

THE GOVERNMENT STREET FUNDS

No-Load Mutual Funds

Annual Report
March 31, 2008

T. Leavell & Associates, Inc.

I N V E S T M E N T A D V I S E R

Founded 1979

The Government Street Equity Fund
The Government Street Mid-Cap Fund
The Alabama Tax Free Bond Fund

LETTER FROM THE PRESIDENT **May 27, 2008**

Dear Fellow Shareholders:

We are enclosing for your review the audited Annual Report of The Government Street Funds for the year ended March 31, 2008.

The Government Street Equity Fund

The Government Street Equity Fund had a negative return of -3.51% for the fiscal year ended March 31, 2008. By comparison, the S&P 500 Index and the Morningstar Large Blend Equity category were down -5.08% and -5.27%, respectively. While the good relative performance is welcomed in the short run, we are never satisfied with less than positive absolute returns.

The stock market, as proxied by the S&P 500 Index, took a real downward turn beginning in October, 2007. During this six month period, the last half of the fiscal year, the S&P 500 was down -12.46%. This result was primarily attributable to the total disarray in credit markets caused by growing defaults in mortgage securities, structured investments and auction rate securities. Additionally, continued increases in the cost of oil and consequently gas pump prices began to negatively impact the largest part of our economy, as represented by the consumer.

As the fiscal year drew to a close, all the maladies previously listed seemed to reach a climatic level. Throw in a highly competitive and controversial Presidential primary, the contentious Iraq war, Presidential and Congressional public confidence levels at historic lows, new records for our national debt and continuing hedge fund abuses, all one could do is wonder if the oft predicted recession/slowdown is upon us.

When viewed in the context of the economic scenario stated, the returns of The Government Street Equity Fund and the stock market in general were not too bad. Hopefully, the remainder of calendar 2008 will yield a positive framework for equities, which has usually been the case during the period leading up to a Presidential election.

The 10 largest holdings in the Fund at March 31, 2008 are:

iShares MSCI EAFE Index Fund	5.5%
Bank of America Corporation	3.5%
Procter and Gamble Company (The)	2.9%
U.S. Bancorp	2.7%
Vanguard FTSE All-World Ex-US Index ETF	2.7%
Hewlett-Packard Company	2.5%
Philip Morris International, Inc.	2.5%
Chevron Corporation	2.4%
Emerson Electric Company	2.3%
Caterpillar, Inc.	2.3%

As might be expected, the performance of securities within the portfolio's energy sector were superior during the fiscal year with positive returns of 29.24% and 25.67% for the growth and value groups, respectively. The Fund's energy holdings consisted of British Petroleum, Exxon-Mobil, TransOcean, Inc., XTO Energy, Apache Corp., Chevron, ConocoPhillips, Spectra Energy and Valero Energy.

Equally expected, the portfolio's securities in the Financial sector turned in the worst performance for the fiscal year. The portfolio's growth and value Financial securities were down -20.01% and -13.31%, respectively. The Fund's financial holdings consisted of American Express, Bank of America Corp., Aegon (ARS), AFLAC, Inc., Goldman Sachs Group, Charles Schwab and U.S. Bancorp.

Note: The investment performances listed for economic sectors in the two preceding paragraphs are extracted from an in-house independent internal rate of return computation by the Advent Axys portfolio accounting system. The calculations are for gross investment returns of the total economic sectors. Total investment returns are for the fiscal year April 1, 2007 through March 31, 2008.

As 2008 unfolds, we anticipate continued slowing of the overall economy as the aforementioned maladies play out. We do not see many of the dislocations being temporary, but rather indicative of a restructuring of the importance of certain areas of our economy. It is believed that the new supply-demand scenario for energy will extend far into the future. Shifts may well occur within the category, but rapid development internationally will keep the pressures on demand. We find this upward pressure to be expected throughout the commodity related economic sectors. Again, international development is the primary determinant of the emphasis.

The Consumer and Financials sectors should continue to be under pressure. Finance will be adversely affected by the continued attempt to correct the abusive and greedy excesses that permeate the banking, investment banking and brokerage industries. The consumer will be continually confronted with decisions on consumption of discretionary goods and services versus the needs for economical transportation and basic necessities.

The Government Street Equity Fund continues to maintain wide diversification across all economic sectors. We continue to make individual security selections that we believe are positioned to perform well for investors. Even in difficult times, there are companies within each economic sector that turn in superior results.

Additionally, we are increasingly convinced that a good equity portfolio will contain both direct and indirect international exposure. Direct investment is self explanatory and demonstrated through holdings in international exchange traded funds and American Depositary Receipts of individual stocks. Indirect investment is through domestic companies such as Caterpillar, General Electric, etc. which have substantial international exposure. As stated in a previous annual letter, we anticipate reaching approximately 20% participation in international investments with ongoing investments.

In summary, we believe your Fund is positioned for the future with a widely diversified portfolio of high quality investments. We believe that better relative performance of the past year is indicative of the benefits of this diversification. It is our belief that a portfolio that is managed with less risk will yield higher compounded returns both absolutely and relatively.

As of March 31, 2008, the Fund's net assets were \$67,266,882; net asset value per share was \$44.76; and the ratio of expenses to net average assets was 0.84%. Portfolio turnover rate was 12%. Income dividends of \$.57 per share were distributed during the year.

The Government Street Mid-Cap Fund

The Government Street Mid-Cap Fund completed its fourth full fiscal year on March 31, 2008. The Fund produced a one year total return of -3.99%, compared to the benchmark S&P MidCap 400 Index return of -6.97%. Of the ten sectors in the S&P MidCap 400, only three had positive performance over the past year – Energy, Materials and Industrials. The poorest performing sectors were Telecom, Consumer Discretionary and Financials. The Government Street Mid-Cap Fund benefited from slight underweightings in Consumer Discretionary and Financials. Some of the strongest stocks in the Fund over the past year were Cree, Inc. (+69%), FMC Technologies (+68%), Gamestop Corp. (+61%) and Jacobs Engineering Group (+59%). The outperformance of the Fund over the past year is attributable to timely stock selection, as well as beneficial sector exposure compared to the S&P MidCap 400.

The longer term performance was also good as the Fund has produced a three-year annualized return of 6.60%, compared to the S&P 400 return of 7.06% and the S&P 500 return of 5.85%. Some of the top performers in the Fund over the past three years were Steel Dynamics (+338%), FMC Technologies (+234%), Gilead Sciences (+199%) and Jacobs Engineering Group (+191%).

Over the past twelve months, growth stocks have outperformed value stocks by a significant margin, although longer time periods of five and ten years still show value stocks with an edge. The outperformance that growth stocks enjoyed over most of 2007 reversed in the first quarter of 2008. Historically, growth stocks tend to do better in the latter stages of an expansion and in the early part of a recession while value stocks typically outperform late in a recession and early in an expansionary phase.

The long-term performance edge that mid-cap stocks have had over large-cap stocks was put on hold over the last twelve months ended March 31, 2008 as the S&P 500 returned -5.08% compared to a -6.97% return for the S&P MidCap 400. The long-term performance advantage remains fairly dramatic in favor of mid-cap stocks, as illustrated by the ten year annualized return of the S&P 400 as of March 31, 2008 of 9.02%, which significantly outpaced the S&P 500 return of 3.50%. Large cap stocks typically outperform in bear markets and current valuations make large cap stocks more attractive in our opinion than mid- and small-cap stocks. As a result, we may see continued outperformance of large-cap stocks.

The current consensus on the economy is that we are in a recession. If that is not the case, at a minimum the economic growth rate has significantly slowed. There are several factors contributing to the economic uncertainty including weakness in the housing market, record oil and commodity prices, continuing depreciation of the dollar and increasing unemployment. These factors put considerable pressure on our economy and make it difficult to determine a timeframe for the recovery. The Federal

Reserve Board has been aggressive in cutting interest rates as the economy has slowed and there is not much room left for further cuts. Rates should stay near current levels until the economy starts to gain some traction or inflation picks up, in which case the Fed will have to raise rates in an attempt to slow rising prices. While the majority of reports on the market and economy point out the current challenges, there are a few positives that could lead to improved markets in the future. There are near record levels of cash in money market funds that could move into the stock market once investors regain confidence in the economy. Private equity funds have raised huge sums of cash over the past few years and that cash combined with the typical leverage that they employ gives these firms a lot of buying power. Foreign flows into U.S. investments have continued to remain strong and several developing nations have excess reserves that are to be invested for above government debt returns. So while we do have a number of economic challenges to work through, there is also a lot of available capital to flow into the market when investors get some clarity on the economy.

As of March 31, 2008, the net assets of The Government Street Mid Cap Fund were \$31,423,692 and the net asset value per share was \$12.28. The turnover rate for the previous twelve months was 11% and the total number of holdings is 150. The net expense ratio for the Fund is 1.10%.

The Alabama Tax Free Bond Fund

Investors in fixed income securities have experienced quite a tumultuous time during the last twelve months. The sub prime mortgage crisis and the faltering housing market had widespread implications for fixed income markets. Municipal bond insurance companies came under pressure as their liabilities were scrutinized for potential losses. Municipal bond investors came to the realization that the underlying credit of the issuing municipality, rather than the AAA rating of the insurance company, would be critical in the valuation of municipal securities. As manager to The Alabama Tax Free Bond Fund, we have always focused on the creditworthiness of the issuer over and above the rating provided by the rating agencies. As a result, securities held in the Fund saw little negative pricing impact from this market adjustment.

As the fallout from the sub prime crisis spread across the credit markets, the Federal Reserve Board initiated a series of interest rate cuts. The Federal Funds target rate was slashed a total of 300 basis points, from 5.25% on March 31, 2007 to 2.25% on March 31, 2008. As a result, the yield curve steepened dramatically over the course of the last twelve months to the point that the spread between a two-year municipal bond and a 10-year municipal bond increased from 15 basis points to 150 basis points. This positive spread provides some incentive for portfolio managers to extend maturities within their portfolios. It should also be noted that higher long-term interest rates are partially attributable to increasing inflationary expectations as a result of the surge in commodity prices.

For the twelve months ended March 31, 2008, the Fund had a return of 4.66%, as compared to a return of 5.59% for the Lehman 7-year Municipal Bond Index, 6.31% for the Lehman 3-year Municipal Bond Index and 2.52% for the Lipper Intermediate Municipal Fund Index. The Alabama Tax Free

Bond Fund has consistently maintained a shorter average maturity and higher rated securities, on average, than those comprising the comparable indices. As of March 31, 2008, the Fund held no securities rated lower than AA, and two-thirds of the portfolio was rated AAA. The average maturity of the Fund at fiscal year-end was 4.1 years, compared to 4.7 years a year ago.

