California 92020	Secretary, Treasurer and Trustee	Since 2001	General Partner and Portfolio Manager for Value Trend Capital Management, LP (1995 to current). CEO, Premier Fund Solutions, Inc. (2001-Present).	1	PFS Funds
Jock Meeks, (58) 575 Anton Blvd., Ste 500 Costa Mesa, CA 92626	Chief Compliance Officer	Since 2004	Client Services Director for Check Capital Management (2004 to cur- rent). Chief Compliance Officer for Check Capital Management (2004 to 2013). Investment Specialists (1992 to 2004) for Charles Schwab.	N/A	N/A

\* Ross C. Provence and Jeffrey R. Provence are considered "interested persons" as defined in Section 2(a)(19) of the Investment Company Act of 1940 due to their positions as officers of the Trust. Ross C. Provence is the father of Jeffrey R. Provence.

### Independent Trustees

Name, Address, and Age	Position with the Trust	Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios Overseen By Trustee	Other Directorships Held By Trustee During the Past 5 Years
Allen C. Brown, (71) 222 West Madison Ave., El Cajon, California 92020	Independent Trustee	Since 2001	Co-owner of Stebleton & Brown (1994 to current). Estate planning and business attorney (1970 to current).	1	PFS Funds
George Cossolias, CPA, (79) 5151 Murphy Canyon Road, Suite 135, San Diego, CA 92123	Independent Trustee	Since 2001	Partner of CWDL, CPAs (February 1, 2014 to current). Owner of George Cossolias & Company, CPAs (1972 to January 31, 2014). President of Lubrication Specialists, Inc. (1996 to current).	1	PFS Funds

The Statement of Additional Information contains additional and more detailed information about the trustees and is available without charge by calling the transfer agent at 1-877-59-FUNDS.

**Board of Trustees**

George Cossolias, CPA  
Allen C. Brown  
Ross C. Provence  
Jeffrey R. Provence

**Investment Advisor**

Check Capital Management Inc.  
575 Anton Boulevard, Suite 500  
Costa Mesa, CA 92626-7169

**Counsel**

Thompson Hine LLP  
312 Walnut Street, 14th Floor  
Cincinnati, OH 45202

**Custodian**

U.S. Bank, N.A.  
425 Walnut Street  
Cincinnati, OH 45201

**Dividend Paying Agent,  
Shareholders' Servicing Agent,  
Transfer Agent**

Mutual Shareholder Services  
8000 Town Centre Dr., Suite 400  
Broadview Heights, OH 44147

**Fund Administrator**

Premier Fund Solutions, Inc.  
1939 Friendship Drive, Suite C  
El Cajon, CA 92020

**Independent Registered Public Accounting Firm**

Cohen Fund Audit Services, Ltd.  
1350 Euclid Ave., Suite 800  
Cleveland, OH 44115

This report is provided for the general information of the shareholders of the Blue Chip Investor Fund. This report is not intended for distribution to prospective investors in the Fund, unless preceded or accompanied by an effective prospectus.

**BLUE CHIP INVESTOR FUND**

575 Anton Boulevard, Suite 500  
Costa Mesa, California 92626