



Davlin Philanthropic Funds
Creating a world of philanthropists.

**SEMI-ANNUAL
REPORT**

**DAVLIN PHILANTHROPIC
FUND**

September 30, 2011
(Unaudited)

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Dear Fellow Shareholders,

September 30, 2011 marks the halfway point in our fiscal year that started on March 31, 2011. The beginning of our fourth year in business has brought success in expanding our Davlin Foundation Board of Trustees, our first Morningstar rating (five stars), and many challenges as we feel the pains of the stock market. We are disappointed to report that during the first half of our fiscal year ending September 30, 2011, the Davlin Philanthropic Fund lost 17.65%. While our performance bested the Russell 2000 which lost 23.12%, we underperformed the S&P 500 which lost 13.78%.

Charity Update:

In June of 2010, I had the opportunity to meet philanthropic author and historian Dr. Claire Gaudiani. Our planned ten minute cup of coffee turned in to an almost two hour discussion of the trends in the non-profit industry and our fund's potential affect on those trends. More importantly our discussions did not end there, but continued through periodic e-mails, phone calls, and more coffee breaks. Throughout that time, Claire's perspective, insight, and vision began to alter our discussions both internally and at the Board level. As such, I am very pleased to report that in July, Claire agreed to become a Trustee of the Davlin Foundation. Claire's skills will complement our current Board, which is comprised of individuals with a broad base of expertise and talents.

Claire's dynamic personality and skills have allowed her to achieve many things in her career. Among other things, she is a recognized champion of philanthropy as an essential element of American capitalism and democracy. She is currently Adjunct Professor of Philanthropy at the Wagner School of Public Service of New York University, Chair of Gaudiani Associates, and author of numerous books. Claire is the former president of Connecticut College and a former senior research scholar at the Yale Law School. Claire has served as director of numerous corporate and social profit enterprises specializing in corporate governance issues. She is currently a director of The Henry Luce Foundation, MBIA Inc., and the Council for Economic Education. Claire is a fellow of the American Academy of Arts and Sciences and a recipient of the Rosso Medal for Distinguished Service to Philanthropy from Indiana University. We welcome Claire as a Trustee and look forward to working with her both personally and professionally.

June 30, 2011 marked an important milestone for the Davlin Philanthropic Fund in that it completed our first three years in business. With a three year track record comes our first Morningstar rating. In July, we were very excited to learn that our fund has achieved a five-star rating, the highest that Morningstar issues, for our three-year performance in the mid-cap value class.

For the twelve months ending September 30, 2011, the Fund had a donation rate of 0.50% and an average month-end Matching Premium of \$8.03. That means that for every \$1.00 in donations given by our typical investor, our Donation Matching Investors gifted an additional \$8.03, on average, of matching funds to the chosen charities.

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also allowed us to add to our holdings of investment, retail, and commercial banks. We feel confident that these investments will prove to be very beneficial in the long term.

On a history-to-date basis, the Davlin Philanthropic Fund delivered an average annualized return of 4.01%, besting the (2.43)% delivered by the Russell 2000 and the (3.25)% delivered by the S&P 500.

Performance Numbers for YTD Fiscal 2012

	Davlin Philanthropic Fund	Russell 2000	S&P 500
April 1, 2011 through September 30, 2011	(17.65)%	(23.12)%	(13.78)%
Fund Compared to Index		+5.47%	(3.87)%

Performance Numbers for 3 Years

	Davlin Philanthropic Fund	Russell 2000	S&P 500
October 1, 2008 through September 30, 2011	5.89%	(0.37)%	1.23%
Fund Compared to Index		+6.26%	+4.66%

Note: These are annualized returns.

Performance Numbers for History-to-Date

	Davlin Philanthropic Fund	Russell 2000	S&P 500
June 11, 2008 through September 30, 2011	4.01%	(2.43)%	(3.25)%
Fund Compared to Index		+6.44%	+7.26%

Note: These are annualized returns.

Fund commencement date is June 11, 2008.

Portfolio Highlights:

During the first half of our fiscal year, our top two “Best Performers” were Hansen Natural Corporation and AerCap Holdings N.V. Since we wrote about Hansen Natural in our March 31, 2009 Annual Report and AerCap in our March 31, 2010 Annual Report and, let us talk about our third best performer Wellcare Health Plans (WCG). WCG provides managed care services for government sponsored healthcare programs; like the federally sponsored Temporary Assistance for Needy Families (TANF) programs, Supplemental Security Income (SSI) programs, the Medicare Part D program, and state-based programs, such as Children’s Health Insurance Programs (CHIP) and Family Health Plus (FHP). This is a very profitable business which historically can have a return-on-assets of 8.0 to 11% and can grow as government expands benefits and outsources services. Things were going very well for this firm until October of 2007, when the FBI raided there headquarters and accused them of systematically over-

cer and trustee of the Foundation is also an officer and trustee of the Trust. Three of the other six trustees of the Foundation are also trustees of the Trust.