We would be remiss in not mentioning a recent United States Supreme Court ruling which had implications for single state municipal bond funds. The Court's decision reversed a Kentucky lower court ruling and affirmed the state's authority to exempt from state taxes interest on in-state municipal bonds for residents, while permitting the taxation of interest received from out-of-state municipal bonds. The Court noted the adverse impact on single state funds if the Kentucky ruling were allowed to stand and suggested that the disappearance of such funds would adversely impact both investors and municipal issuers and radically change the way such issuers finance long-term municipal projects.

Investors in The Alabama Tax Free Bond Fund should expect the manager to remain committed to achieving the primary objectives of preserving principal value while generating income which is exempt from both Federal and Alabama state income taxes. The Fund's duration and average maturity will be adjusted in a manner consistent with these objectives, and we expect the quality of holdings in the portfolio will be maintained at levels consistently above average.

The net assets of the Fund as of March 31, 2008 were \$25,426,397 and the net asset value per share was \$10.50. The ratio of net investment income to average net assets during the fiscal year was 3.46%. Portfolio turnover rate was 6%.

Thank you for your continued confidence in The Government Street Funds. Please call us if we can be of further service to you.

Very truly yours,



Thomas W. Leavell
President
T. Leavell & Associates, Inc.
The Government Street Funds

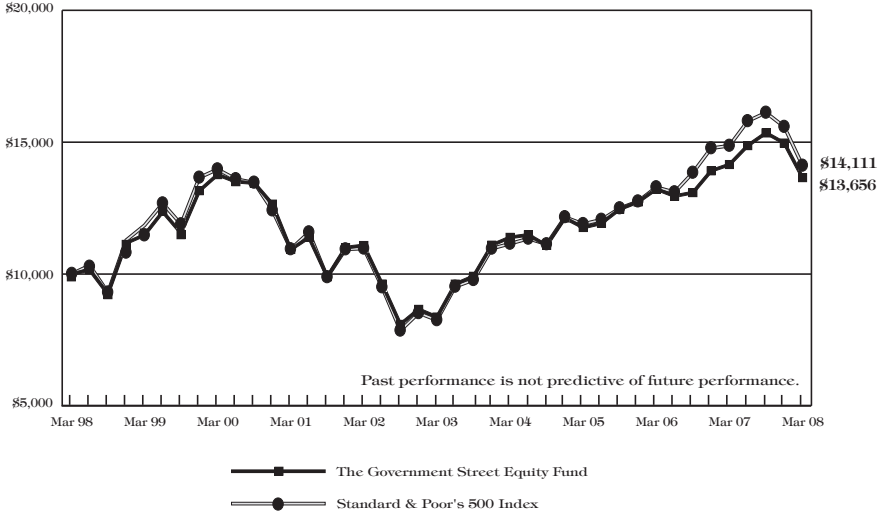
This report is submitted for the general information of the shareholders of the Funds. The report is not authorized for distribution to prospective investors in the Funds unless it is accompanied by a current prospectus.

This report reflects our views, opinions and portfolio holdings as of March 31, 2008, 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.tleavell.com.

THE GOVERNMENT STREET EQUITY FUND PERFORMANCE INFORMATION (Unaudited)

The Government Street Equity Fund

Comparison of the Change in Value of a \$10,000 Investment in
The Government Street Equity Fund and the Standard & Poor's 500 Index



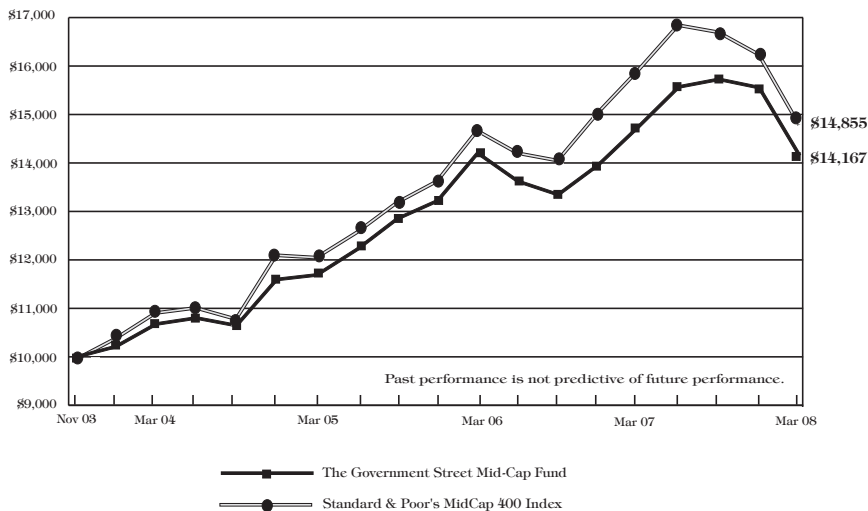
	Average Annual Total Returns ^(a) (for periods ended March 31, 2008)		
	1 Year	5 Years	10 Years
The Government Street Equity Fund	-3.51%	10.28%	3.17%
Standard & Poor's 500 Index	-5.08%	11.32%	3.50%

^(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 do not reflect the deduction of taxes a shareholder would pay on Fund distributions or the redemption of Fund shares.

THE GOVERNMENT STREET MID-CAP FUND PERFORMANCE INFORMATION (Unaudited)

The Government Street Mid-Cap Fund

Comparison of the Change in Value of a \$10,000 Investment in The Government Street Mid-Cap Fund and the Standard & Poor's MidCap 400 Index



	Average Annual Total Returns ^(a) (for periods ended March 31, 2008)	
	1 Year	Since Inception*
The Government Street Mid-Cap Fund	-3.99%	8.30%
Standard & Poor's MidCap 400 Index	-6.97%	9.47%

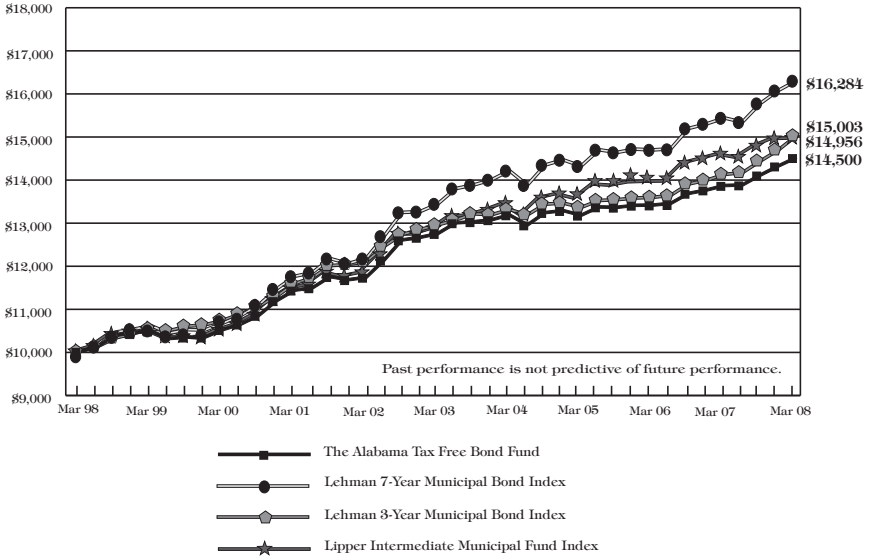
^(a) Total return is a measure of the change in value of an investment in the Fund over the periods covered, which assumes any dividends or capital gains distributions are reinvested in shares of the Fund. The return does not reflect the deduction of taxes a shareholder would pay on Fund distributions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

* Initial public offering of shares was November 17, 2003.

THE ALABAMA TAX FREE BOND FUND PERFORMANCE INFORMATION (Unaudited)

The Alabama Tax Free Bond Fund

Comparison of the Change in Value of a \$10,000 Investment in The Alabama Tax Free Bond Fund, the Lehman 7-Year Municipal Bond Index, the Lehman 3-Year Municipal Bond Index and the Lipper Intermediate Municipal Fund Index



	Average Annual Total Returns ^(a)		
	(for periods ended March 31, 2008)		
	1 Year	5 Years	10 Years
The Alabama Tax Free Bond Fund	4.66%	2.62%	3.78%
Lehman 7-Year Municipal Bond Index	5.59%	3.92%	4.99%
Lehman 3-Year Municipal Bond Index	6.31%	2.95%	4.11%
Lipper Intermediate Municipal Fund Index	2.52%	3.07%	4.11%

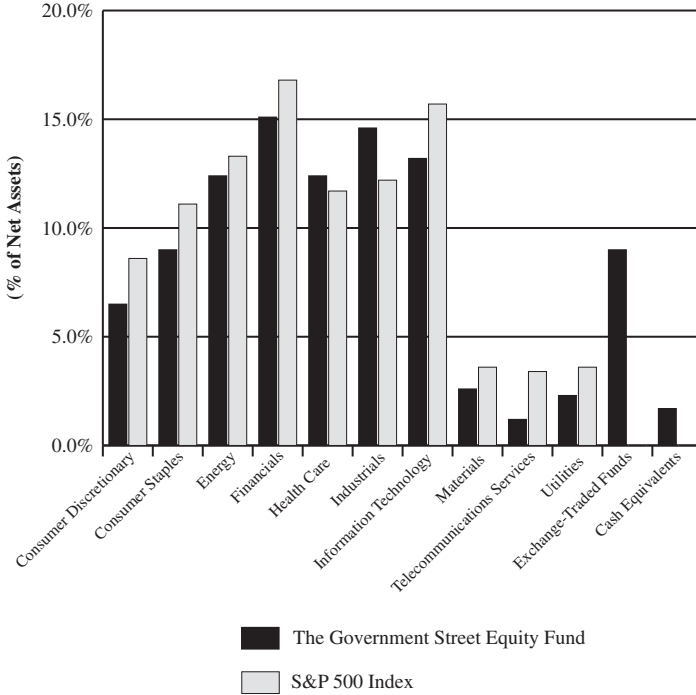
^(a) Total return is a measure of the change in value of an investment in the Fund over the periods covered, which assumes any dividends or capital gains distributions are reinvested in shares of the Fund. Returns do not reflect the deduction of taxes a shareholder would pay on Fund distributions or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

THE GOVERNMENT STREET EQUITY FUND

PORTFOLIO INFORMATION

March 31, 2008 (Unaudited)

Industry Concentration vs. the S&P 500 Index



Top Ten Equity Holdings

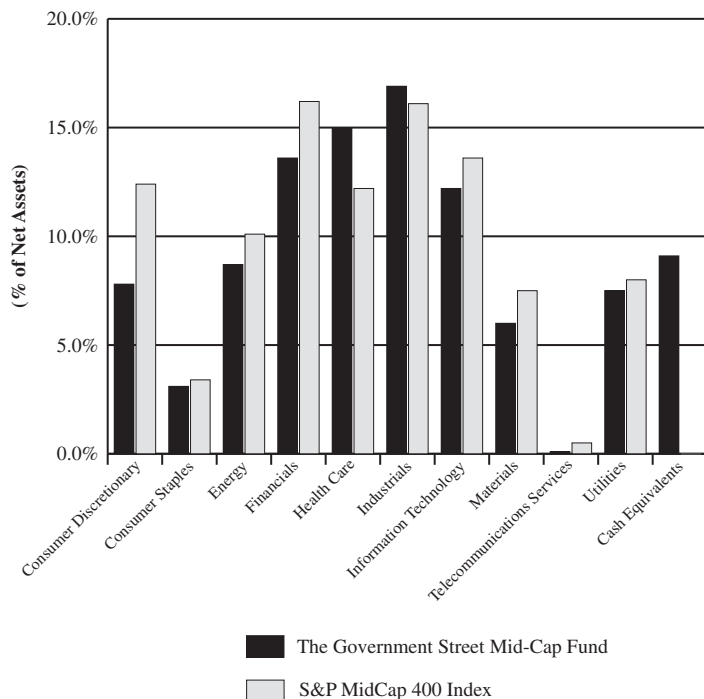
Security Description	% of Net Assets
iShares MSCI EAFE Index Fund	5.5%
Bank of America Corporation	3.5%
Procter & Gamble Company (The)	2.9%
U.S. Bancorp	2.7%
Vanguard FTSE All-World Ex-US Index ETF	2.7%
Hewlett-Packard Company	2.5%
Philip Morris International, Inc.	2.5%
Chevron Corporation	2.4%
Emerson Electric Company	2.3%
Caterpillar, Inc.	2.3%

THE GOVERNMENT STREET MID-CAP FUND

PORTFOLIO INFORMATION

March 31, 2008 (Unaudited)

Industry Concentration vs. the S&P MidCap 400 Index



Top Ten Equity Holdings

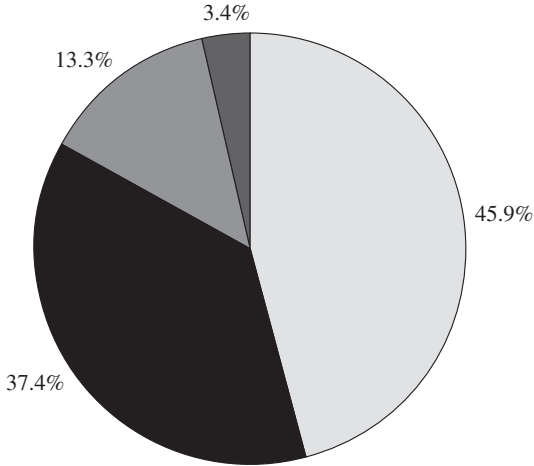
Security Description	% of Net Assets
Gilead Sciences, Inc.	2.0%
Covance, Inc.	1.8%
SPX Corporation	1.7%
Steel Dynamics, Inc.	1.4%
Stericycle, Inc.	1.4%
Equitable Resources, Inc.	1.3%
Jacobs Engineering Group, Inc.	1.3%
State Street Corporation	1.1%
Coventry Health Care, Inc.	1.1%
AMETEK, Inc.	1.0%

THE ALABAMA TAX FREE BOND FUND

PORTFOLIO INFORMATION

March 31, 2008 (Unaudited)

Asset Allocation



Distribution by Rating

<u>Rating</u>	<u>% Holdings</u>
AAA	65.8%
AA	34.2%

THE GOVERNMENT STREET EQUITY FUND

SCHEDULE OF INVESTMENTS

March 31, 2008

Shares	COMMON STOCKS — 89.3%	Value
	Consumer Discretionary — 6.5%	
5,000	Coach, Inc. ^(a)	\$ 150,750
5,000	GameStop Corporation ^(a)	258,550
26,500	Home Depot, Inc.	741,205
4,000	ITT Educational Services, Inc. ^(a)	183,720
24,000	Johnson Controls, Inc.	811,200
10,000	Matsushita Electric Industrial Company Ltd.	217,100
11,000	NIKE, Inc. - Class B	748,000
40,000	Walt Disney Company (The)	1,255,200
		4,365,725
	Consumer Staples — 9.0%	
33,000	Altria Group, Inc.	732,600
22,836	Kraft Foods, Inc.	708,144
10,000	PepsiCo, Inc.	722,000
33,000	Philip Morris International, Inc. ^(a)	1,669,140
28,000	Procter & Gamble Company (The)	1,961,960
5,000	Wal-Mart Stores, Inc.	263,400
		6,057,244
	Energy — 12.4%	
11,614	Apache Corporation	1,403,204
7,300	BP plc - ADR	442,745
19,000	Chevron Corporation	1,621,840
18,500	ConocoPhillips	1,409,885
10,900	Exxon Mobil Corporation	921,922
14,000	Spectra Energy Corporation	318,500
7,996	Transocean, Inc. ^(a)	1,081,059
10,000	Valero Energy Corporation	491,100
10,000	XTO Energy, Inc.	618,600
		8,308,855
	Financials — 15.1%	
27,080	Aegon N.V. - ARS	396,451
13,800	AFLAC, Inc.	896,310
4,000	American Capital Strategies Ltd.	136,640
33,600	American Express Company	1,468,992
7,500	American International Group, Inc.	324,375
62,870	Bank of America Corporation	2,383,402
15,000	Charles Schwab Corporation	282,450
20,000	Citigroup, Inc.	428,400
35,000	Colonial Properties Trust	841,750
7,000	Goldman Sachs Group, Inc. (The)	1,157,730
56,400	U.S. Bancorp	1,825,104
		10,141,604

THE GOVERNMENT STREET EQUITY FUND

SCHEDULE OF INVESTMENTS (Continued)

Shares	COMMON STOCKS — 89.3% (Continued)	Value
	Health Care — 12.4%	
3,000	Abbott Laboratories.....	\$ 165,450
2,000	Allergan, Inc.	112,780
14,300	Becton, Dickinson & Company.....	1,227,655
17,500	Cardinal Health, Inc.	918,925
4,000	Cerner Corporation ^(a)	149,120
2,000	Covance, Inc. ^(a)	165,940
20,000	Elan Corporation ^(a)	417,200
5,000	Fresenius Medical Care AG & Company - ADR	251,600
2,000	Genzyme Corporation ^(a)	149,080
20,000	Johnson & Johnson.....	1,297,400
11,250	Techno Corporation ^(a)	757,800
3,000	Thermo Fisher Scientific, Inc.	170,520
13,000	UnitedHealth Group, Inc.	446,680
16,000	Waters Corporation ^(a)	891,200
28,000	WellPoint, Inc. ^(a)	1,235,640
		8,356,990
	Industrials — 14.6%	
19,500	Caterpillar, Inc.	1,526,655
3,000	C.H. Robinson Worldwide, Inc.	163,200
30,000	Emerson Electric Company.....	1,543,800
12,500	FedEx Corporation.....	1,158,375
17,000	General Dynamics Corporation	1,417,290
23,000	General Electric Company	851,230
16,000	Ingersoll-Rand Company Ltd. - Class A.....	713,280
10,000	Norfolk Southern Corporation	543,200
23,000	Quanta Services, Inc. ^(a)	532,910
5,000	Stericycle, Inc. ^(a)	257,500
16,000	United Technologies Corporation	1,101,120
		9,808,560
	Information Technology — 13.2%	
5,000	Accenture Ltd. - Class A	175,850
42,500	Adobe Systems, Inc. ^(a)	1,512,575
5,000	Agilent Technologies, Inc. ^(a)	149,150
5,000	Applied Materials, Inc.	97,550
20,000	Automatic Data Processing, Inc.	847,800
5,000	Broadridge Financial Solutions, Inc.	88,000
48,000	Cisco Systems, Inc. ^(a)	1,156,320
31,000	Corning, Inc.	745,240
11,000	Flextronics International Ltd. ^(a)	103,290
37,000	Hewlett-Packard Company	1,689,420
7,000	International Business Machines Corporation.....	805,980
5,000	Intuit, Inc. ^(a)	135,050
12,000	NetApp, Inc. ^(a)	240,600
10,000	Oracle Corporation ^(a)	195,600
27,000	Texas Instruments, Inc.	763,290
8,000	Xilinx, Inc.	190,000
		8,895,715

THE GOVERNMENT STREET EQUITY FUND

SCHEDULE OF INVESTMENTS (Continued)

Shares	COMMON STOCKS — 89.3% (Continued)	Value
	Materials — 2.6%	
7,000	Alcoa, Inc.	\$ 252,420
10,000	Nucor Corporation	677,400
7,000	POSCO - ADR	892,860
		1,762,680
	Telecommunications Services — 1.2%	
4,000	America Movil SAB de C.V.	254,760
6,000	AT&T, Inc.	229,800
4,000	Nippon Telegraph and Telephone Corporation - ADR.....	86,720
4,000	NTT DoCoMo, Inc. - ADR	61,000
2,000	Telephone and Data Systems, Inc.	78,540
2,000	Verizon Communications, Inc.	72,900
		783,720
	Utilities — 2.3%	
65,980	Duke Energy Corporation	1,177,743
3,500	EnergySouth, Inc.	182,665
5,000	Wisconsin Energy Corporation	219,950
		1,580,358
	Total Common Stocks (Cost \$31,915,172)	\$ 60,061,451

Shares	EXCHANGE TRADED FUNDS — 9.0%	Value
51,500	iShares MSCI EAFE Index Fund	\$ 3,702,850
3,000	Market Vectors - Agribusiness ETF ^(a)	160,830
3,000	Market Vectors - Coal ETF ^(a)	113,970
3,000	Vanguard Emerging Markets ETF	282,660
33,500	Vanguard FTSE All-World Ex-US Index ETF	1,805,650
	Total Exchange Traded Funds (Cost \$5,905,904)	\$ 6,065,960

Par Value	COMMERCIAL PAPER — 1.7%	Value
\$ 1,170,000	U.S. Bancorp. discount, due 04/01/2008 (Cost \$1,170,000).....	\$ 1,170,000

Shares	MONEY MARKET FUNDS — 0.0%	Value
657	AIM STIT - STIC Prime Portfolio - Institutional Class (Cost \$657)	\$ 657
	Total Investments at Value — 100.0% (Cost \$38,991,733)	\$ 67,298,068
	Liabilities in Excess of Other Assets — (0.0%)	(31,186)
	Net Assets — 100.0%.....	\$ 67,266,882

^(a) Non-income producing security.

ADR - American Depositary Receipt

ARS - American Registered Shares

See accompanying notes to financial statements.