Note 5. Investment Transactions

For the six months ended September 30, 2011, the cost of purchases and the proceeds from sales, other than U.S. Government obligations and short-term securities were \$1,227,848 and \$393,409, respectively. There were no purchases or sales of U.S. Government obligations. For federal income tax purposes the cost of securities owned at September 30, 2011, was \$3,402,776.

At September 30, 2011, the composition of unrealized appreciation (excess of value over tax cost) and depreciation (the excess of tax cost over value) on a tax basis was as follows:

<u>Appreciation</u>	<u>Depreciation</u>	<u>Net Appreciation (Depreciation)</u>
\$411,088	\$(451,886)	\$(40,798)

Note 6. Control

The beneficial ownership, either directly or indirectly, of more than 25% of the voting securities of a fund creates a presumption of control of the Fund, under section 2(a)(9) of the Investment Company Act of 1940. As of September 30, 2011, Mr. Davlin (including his family) owned in excess of 25% of the Fund and as such may be deemed to control the Fund.

Note 7. Distribution Plan

The Fund adopted a plan pursuant to Rule 12b-1 under the Investment Company Act of 1940, as amended (the "Plan"). The Plan permits the Fund to pay the Adviser for certain distribution and promotion expenses related to marketing shares of the Fund. The amount payable annually by the Fund is 0.25% of its average daily net assets. Under the Plan, the Trust may engage in any activities related to the distribution of Fund shares. The Plan has not been activated and the Fund has no present intention to activate the Plan.

Top 10 Positions as of September 30, 2011:**% Net Assets**

1. Ceradyne, Inc.	3.61%
2. Village Super Market Class A	3.14%
3. Aercap Holdings N.V.	2.93%
4. Ace Limited	2.89%
5. Toyota Motors Corp ADR	2.61%
6. Garmin Ltd.	2.56%
7. Chatham Lodging Trust	2.43%
8. JP Morgan Chase & Co.	2.43%
9. Seaboard Corporation	2.42%
10. Goldman Sachs 2010 Preferred	<u>2.41%</u>
Total:	27.43%

Top 5 Best Performers:**Realized and Unrealized Gains**

1. Hansen Natural Corporation	\$89,107
2. Aercap Holdings N.V.	\$38,131
3. Wellcare Health Plans, Inc.	\$27,956
4. Conoco Phillips	\$22,828
5. Seaboard Corporation	<u>\$22,773</u>
Total:	\$200,795

Top 5 Worst Performers:**Realized and Unrealized Losses**

1. Gleacher & Company, Inc.	\$51,781
2. Chatham Lodging Trust	\$39,776
3. Global X Uranium ETF	\$32,363
4. Morgan Stanley	\$30,039
5. Dover Downs Gaming & Entertainment, Inc.	<u>\$25,362</u>
Total:	\$179,321

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 and liabilities measured at fair value on a recurring basis follows.

Equity securities- (common stock including real estate investment trusts, exchange traded funds, and preferred stock). Equity securities generally are valued by using market quotations, but may be valued on the basis of prices furnished by a pricing service when the Adviser believes such prices more accurately reflect the fair value of such securities. Securities that are traded on any stock exchange or on the NASDAQ over-the-counter market are generally valued by the pricing service at the last quoted sale price. Lacking a last sale price, an equity security is generally valued by the pricing service at its last bid price. To the extent these securities are actively traded and valuation adjustments are not applied, they are classified in Level 1 of the fair value hierarchy. When market quotations are not readily available, when the Adviser determines that the market quotation or the price provided by the pricing service does not accurately reflect the current market value, or when restricted or illiquid securities are being valued, such securities are valued as determined in good faith by the Adviser, in conformity with guidelines adopted by and subject to review of the Board of Trustees of the Trust and are categorized in Level 2 or Level 3 within the fair value hierarchy, when appropriate.

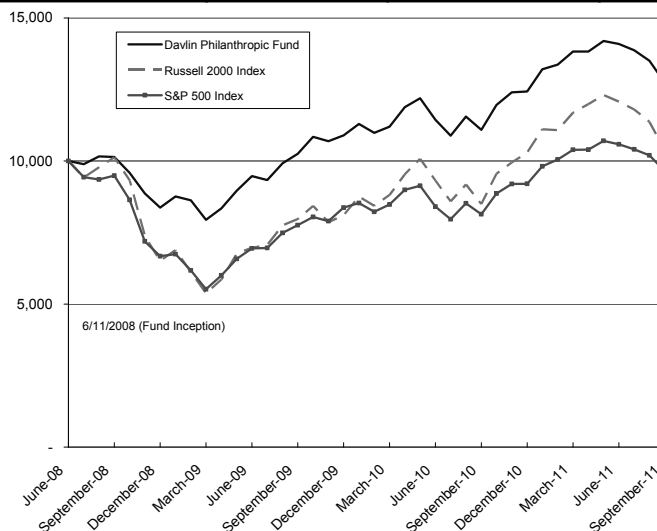
Money market funds are generally priced at the ending NAV provided by the service agent of the fund. These securities will be categorized as Level 1 within the fair value hierarchy.