THE GOVERNMENT STREET MID-CAP FUND

SCHEDULE OF INVESTMENTS

March 31, 2008

Shares	COMMON STOCKS — 90.9%	Value
	Consumer Discretionary — 7.8%	
2,500	AnnTaylor Stores Corporation ^(a)	\$ 60,450
2,000	ArvinMeritor, Inc.	25,020
6,500	Barnes & Noble, Inc.	199,225
2,000	Bob Evans Farms, Inc.	55,180
3,000	BorgWarner, Inc.	129,090
1,700	CBRL Group, Inc.	60,809
2,500	Coach, Inc. ^(a)	75,375
3,500	DreamWorks Animation SKG, Inc. ^(a)	90,230
3,000	Family Dollar Stores, Inc.	58,500
5,700	GameStop Corporation - Class A ^(a)	294,747
2,000	Hanesbrands, Inc. ^(a)	58,400
4,000	Hasbro, Inc.	111,600
3,000	IAC/InterActiveCorp ^(a)	62,280
1,605	ITT Educational Services, Inc. ^(a)	73,718
3,000	Jarden Corporation ^(a)	65,220
2,500	Liberty Global, Inc. ^(a)	85,200
3,700	OfficeMax, Inc.	70,818
5,800	O'Reilly Automotive, Inc. ^(a)	165,416
3,000	Phillips-Van Heusen Corporation	113,760
2,000	Ross Stores, Inc.	59,920
3,500	Saks, Inc. ^(a)	43,645
2,500	Scholastic Corporation ^(a)	75,675
6,000	Service Corporation International	60,840
3,000	Sinclair Broadcast Group, Inc.	26,730
2,500	Snap-on, Inc.	127,125
3,000	Sotheby's	86,730
2,500	Vail Resorts, Inc. ^(a)	120,725
		<hr/> 2,456,428
	Consumer Staples — 3.1%	
5,400	Church & Dwight Company, Inc.	292,896
6,000	Hormel Foods Corporation	249,960
4,700	J.M. Smucker Company	237,867
3,000	NBTY, Inc. ^(a)	89,850
1,740	Universal Corporation	114,022
		<hr/> 984,595
	Energy — 8.7%	
6,610	Cameron International Corporation ^(a)	275,240
5,780	FMC Technologies, Inc. ^(a)	328,824
3,740	Murphy Oil Corporation	307,204
2,800	Newfield Exploration Company ^(a)	147,980
5,360	Noble Corporation	266,231
3,000	Overseas Shipholding Group, Inc.	210,120
480	Patriot Coal Corporation ^(a)	22,546
4,800	Peabody Energy Corporation.....	244,800
4,380	Pioneer Natural Resources Company	215,146
5,000	Pride International, Inc. ^(a)	174,750

THE GOVERNMENT STREET MID-CAP FUND

SCHEDULE OF INVESTMENTS (Continued)

Shares	COMMON STOCKS — 90.9% (Continued)	Value
	Energy — 8.7% (Continued)	
4,500	Smith International, Inc.	\$ 289,035
4,950	Valero Energy Corporation	243,094
		2,724,970
	Financials — 13.6%	
8,400	American Financial Group, Inc.	214,704
6,750	Arthur J. Gallagher & Company	159,435
7,300	Associated Banc-Corp	194,399
6,000	Bank of Hawaii Corporation	297,360
10,050	Berkley (W.R.) Corporation	278,284
5,600	Cullen/Frost Bankers, Inc.	297,024
10,250	Eaton Vance Corporation	312,728
2,600	Everest Re Group Ltd.	232,778
9,300	HCC Insurance Holdings, Inc.	211,017
10,400	Jefferies Group, Inc.	167,752
2,900	Legg Mason, Inc.	162,342
4,600	Liberty Property Trust	143,106
7,720	New York Community Bancorp, Inc.	140,658
6,941	Potlatch Corporation	286,455
7,000	Rayonier, Inc.	304,080
4,400	State Street Corporation	347,600
16,400	Synovus Financial Corporation	181,384
3,300	Westamerica Bancorporation	173,580
5,200	Wilmington Trust Corporation	161,720
		4,266,406
	Health Care — 15.0%	
3,500	Applera Corporation - Applied Biosystems Group	115,010
1,000	Bard (C.R.), Inc.	96,400
3,450	Barr Pharmaceuticals, Inc. ^(a)	166,670
2,500	Bio-Rad Laboratories, Inc. - Class A ^(a)	222,375
2,500	Cephalon, Inc. ^(a)	161,000
6,000	Cerner Corporation ^(a)	223,680
8,000	Community Health Systems, Inc. ^(a)	268,560
7,000	Covance, Inc. ^(a)	580,790
8,250	Coventry Health Care, Inc. ^(a)	332,887
5,600	DENTSPLY International, Inc.	216,160
2,000	Edwards Lifesciences Corporation ^(a)	89,100
1,000	Elan Corporation plc - ADR ^(a)	20,860
4,000	Fresenius Medical Care AG & Company - ADR	201,280
12,000	Gilead Sciences, Inc. ^(a)	618,360
4,000	Henry Schein, Inc. ^(a)	229,600
1,500	IDEXX Laboratories, Inc. ^(a)	73,890
2,000	Millipore Corporation ^(a)	134,820
7,700	Mylan, Inc.	89,320
3,000	ResMed, Inc. ^(a)	126,540
4,500	Techne Corporation ^(a)	303,120
3,000	UnitedHealth Group, Inc.	103,080
5,100	Varian Medical Systems, Inc. ^(a)	238,884
2,000	Waters Corporation ^(a)	111,400
		4,723,786

THE GOVERNMENT STREET MID-CAP FUND

SCHEDULE OF INVESTMENTS (Continued)

Shares	COMMON STOCKS — 90.9% (Continued)	Value
	Industrials — 16.9%	
3,000	Alexander & Baldwin, Inc.	\$ 129,240
7,500	AMETEK, Inc.	329,325
5,000	ChoicePoint, Inc. ^(a)	238,000
6,000	C.H. Robinson Worldwide, Inc.	326,400
3,000	Corporate Executive Board Company.....	121,440
6,000	Donaldson Company, Inc.	241,680
6,000	Expeditors International of Washington, Inc.	271,080
7,000	Fastenal Company.....	321,510
3,500	Goodrich Corporation.....	201,285
6,000	Graco, Inc.	217,560
5,500	Herman Miller, Inc.	135,135
5,475	Jacobs Engineering Group, Inc. ^(a)	402,905
2,000	Joy Global, Inc.	130,320
1,500	Koninklijke Philips Electronics N.V. - ADR.....	57,510
3,000	L-3 Communications Holdings, Inc.	328,020
4,000	Manpower, Inc.	225,040
5,000	MSC Industrial Direct Company, Inc.	211,250
5,000	SPX Corporation.....	524,500
8,275	Stericycle, Inc. ^(a)	426,163
2,750	Teleflex, Inc.	131,202
2,000	Thomas & Betts Corporation ^(a)	72,740
9,000	Trinity Industries, Inc.	239,850
1,000	WESCO International, Inc. ^(a)	36,490
		<hr/> 5,318,645
	Information Technology — 12.2%	
8,000	Activision, Inc. ^(a)	218,480
8,000	Axiom Corporation.....	94,960
8,500	ADC Telecommunications, Inc. ^(a)	102,680
5,000	ADTRAN, Inc.	92,500
4,000	Advent Software, Inc. ^(a)	170,480
5,000	Alliance Data Systems Corporation ^(a)	237,550
8,000	Arrow Electronics, Inc. ^(a)	269,200
8,000	Cognizant Technology Solutions Corporation ^(a)	230,640
6,500	Cree, Inc. ^(a)	181,740
4,000	DST Systems, Inc. ^(a)	262,960
5,500	Harris Corporation.....	266,915
10,000	Integrated Device Technology, Inc. ^(a)	89,300
9,000	Jack Henry & Associates, Inc.	222,030
7,000	Lam Research Corporation ^(a)	267,540
5,000	Linear Technology Corporation.....	153,450
6,000	Macrovision Corporation ^(a)	81,000
5,000	Microchip Technology, Inc.	163,650
8,000	National Instruments Corporation.....	209,120
4,000	Plantronics, Inc.	77,240
8,000	SanDisk Corporation ^(a)	180,560
7,000	Xilinx, Inc.	166,250
2,500	Zebra Technologies Corporation ^(a)	83,300
		<hr/> 3,821,545

THE GOVERNMENT STREET MID-CAP FUND

SCHEDULE OF INVESTMENTS (Continued)

Shares	COMMON STOCKS — 90.9% (Continued)	Value
	Materials — 6.0%	
4,000	Airgas, Inc.	\$ 181,880
9,000	Albemarle Corporation	328,680
4,000	Cabot Corporation	112,000
3,200	Eagle Materials, Inc.	113,760
3,000	Martin Marietta Materials, Inc.	318,510
4,000	Scotts Miracle-Gro Company (The) - Class A	129,680
5,000	Sonoco Products Company	143,150
13,000	Steel Dynamics, Inc.	429,520
7,000	Valspar Corporation (The).....	138,880
		<u>1,896,060</u>
	Telecommunications Services — 0.1%	
1,000	Telephone and Data Systems, Inc.	39,270
	Utilities — 7.5%	
7,000	AGL Resources, Inc.	240,240
7,000	Equitable Resources, Inc.	412,300
9,050	Great Plains Energy, Inc.	223,083
8,850	MDU Resources Group, Inc.	217,267
5,750	ONEOK, Inc.	256,623
7,900	Pepco Holdings, Inc.	195,288
10,800	Puget Energy, Inc.	279,396
6,300	SCANA Corporation.....	230,454
10,600	Vectren Corporation.....	284,398
		<u>2,339,049</u>
	Total Common Stocks (Cost \$22,573,059)	\$ 28,570,754

Par Value	COMMERCIAL PAPER — 10.6%	Value
\$ 1,563,000	American Express Company, discount, due 04/01/2008	\$ 1,563,000
199,000	General Electric Capital Corporation, discount, due 04/01/2008	199,000
1,563,000	U.S. Bancorp, discount, due 04/01/2008.....	1,563,000
	Total Commercial Paper (Cost \$3,325,000)	\$ 3,325,000

Shares	MONEY MARKET FUNDS — 0.0%	Value
816	AIM STIT - STIC Prime Portfolio - Institutional Class (Cost \$816).....	\$ 816
	Total Investments at Value — 101.5% (Cost \$25,898,875)	\$ 31,896,570
	Liabilities in Excess of Other Assets — (1.5%)	(472,878)
	Net Assets — 100.0%.....	\$ 31,423,692

^(a) Non-income producing security.

ADR - American Depositary Receipt

See accompanying notes to financial statements.

THE ALABAMA TAX-FREE BOND FUND
SCHEDULE OF INVESTMENTS
March 31, 2008

Par Value	ALABAMA FIXED RATE REVENUE AND GENERAL OBLIGATION (GO) BONDS — 96.6%	Value
\$ 250,000	Alabama Drinking Water Financing Auth., Rev., 4.00%, due 08/15/2014	\$ 253,830
500,000	Alabama Special Care Facilities Financing Auth., Birmingham, Rev., 4.50%, due 11/01/2009, ETM	517,680
400,000	5.375%, due 11/01/2012, ETM	400,900
		<u>918,580</u>
250,000	Alabama Special Care Facilities Financing Auth., Mobile Hospital, Rev., 4.50%, due 11/01/2010, ETM	<u>257,837</u>
210,000	Alabama State Federal Highway Financing Auth., Rev., 5.00%, due 03/01/2009	215,294
300,000	5.00%, due 03/01/2016	315,936
		<u>531,230</u>
250,000	Alabama State, GO, 5.00%, due 06/01/2012	260,912
300,000	5.00%, due 09/01/2015	316,527
300,000	5.00%, due 09/01/2016	316,527
300,000	5.00%, due 09/01/2017	325,323
		<u>1,219,289</u>
200,000	Alabama State Parks System Improvement Corporation, GO, 5.50%, due 06/01/2010	<u>213,152</u>
300,000	Alabama State Public School & College Auth., Capital Improvements, Rev., 5.00%, due 02/01/2010	314,064
475,000	5.00%, due 11/01/2012	488,537
600,000	5.125%, due 11/01/2013	617,532
525,000	5.125%, due 11/01/2015	540,340
		<u>1,960,473</u>
355,000	Alabama State Public School & College Auth., Rev., 5.00%, due 05/01/2010	<u>373,691</u>
500,000	Alabama Water Pollution Control Auth., Rev., 5.00%, due 08/15/2010	<u>524,015</u>
400,000	Anniston, AL, Waterworks & Sewer Board, Rev., 4.00%, due 06/01/2015	<u>406,288</u>
500,000	Athens, AL, Electric Rev. Warrants, 3.00%, due 06/01/2011	<u>500,050</u>
335,000	Athens, AL, School Warrants, 5.05%, due 08/01/2015	<u>340,692</u>
225,000	Auburn, AL, Capital Improvements, School Warrants, GO, 5.00%, due 08/01/2012	<u>243,864</u>

THE ALABAMA TAX-FREE BOND FUND

SCHEDULE OF INVESTMENTS (Continued)

Par Value	ALABAMA FIXED RATE REVENUE AND GENERAL OBLIGATION (GO) BONDS — 96.6% (Continued)	Value
\$ 285,000	Auburn, AL, GO, 4.25%, due 08/01/2009	\$ 292,413
335,000	Auburn, AL, Water Works Board, Rev., 5.00%, due 07/01/2015	357,442
400,000	Auburn University, AL, General Fee Rev., 4.45%, due 06/01/2011	405,096
200,000	Baldwin Co., AL, Board of Education, Rev. Warrants, 5.20%, due 06/01/2009	201,080
300,000	5.00%, due 06/01/2010	314,829
		515,859
500,000	Baldwin Co., AL, GO, Warrants, 4.50%, due 11/01/2008	507,790
200,000	5.00%, due 02/01/2015	216,386
		724,176
320,000	Baldwin Co., AL, Warrants - Series A, 5.00%, due 02/01/2017	347,469
300,000	Birmingham, AL, Special Care Facilities Financing Auth. Rev., 3.70%, due 06/01/2009	304,155
300,000	Decatur, AL, GO, Warrants, 5.00%, due 06/01/2009	301,251
100,000	Decatur, AL, Water Rev., 5.00%, due 05/01/2014	103,341
500,000	Dothan, AL, GO, 5.50%, due 09/01/2014	530,155
295,000	Fairhope, AL, Warrants, 5.10%, due 06/01/2014	307,464
200,000	Florence, AL, School Warrants, 4.65%, due 12/01/2012	206,228
500,000	Homewood, AL, GO, Warrants, 5.00%, due 09/01/2014	542,990
250,000	5.00%, due 09/01/2015	274,645
		817,635
300,000	Houston Co., AL, GO, 5.60%, due 10/15/2014	321,477
100,000	Huntsville, AL, Capital Improvements, GO, 3.25%, due 11/01/2010	101,939

THE ALABAMA TAX-FREE BOND FUND

SCHEDULE OF INVESTMENTS (Continued)

Par Value	ALABAMA FIXED RATE REVENUE AND GENERAL OBLIGATION (GO) BONDS — 96.6% (Continued)	Value
\$ 300,000	Huntsville, AL, Electric Systems, Rev., 4.00%, due 12/01/2013	\$ 313,653
400,000	Huntsville, AL, GO, 5.50%, due 08/01/2009	417,092
500,000	5.00%, due 08/01/2011	536,355
250,000	5.25%, due 11/01/2012	256,252
		1,209,699
200,000	Huntsville, AL, Water Systems, Rev., 4.70%, due 11/01/2013	203,710
225,000	Jefferson Co., AL, Sewer Rev., 5.00%, due 02/01/2041, Prerefunded 02/01/2011 @ 101	241,652
200,000	Madison, AL, Warrants, 4.40%, due 02/01/2011	204,272
400,000	4.85%, due 02/01/2013	408,612
		612,884
400,000	Madison Co., AL, Board of Education, Capital Outlay Tax Antic. Warrants, 5.20%, due 03/01/2011	422,732
250,000	5.20%, due 03/01/2014	262,630
		685,362
100,000	Mobile, AL, GO, 4.50%, due 08/01/2013	106,814
400,000	4.75%, due 02/15/2014	422,616
500,000	5.20%, due 08/15/2018	526,185
		1,055,615
300,000	Montgomery, AL, GO, 5.00%, due 11/01/2015	315,813
125,000	Montgomery, AL, Special Care Facilities, Rev., 5.00%, due 11/15/2029	128,714
500,000	Montgomery, AL, Waterworks & Sanitation, Rev., 5.00%, due 09/01/2008	506,495
350,000	5.25%, due 09/01/2011	378,375
		884,870
405,000	Mountain Brook, AL, City Board of Education, Capital Outlay Warrants, 4.80%, due 02/15/2011	405,737
210,000	Opelika, AL, GO, 4.00%, due 03/01/2010	216,709
200,000	Scottsboro, AL, Waterworks Sewer & Gas Board, Rev., 4.35%, due 08/01/2011	202,760

THE ALABAMA TAX-FREE BOND FUND

SCHEDULE OF INVESTMENTS (Continued)

Par Value	ALABAMA FIXED RATE REVENUE AND GENERAL OBLIGATION (GO) BONDS — 96.6% (Continued)	Value
\$ 500,000	Shelby Co., AL, Board of Education, Rev. Warrants, 4.80%, due 02/01/2011	\$ 512,325
145,000	St. Clair Co., AL, GO, 4.00%, due 08/01/2013	152,979
205,000	4.00%, due 08/01/2014	216,023
		369,002
400,000	Trussville, AL, Warrants, 4.30%, due 10/01/2010	417,640
300,000	Tuscaloosa, AL, Board of Education, GO, 4.625%, due 08/01/2008	300,600
300,000	Tuscaloosa, AL, Board of Education, Special Tax Warrants, 4.85%, due 02/15/2013	300,531
145,000	Tuscaloosa, AL, GO, Warrants, 4.25%, due 02/15/2011	151,147
500,000	5.45%, due 01/01/2014	531,825
		682,972
425,000	Tuscaloosa Co., AL, GO, Warrants, 4.30%, due 10/01/2009	438,226
400,000	5.55%, due 01/01/2015, Prerefunded 01/01/2010 @ 101	426,144
		864,370
240,000	University of Alabama, AL, General Fee Rev., 4.10%, due 12/01/2013	248,496
375,000	University of Alabama, AL, Series A, Rev., 4.00%, due 10/01/2010	389,104
565,000	Vestavia Hills, AL, Warrants, 5.00%, due 02/01/2012	606,590
	Total Alabama Fixed Rate Revenue and General Obligation (GO) Bonds (Cost \$23,948,066).....	\$ 24,547,899

Shares	MONEY MARKET FUNDS — 4.5%	Value
1,152,286	Alpine Municipal Money Market Fund - Class I (Cost \$1,152,286).....	\$ 1,152,286
	Total Investments at Value — 101.1% (Cost \$25,100,352)	\$ 25,700,185
	Liabilities in Excess of Other Assets — (1.1%)	(273,788)
	Net Assets — 100.0%.....	\$ 25,426,397

ETM - Escrowed to Maturity

See accompanying notes to financial statements.

THE GOVERNMENT STREET FUNDS
STATEMENTS OF ASSETS AND LIABILITIES
March 31, 2008

	Government Street Equity Fund	Government Street Mid-Cap Fund	Alabama Tax Free Bond Fund
ASSETS			
Investments in securities:			
At acquisition cost	\$ 38,991,733	\$ 25,898,875	\$ 25,100,352
At value (Note 1)	\$ 67,298,068	\$ 31,896,570	\$ 25,700,185
Dividends and interest receivable	97,227	27,660	281,183
Receivable for investment securities sold	573,235	—	—
Receivable for capital shares sold	150	14,903	25,000
Other assets	5,579	5,306	4,240
TOTAL ASSETS	<u>67,974,259</u>	<u>31,944,439</u>	<u>26,010,608</u>
LIABILITIES			
Distributions payable	46,884	7,120	27,608
Payable for investment securities purchased	506,047	472,174	536,255
Payable for capital shares redeemed	106,649	14,803	5,396
Accrued investment advisory fees (Note 3)	34,402	16,841	5,852
Accrued administration fees (Note 3)	7,300	4,000	3,500
Accrued compliance fees (Note 3)	650	550	500
Other accrued expenses	5,445	5,259	5,100
TOTAL LIABILITIES	<u>707,377</u>	<u>520,747</u>	<u>584,211</u>
NET ASSETS	<u>\$ 67,266,882</u>	<u>\$ 31,423,692</u>	<u>\$ 25,426,397</u>
Net assets consist of:			
Paid-in capital	\$ 39,007,431	\$ 25,407,205	\$ 24,878,866
Accumulated undistributed net investment income	—	11,508	15,016
Accumulated/Distributions in excess of net realized gains/losses from security transactions	(46,884)	7,284	(67,318)
Net unrealized appreciation on investments	<u>28,306,335</u>	<u>5,997,695</u>	<u>599,833</u>
Net assets	<u>\$ 67,266,882</u>	<u>\$ 31,423,692</u>	<u>\$ 25,426,397</u>
Shares of beneficial interest outstanding (unlimited number of shares authorized, no par value)			
	<u>1,502,766</u>	<u>2,559,396</u>	<u>2,421,435</u>
Net asset value, offering price and redemption price per share (Note 1)			
	<u>\$ 44.76</u>	<u>\$ 12.28</u>	<u>\$ 10.50</u>

See accompanying notes to financial statements.

THE GOVERNMENT STREET FUNDS

STATEMENTS OF OPERATIONS

Year Ended March 31, 2008

	Government Street Equity Fund	Government Street Mid-Cap Fund	Alabama Tax Free Bond Fund
INVESTMENT INCOME			
Interest.....	\$ 39,242	\$ 117,439	\$ 1,011,131
Dividends.....	1,545,656	346,480	25,790
TOTAL INVESTMENT INCOME	<u>1,584,898</u>	<u>463,919</u>	<u>1,036,921</u>
EXPENSES			
Investment advisory fees (Note 3)	486,665	257,431	88,501
Administration fees (Note 3)	99,888	49,659	39,017
Professional fees	18,374	15,924	14,640
Trustees' fees and expenses.....	13,002	13,002	13,002
Custodian fees	13,900	12,979	5,039
Compliance fees (Note 3)	8,545	6,655	6,279
Pricing costs.....	2,449	4,237	11,835
Postage and supplies.....	8,290	5,273	5,070
Account maintenance fees	6,353	6,026	1,071
Registration fees	5,100	3,711	2,664
Printing of shareholder reports	5,651	2,683	2,378
Insurance expense.....	5,641	2,512	2,105
Other expenses	4,616	5,004	4,642
TOTAL EXPENSES	<u>678,474</u>	<u>385,096</u>	<u>196,243</u>
Fees waived by the Adviser (Note 3).....	—	(7,531)	(31,883)
NET EXPENSES	<u>678,474</u>	<u>377,565</u>	<u>164,360</u>
NET INVESTMENT INCOME	<u>906,424</u>	<u>86,354</u>	<u>872,561</u>
REALIZED AND UNREALIZED GAINS (LOSSES) ON INVESTMENTS			
Net realized gains from security transactions	1,965,343	756,786	16,614
Net realized gains from in-kind redemptions (Note 1).....	10,223,336	369,183	—
Net change in unrealized appreciation/ depreciation on investments	<u>(14,723,170)</u>	<u>(2,471,103)</u>	<u>265,263</u>
NET REALIZED AND UNREALIZED GAINS (LOSSES) ON INVESTMENTS	<u>(2,534,491)</u>	<u>(1,345,134)</u>	<u>281,877</u>
NET INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS.....	<u>\$ (1,628,067)</u>	<u>\$ (1,258,780)</u>	<u>\$ 1,154,438</u>

See accompanying notes to financial statements.

THE GOVERNMENT STREET FUNDS

STATEMENTS OF CHANGES IN NET ASSETS

	Government Street Equity Fund		Government Street Mid-Cap Fund	
	Year Ended March 31, 2008	Year Ended March 31, 2007	Year Ended March 31, 2008	Year Ended March 31, 2007
FROM OPERATIONS				
Net investment income	\$ 906,424	\$ 875,665	\$ 86,354	\$ 88,137
Net realized gains from security transactions.....	1,965,343	8,725,441	756,786	1,827,568
Net realized gains from in-kind redemptions (Note 1)	10,223,336	—	369,183	—
Net change in unrealized appreciation/ depreciation on investments.....	(14,723,170)	(3,740,630)	(2,471,103)	(804,624)
Net increase (decrease) in net assets from operations	<u>(1,628,067)</u>	<u>5,860,476</u>	<u>(1,258,780)</u>	<u>1,111,081</u>
DISTRIBUTIONS TO SHAREHOLDERS				
From net investment income	(906,812)	(871,818)	(131,638)	(123,370)
From realized capital gains on security transactions.....	(2,019,387)	(13,025,536)	(749,760)	(2,640,776)
Return of capital	(265,270)	—	—	—
Decrease in net assets from distributions to shareholders.....	<u>(3,191,469)</u>	<u>(13,897,354)</u>	<u>(881,398)</u>	<u>(2,764,146)</u>
FROM CAPITAL SHARE TRANSACTIONS				
Proceeds from shares sold	1,964,944	4,965,258	1,588,631	2,730,131
Net asset value of shares issued in reinvestment of distributions to shareholders	3,075,937	13,483,748	859,223	2,748,844
Payments for shares redeemed	(20,710,964)	(29,898,475)	(2,844,837)	(7,483,807)
Net decrease in net assets from capital share transactions.....	<u>(15,670,083)</u>	<u>(11,449,469)</u>	<u>(396,983)</u>	<u>(2,004,832)</u>
TOTAL DECREASE IN NET ASSETS	(20,489,619)	(19,486,347)	(2,537,161)	(3,657,897)
NET ASSETS				
Beginning of year	<u>87,756,501</u>	<u>107,242,848</u>	<u>33,960,853</u>	<u>37,618,750</u>
End of year	<u>\$ 67,266,882</u>	<u>\$ 87,756,501</u>	<u>\$ 31,423,692</u>	<u>\$ 33,960,853</u>
ACCUMULATED UNDISTRIBUTED NET INVESTMENT INCOME	\$ —	\$ 7,415	\$ 11,508	\$ 56,792
CAPITAL SHARE ACTIVITY				
Sold	40,023	101,372	119,232	209,562
Reinvested	62,867	275,696	64,918	209,747
Redeemed	(414,553)	(608,524)	(210,523)	(577,999)
Net decrease in shares outstanding	(311,663)	(231,456)	(26,373)	(158,690)
Shares outstanding, beginning of year	<u>1,814,429</u>	<u>2,045,885</u>	<u>2,585,769</u>	<u>2,744,459</u>
Shares outstanding, end of year	<u>1,502,766</u>	<u>1,814,429</u>	<u>2,559,396</u>	<u>2,585,769</u>

See accompanying notes to financial statements.

THE GOVERNMENT STREET FUNDS

STATEMENTS OF CHANGES IN NET ASSETS

	Alabama Tax Free Bond Fund	
	Year Ended March 31, 2008	Year Ended March 31, 2007
FROM OPERATIONS		
Net investment income	\$ 872,561	\$ 879,135
Net realized gains from security transactions.....	16,614	20,874
Net change in unrealized appreciation/ depreciation on investments	<u>265,263</u>	<u>(44,862)</u>
Net increase in net assets from operations.....	<u>1,154,438</u>	<u>855,147</u>
DISTRIBUTIONS TO SHAREHOLDERS		
From net investment income	(869,547)	(876,155)
From realized capital gains on security transactions	<u>(15,917)</u>	<u>—</u>
Decrease in net assets from distributions to shareholders	<u>(885,464)</u>	<u>(876,155)</u>
FROM CAPITAL SHARE TRANSACTIONS		
Proceeds from shares sold	1,373,954	2,206,930
Net asset value of shares issued in reinvestment of distributions to shareholders	559,466	569,451
Payments for shares redeemed	<u>(2,744,430)</u>	<u>(2,968,731)</u>
Net decrease in net assets from capital share transactions	<u>(811,010)</u>	<u>(192,350)</u>
TOTAL DECREASE IN NET ASSETS	(542,036)	(213,358)
NET ASSETS		
Beginning of year	25,968,433	26,181,791
End of year	<u>\$ 25,426,397</u>	<u>\$ 25,968,433</u>
ACCUMULATED UNDISTRIBUTED NET INVESTMENT INCOME	<u>\$ 15,016</u>	<u>\$ 12,778</u>
CAPITAL SHARE ACTIVITY		
Sold	131,729	212,370
Reinvested.....	53,777	54,790
Redeemed.....	<u>(264,214)</u>	<u>(285,665)</u>
Net decrease in shares outstanding.....	(78,708)	(18,505)
Shares outstanding, beginning of year.....	<u>2,500,143</u>	<u>2,518,648</u>
Shares outstanding, end of year	<u>2,421,435</u>	<u>2,500,143</u>

See accompanying notes to financial statements.

THE GOVERNMENT STREET EQUITY FUND

FINANCIAL HIGHLIGHTS

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

	Years Ended March 31,				
	2008	2007	2006	2005	2004
Net asset value at beginning of year.....	\$ 48.37	\$ 52.42	\$ 47.11	\$ 46.10	\$ 34.13
Income (loss) from investment operations:					
Net investment income.....	0.57	0.48	0.50	0.50	0.32
Net realized and unrealized gains (losses) on investments.....	(2.12)	2.90	5.31	1.01	11.97
Total from investment operations.....	<u>(1.55)</u>	<u>3.38</u>	<u>5.81</u>	<u>1.51</u>	<u>12.29</u>
Less distributions:					
Dividends from net investment income..	(0.57)	(0.48)	(0.50)	(0.50)	(0.32)
Distributions from net realized gains	(1.31)	(6.95)	—	—	—
Return of capital	(0.18)	—	—	—	—
Total distributions	<u>(2.06)</u>	<u>(7.43)</u>	<u>(0.50)</u>	<u>(0.50)</u>	<u>(0.32)</u>
Net asset value at end of year	\$ <u>44.76</u>	\$ <u>48.37</u>	\$ <u>52.42</u>	\$ <u>47.11</u>	\$ <u>46.10</u>
Total return ^(a)	<u>(3.51%)</u>	<u>7.04%</u>	<u>12.39%</u>	<u>3.27%</u>	<u>36.09%</u>
Net assets at end of year (000's).....	\$ <u>67,267</u>	\$ <u>87,757</u>	\$ <u>107,243</u>	\$ <u>132,922</u>	\$ <u>129,719</u>
Ratio of expenses to average net assets....	0.84%	0.84%	0.78%	0.76%	0.79%
Ratio of net investment income to average net assets.....	1.12%	0.96%	0.95%	1.08%	0.77%
Portfolio turnover rate	12%	15%	17%	13%	15%

^(a) Total return is a measure of the change in value of an investment in the Fund over the period covered, which assumes any dividends or capital gains distributions are reinvested in shares of the Fund. Returns 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 GOVERNMENT STREET MID-CAP FUND

FINANCIAL HIGHLIGHTS

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

	Years Ended March 31,				Period Ended
	2008	2007	2006	2005	March 31, 2004 ^(a)
Net asset value at beginning of period	\$ 13.13	\$ 13.71	\$ 11.30	\$ 10.33	\$ 10.00
Income (loss) from investment operations:					
Net investment income.....	0.03	0.04	0.05	0.01	0.01
Net realized and unrealized gains (losses) on investments	(0.53)	0.45	2.38	0.97	0.68
Total from investment operations.....	(0.50)	0.49	2.43	0.98	0.69
Less distributions:					
Dividends from net investment income ..	(0.05)	(0.05)	(0.02)	(0.01)	(0.01)
Distributions from net realized gains	(0.30)	(1.02)	—	(0.00) ^(b)	(0.35)
Total distributions	(0.35)	(1.07)	(0.02)	(0.01)	(0.36)
Net asset value at end of period	\$ 12.28	\$ 13.13	\$ 13.71	\$ 11.30	\$ 10.33
Total return ^(c)	(3.99%)	3.83%	21.51%	9.47%	6.83% ^(d)
Net assets at end of period (000's).....	\$ 31,424	\$ 33,961	\$ 37,619	\$ 32,025	\$ 19,227
Ratio of net expenses to average net assets ^(e)	1.10%	1.10%	1.10%	1.10%	1.09% ^(e)
Ratio of net investment income to average net assets.....	0.25%	0.26%	0.37%	0.14%	0.11% ^(e)
Portfolio turnover rate	11%	11%	28%	6%	177% ^(e)

^(a) Represents the period from the commencement of operations (November 17, 2003) through March 31, 2004.

^(b) Amount rounds to less than \$0.01 per share.

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

^(d) Not annualized.

^(e) Absent investment advisory fees voluntarily waived by the Adviser, the ratio of expenses to average net assets would have been 1.12%, 1.12%, 1.11%, 1.23% and 1.71% ^(e) for the periods ended March 31, 2008, 2007, 2006, 2005 and 2004, respectively (Note 3).

^(f) Annualized.

See accompanying notes to financial statements.

THE ALABAMA TAX FREE BOND FUND

FINANCIAL HIGHLIGHTS

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

	Years Ended March 31,				
	2008	2007	2006	2005	2004
Net asset value at beginning of year.....	\$ 10.39	\$ 10.40	\$ 10.55	\$ 10.90	\$ 10.89
Income (loss) from investment operations:					
Net investment income.....	0.36	0.36	0.34	0.35	0.35
Net realized and unrealized gains (losses) on investments.....	0.12	(0.01)	(0.15)	(0.36)	0.01
Total from investment operations.....	0.48	0.35	0.19	(0.01)	0.36
Less distributions:					
Dividends from net investment income ..	(0.36)	(0.36)	(0.34)	(0.34)	(0.35)
Distributions from net realized gains	(0.01)	—	—	—	—
Total distributions	(0.37)	(0.36)	(0.34)	(0.34)	(0.35)
Net asset value at end of year.....	\$ 10.50	\$ 10.39	\$ 10.40	\$ 10.55	\$ 10.90
Total return ^(a)	4.66%	3.38%	1.80%	(0.06%)	3.40%
Net assets at end of year (000's).....	\$ 25,426	\$ 25,968	\$ 26,182	\$ 34,525	\$ 38,702
Ratio of net expenses to average net assets ^(b)	0.65%	0.65%	0.65%	0.65%	0.65%
Ratio of net investment income to average net assets.....	3.46%	3.44%	3.25%	3.21%	3.26%
Portfolio turnover rate.....	6%	15%	5%	4%	10%

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

^(b) Absent investment advisory fees voluntarily waived by the Adviser, the ratios of expenses to average net assets would have been 0.78%, 0.76%, 0.73%, 0.69%, and 0.68% for the years ended March 31, 2008, 2007, 2006, 2005 and 2004, respectively (Note 3).

See accompanying notes to financial statements.

THE GOVERNMENT STREET FUNDS

NOTES TO FINANCIAL STATEMENTS

March 31, 2008

1. Significant Accounting Policies

The Government Street Equity Fund, The Government Street Mid-Cap Fund and The Alabama Tax Free Bond Fund (the “Funds”) are each a no-load series of the Williamsburg Investment Trust (the “Trust”). The Trust, an open-end management investment company registered under the Investment Company Act of 1940, as amended, was organized as a Massachusetts business trust on July 18, 1988.

The Government Street Equity Fund’s investment objective is to seek capital appreciation through the compounding of dividends and capital gains, both realized and unrealized, by investing in common stocks.

The Government Street Mid-Cap Fund’s investment objective is to seek capital appreciation by investing in common stocks of mid-cap companies.

The Alabama Tax Free Bond Fund’s investment objectives are to provide current income exempt from federal income taxes and from the personal income taxes of Alabama and to preserve capital.

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. Short-term instruments (those with remaining maturities of 60 days or less) are valued at amortized cost, which approximates market value.

When market quotations are not readily available, securities may be valued on the basis of prices provided by an independent pricing service. The prices provided by the pricing service are determined with consideration given to institutional bid and last sale prices and take into account securities prices, yields, maturities, call features, ratings, institutional trading in similar groups of securities and developments related to specific securities. If a pricing service cannot provide a valuation, securities will be valued in good faith at fair value using methods consistent with those 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,

THE GOVERNMENT STREET FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

subsequent private transactions in the security or related securities, or a combination of these and other factors.

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.

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.

Distributions to shareholders — Dividends arising from net investment income are declared and paid quarterly to shareholders of The Government Street Equity Fund; declared and paid annually to shareholders of The Government Street Mid-Cap Fund; and declared daily and paid monthly to shareholders of The Alabama Tax Free Bond 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. Certain Funds may utilize earnings and profits distributed to shareholders on redemptions of shares as part of the dividends paid deduction for income tax purposes. The tax character of distributions paid during the years ended March 31, 2008 and March 31, 2007 are as follows:

	Years Ended	Ordinary Income	Exempt-Interest Dividends	Long-Term Gains	Return of Capital	Total Distributions
Government Street Equity Fund	03/31/08	\$ 1,059,790	\$ —	\$ 1,866,409	\$ 265,270	\$ 3,191,469
	03/31/07	\$ 1,084,650	\$ —	\$ 12,812,704	\$ —	\$ 13,897,354
Government Street Mid-Cap Fund	03/31/08	\$ 150,519	\$ —	\$ 730,879	\$ —	\$ 881,398
	03/31/07	\$ 154,752	\$ —	\$ 2,609,394	\$ —	\$ 2,764,146
Alabama Tax Free Bond Fund	03/31/08	\$ —	\$ 869,547	\$ 15,917	\$ —	\$ 885,464
	03/31/07	\$ —	\$ 876,155	\$ —	\$ —	\$ 876,155

THE GOVERNMENT STREET FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

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 based on relative net assets of each fund or the nature of the services performed and the relative applicability to each fund.

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 and the disclosure of contingent 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, 2008:

	Government Street Equity Fund	Government Street Mid-Cap Fund	Alabama Tax Free Bond Fund
Cost of portfolio investments	\$ 38,991,733	\$ 25,898,875	\$ 25,152,858
Gross unrealized appreciation	\$ 29,385,177	\$ 7,769,841	\$ 577,628
Gross unrealized depreciation	(1,078,842)	(1,772,146)	(30,301)
Net unrealized appreciation	28,306,335	5,997,695	547,327
Undistributed ordinary income	—	11,707	25,727
Undistributed long-term gains	—	14,205	2,085
Other temporary differences	(46,884)	(7,120)	(27,608)
Total distributable earnings	\$ 28,259,451	\$ 6,016,487	\$ 547,531

THE GOVERNMENT STREET FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

The difference between the federal income tax cost of portfolio investments and the financial statement cost for The Alabama Tax Free Bond Fund is due to certain timing differences in the recognition of capital gains or 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 the tax deferral of losses on wash sales and/or differing methods in the amortization of discounts and premiums on fixed income securities.

During the year ended March 31, 2008, The Alabama Tax Free Bond Fund utilized capital loss carryforwards of \$519 to offset current year realized gains.

During the year ended March 31, 2008, The Government Street Equity Fund and The Government Street Mid-Cap Fund realized \$10,223,336 and \$369,183, respectively, of net capital gains resulting from in-kind redemptions (redemptions in which shareholders who redeemed Fund shares received securities held by the Fund rather than cash). The Funds recognize a gain on in-kind redemptions to the extent that the value of the distributed securities on the date of redemption exceeds the cost of those securities. Such gains are not taxable to the Funds and are not required to be distributed to shareholders. The Funds have reclassified these amounts against paid-in capital. These reclassifications are reflected on the Statements of Assets and Liabilities. Such reclassifications, the result of permanent differences between the financial statement and income tax reporting requirements, had no effect on each Fund’s net assets or net asset value per share.

For the year ended March 31, 2008, The Government Street Equity Fund reclassified return of capital distributions of \$265,270 against paid-in capital on the Statements of Assets and Liabilities. For the year ended March 31, 2008, The Alabama Tax Free Bond Fund reclassified \$776 of undistributed net investment income against accumulated net realized losses on the Statements of Assets and Liabilities. These reclassifications are due to permanent differences in the recognition of capital gains or losses under income tax regulations and accounting principles generally accepted in the United States. For The Alabama Tax Free Bond Fund the differences are primarily due to the tax treatment of certain debt obligations. Such reclassifications had no effect on each Fund’s net assets or net asset value per share.

On July 13, 2006, the Financial Accounting Standards Board (“FASB”) released 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 Fund’s 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

THE GOVERNMENT STREET FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

threshold would be recorded as a tax benefit or expense in the current year. Each Fund adopted the provisions of FIN 48 on September 30, 2007. Management analyzed the Funds' tax positions taken on Federal income tax returns for all open tax years (tax years ended March 31, 2005 through March 31, 2008) for purposes of implementing FIN 48 and has concluded that no provision for income tax is required in the financial statements.

2. Investment Transactions

During the year ended March 31, 2008, cost of purchases and proceeds from sales and maturities of investment securities, other than short-term investments and U.S. government securities, amounted to \$9,215,266 and \$27,321,075, respectively, for The Government Street Equity Fund; \$3,514,522 and \$4,200,803, respectively, for The Government Street Mid-Cap Fund; and \$1,552,162 and \$2,325,000, respectively, for The Alabama Tax Free Bond Fund.

3. Transactions with Affiliates

INVESTMENT ADVISORY AGREEMENT

The Funds' investments are managed by T. Leavell & Associates, Inc. (the "Adviser") under the terms of an Investment Advisory Agreement. Under the Investment Advisory Agreement, The Government Street Equity Fund pays the Adviser a fee, which is computed and accrued daily and paid monthly, at an annual rate of .60% of its average daily net assets up to \$100 million and .50% of such assets in excess of \$100 million. The Government Street Mid-Cap Fund pays the Adviser a fee at an annual rate of .75% of its average daily net assets. The Alabama Tax Free Bond Fund pays the Adviser a fee at an annual rate of .35% of its average daily net assets up to \$100 million and .25% of such assets in excess of \$100 million.

For the year ended March 31, 2008, the Adviser voluntarily undertook to limit the total operating expenses of The Government Street Mid-Cap Fund and The Alabama Tax Free Bond Fund to 1.10% and .65%, respectively, of each Fund's average daily net assets. Accordingly, the Adviser voluntarily waived \$7,531 and \$31,883, respectively, of its investment advisory fees from The Government Street Mid-Cap Fund and The Alabama Tax Free Bond Fund during the year ended March 31, 2008.

Certain officers of the Trust are also officers of the Adviser.

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 The Government Street Equity Fund, The Government Street Mid-Cap Fund and The Alabama Tax Free Bond Fund at an annual rate of .15% of each Fund's average daily net assets up to \$25

THE GOVERNMENT STREET FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

million; .125% of the next \$25 million of such assets; and .10% of such net assets in excess of \$50 million. Additionally, The Government Street Equity Fund, The Government Street Mid-Cap Fund and the Alabama Tax Free Bond Fund are subject to a minimum monthly fee of \$4,000, \$4,000 and \$3,500, respectively. 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 and an affiliate of Ultimus. The Distributor is compensated by the Adviser (not the Funds) for acting as principal underwriter.

COMPLIANCE CONSULTING AGREEMENT

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 Funds' compliance policies and procedures. For these services, the Funds pay Ultimus an annual base fee of \$18,600 plus an asset-based fee equal to 0.01% per annum on the Funds' aggregate net assets in excess of \$100 million.

4. 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.

5. New Accounting Pronouncement

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, 2008, 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 GOVERNMENT STREET FUNDS REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Trustees and Shareholders of
The Government Street Equity Fund,
The Government Street Mid-Cap Fund, and
The Alabama Tax-Free Bond Fund of the Williamsburg Investment Trust

We have audited the accompanying statements of assets and liabilities, including the schedules of investments, of The Government Street Equity Fund, The Government Street Mid-Cap Fund, and The Alabama Tax-Free Bond Fund (the "Funds") (each a series of the Williamsburg Investment Trust), as of March 31, 2008, 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 five 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.

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, 2008, by correspondence with the custodian and brokers. 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 The Government Street Equity Fund, The Government Street Mid-Cap Fund, and The Alabama Tax-Free Bond Fund at March 31, 2008, 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 five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

Cincinnati, Ohio
May 16, 2008

THE GOVERNMENT STREET 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 returns of the Funds.

A mutual fund's ongoing costs are expressed as a percentage of its average net assets. This figure is known as the expense ratio. The following examples are intended to help you understand the ongoing costs (in dollars) of investing in the Funds and to compare these costs with the ongoing costs of investing in other mutual funds. The examples below are based on an investment of \$1,000 made at the beginning of the period (October 1, 2007) shown and held for the entire period (March 31, 2008).

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 returns used are not the Funds' actual returns, the results do not apply to your investment. The example is useful in making comparisons because the 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.

THE GOVERNMENT STREET FUNDS

ABOUT YOUR FUNDS' EXPENSES (Unaudited)

(Continued)

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

	Beginning Account Value Oct. 1, 2007	Ending Account Value March 31, 2008	Expenses Paid During Period*
The Government Street Equity Fund			
Based on Actual Fund Return	\$ 1,000.00	\$ 889.60	\$ 3.92
Based on Hypothetical 5% Return (before expenses)	\$ 1,000.00	\$1,020.85	\$ 4.19
The Government Street Mid-Cap Fund			
Based on Actual Fund Return	\$ 1,000.00	\$ 900.50	\$ 5.23
Based on Hypothetical 5% Return (before expenses)	\$ 1,000.00	\$1,019.50	\$ 5.55
The Alabama Tax Free Bond Fund			
Based on Actual Fund Return	\$ 1,000.00	\$1,028.70	\$ 3.30
Based on Hypothetical 5% Return (before expenses)	\$ 1,000.00	\$1,021.75	\$ 3.29

* Expenses are equal to the Funds' annualized expense ratios for the period as stated below, multiplied by the average account value over the period, multiplied by 183/366 (to reflect the one-half year period).

The Government Street Equity Fund	0.83%
The Government Street Mid-Cap Fund	1.10%
The Alabama Tax Free Bond Fund	0.65%

THE GOVERNMENT STREET 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	71	Chairman and Trustee	Since June 1991
* Austin Brockenbrough III	1802 Bayberry Court, Suite 400 Richmond, VA	71	Trustee	Since September 1988
* John T. Bruce	800 Main Street Lynchburg, VA	54	Trustee	Since September 1988
Robert S. Harris	100 Darden Boulevard Charlottesville, VA	58	Trustee	Since January 2007
J. Finley Lee, Jr.	4488 Pond Apple Drive North Naples, FL	68	Trustee	Since September 1988
Richard L. Morrill	University of Richmond Richmond, VA	68	Trustee	Since March 1993
Harris V. Morrisette	100 Jacintoport Boulevard Saraland, AL	48	Trustee	Since March 1993
Erwin H. Will, Jr.	47 Willway Avenue Richmond, VA	75	Trustee	Since July 1997
Samuel B. Witt III	302 Clovelly Road Richmond, VA	72	Trustee	Since November 1988
Thomas W. Leavell	150 Government Street Mobile, AL	64	President	Since February 2004
Mary Shannon Hope	150 Government Street Mobile, AL	44	Vice President of The Government Street Bond Fund	Since February 2004
Timothy S. Healey	600 Luckie Drive Suite 305 Birmingham, AL	55	Vice President of The Alabama Tax Free Bond Fund and The Government Street Mid-Cap Fund	Since January 1995
Robert G. Dorsey	225 Pictoria Drive Suite 450 Cincinnati, OH	51	Vice President	Since November 2000
Mark J. Seger	225 Pictoria Drive Suite 450 Cincinnati, OH	46	Treasurer	Since November 2000
John F. Splain	225 Pictoria Drive Suite 450 Cincinnati, OH	51	Secretary	Since November 2000
Tina H. Bloom	225 Pictoria Drive Suite 450 Cincinnati, OH	39	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.

THE GOVERNMENT STREET FUNDS BOARD OF TRUSTEES AND EXECUTIVE OFFICERS (Unaudited) (Continued)

Each Trustee oversees eleven 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:

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 Flippin, Bruce & Porter, Inc. (an investment advisory firm).

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 China Doll Rice Company. 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 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).

Thomas W. Leavell is a Principal of the Adviser.

Mary Shannon Hope is a Principal of the Adviser.

Timothy S. Healey is a Principal of the Adviser.

THE GOVERNMENT STREET FUNDS BOARD OF TRUSTEES AND EXECUTIVE OFFICERS (Unaudited) (Continued)

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)

For the fiscal year ended March 31, 2008 certain dividends paid by The Government Street Equity Fund, The Government Street Mid-Cap Fund and The Alabama Tax Free Bond Fund may be subject to a maximum tax rate of 15%, as provided for by the Jobs and Growth Tax Relief Reconciliation Act of 2003. The Funds intend to designate up to a maximum amount of \$1,059,790, \$150,519, and \$0, respectively, as taxed at a maximum rate of 15%, as well as \$1,819,525, \$730,879 and \$15,917, respectively, as long-term gain distributions. Additionally, for the fiscal year ended March 31, 2008, 100% of the dividends paid from ordinary income by The Government Street Equity Fund and The Government Street Mid-Cap Fund qualified for the dividends received deduction for corporations. Complete information will be computed and reported in conjunction with your 2008 Form 1099-DIV.

THE GOVERNMENT STREET FUNDS OTHER INFORMATION (Unaudited)

A description of the policies and procedures that the Funds use to vote proxies relating to portfolio securities is available without charge upon request by calling toll-free 1-866-738-1125, or on the Securities and Exchange Commission's ("SEC") 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 available without charge upon request by calling toll-free 1-866-738-1125 or on the SEC's website at <http://www.sec.gov>.

The Trust files a complete listing of portfolio holdings for the Funds with 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 1-866-738-1125. 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.

THE GOVERNMENT STREET FUNDS DISCLOSURE REGARDING APPROVAL OF INVESTMENT ADVISORY AGREEMENTS (Unaudited)

At an in-person meeting held on February 12, 2008, 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 Government Street Equity Fund, The Government Street Mid-Cap Fund and The Alabama Tax Free Bond Fund. Below is a discussion of the factors considered by the Board of Trustees along with the conclusions with respect thereto that formed the basis for the Board's 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. 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. 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. The Trustees also considered the

THE GOVERNMENT STREET FUNDS DISCLOSURE REGARDING APPROVAL OF INVESTMENT ADVISORY AGREEMENTS (Unaudited) (Continued)

Adviser's representations that all of the Funds' portfolio trades were executed based on the best price and execution available, and that the Adviser does not participate in any soft dollar or directed brokerage arrangements. The Trustees further considered that neither the Funds nor the Adviser participate in any revenue sharing arrangements on behalf of 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 long-term performance of each Fund as compared to similarly managed funds and the other services provided under the Investment Advisory Agreements, they believe that the Adviser has provided quality services to the Funds; (ii) the investment advisory fees payable to the Adviser by each Fund are competitive with similarly managed funds, and they believe the fees to be reasonable given the quality of services provided by the Adviser; (iii) the total operating expense ratio of each Fund is less than the average expense ratio for comparably managed funds, according to statistics derived from Morningstar, Inc.; and (iv) the Adviser's voluntary commitment to cap overall operating expenses of The Government Street Mid-Cap Fund and The Alabama Tax Free Bond Fund through advisory fee waivers has enabled those Funds to further increase returns for shareholders. Given the current 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 with respect to the Funds, but given the amounts involved viewed these as secondary factors in connection with the evaluation of the reasonableness of the advisory fees paid by the Funds.

No single factor was considered in isolation or to be determinative to the decision of the 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.

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The Government Street Funds

No Load Mutual Funds

Investment Adviser

T. Leavell & Associates, Inc.
150 Government Street
Post Office Box 1307
Mobile, AL 36633

Administrator

Ultimus Fund Solutions, LLC
P.O. Box 46707
Cincinnati, OH 45246-0707
1-866-738-1125

Legal Counsel

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One Post Office Square
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Independent Registered Public

Accounting Firm

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312 Walnut Street
Cincinnati, OH 45202

Board of Trustees

Austin Brockenbrough, III
John T. Bruce
Charles M. Caravati, Jr.
Robert S. Harris
J. Finley Lee, Jr.
Richard L. Morrill
Harris V. Morrissette
Erwin H. Will, Jr.
Samuel B. Witt, III

Portfolio Managers

Thomas W. Leavell,
The Government Street Equity Fund
The Government Street Mid-Cap Fund
Timothy S. Healey,
The Government Street Mid-Cap Fund
The Alabama Tax Free Bond Fund
Richard E. Anthony, Jr.,
The Government Street Mid-Cap Fund
Mary Shannon Hope,
The Government Street Bond Fund