Short term investments, except money market funds, maturing in 60 or more days after the valuation date, are valued at the last sales price as of the close of business on the day of valuation, or, lacking any sales, at the most recent bid price or yield equivalent as obtained from dealers that make markets in such securities. When valued at last sales price, the securities will be categorized as Level 1. When bid prices or yield equivalents, they will be categorized as Level 2. Short term investments, those 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, which the Board has determined will represent fair value. These securities will be categorized as Level 2.

In accordance with the Trust's good faith pricing guidelines, the Adviser 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 Adviser 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) 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.

AVERAGE ANNUAL RATE OF RETURN (%)

	1 Year	Since Inception	Value
Davlin Philanthropic Fund	-4.77%	4.01%	\$11,387
Russell 2000 Index	-3.53%	-2.43%	\$9,219
S&P 500 Index	1.14%	-3.25%	\$8,965



This chart assumes an initial investment of \$10,000 made on 6/11/2008 (commencement of investment operations). Total return is based on the net change in NAV and assumes reinvestment of all dividends and other distributions. Performance figures represent past performance which is not predictive of future performance. Investment return and principal value will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost.

The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership.

The Standard & Poor's 500 Index ("S&P 500") is a market value-weighted index, representing the aggregate market value of the common equity of 500 stocks primarily traded on the New York Stock Exchange. The S&P 500 is a widely recognized, unmanaged index of common stock prices. The figures for the S&P 500 reflect all dividends reinvested but do not reflect any deductions for fees, expenses or taxes.

The returns shown do not reflect taxes that a shareholder would pay on fund distributions or on 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 (877)-328-5468.

Note 1. Organization

The Davlin Philanthropic Fund (the “Fund”) was organized as a diversified series of the Davlin Philanthropic Funds (the “Trust”) on December 4, 2007. The Trust is registered under the Investment Company Act of 1940 (the “1940 Act”) as an open-end investment company established under the laws of Ohio by an Agreement and Declaration of Trust (the “Trust Agreement”), dated November 27, 2007, and filed with the state on December 4, 2007. The Fund commenced investments operation on June 11, 2008. The Trust Agreement permits the Board of Trustees to authorize and issue an unlimited number of shares of beneficial interest of separate series without par value. The Fund is the only series currently authorized by the Trustees. The investment adviser to the Fund is Davlin Fund Advisors, LLC (the “Adviser”). The investment objective of the Fund is to seek long-term capital appreciation.

Note 2. Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements. The policies are in conformity with accounting principles generally accepted in the United States of America (“GAAP”).

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 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 the open fiscal years 2009 - 2010, or expected to be taken in the Fund’s 2011 tax returns. The Fund identifies its major tax jurisdictions as U.S. Federal and State 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. As of and during six months ended September 30, 2011, the Fund did not incur any interest or penalties.

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

Schedule of Investments

September 30, 2011

Shares	Fair Value
National Commercial Banks - 2.43%	
2,700 JPMorgan Chase & Co.	81,324
Oil and Natural Gas - 8.02%	
1,350 BP Plc ADR (United Kingdom)	48,694
1,100 Conoco Phillips	69,652
1,000 Marathon Oil Corp.	21,580
1,400 Marathon Petroleum Corp.	37,884
1,700 Noble Corp. (Switzerland)	49,895
2,300 Valero Energy Corp.	<u>40,894</u>
	268,599
Primary Production of Aluminum - 0.93%	
700 Kaiser Aluminum Corp.	30,996
Private Equity Firm - 1.59%	
5,100 MVC Capital, Inc.	53,397
Retail - Eating Places - 2.04%	
3,600 Nathans Famous, Inc. *	68,400
Retail - Grocery Stores - 5.28%	
900 Arden Group, Inc. Class A	71,550
4,400 Village Super Market, Inc. Class A	<u>105,336</u>
	176,886
Retail - Radio, TV & Consumer Electronics - 1.73%	
5,000 Radioshack Corp. *	58,100
Rolling Drawing & Extruding of Nonferus Metals - 1.04%	
1,500 RTI International Metals, Inc. *	34,980
Savings Institution, Federally Chartered - 3.11%	
4,600 People's United Financial, Inc.	52,440
2,700 Territorial Bancorp, Inc.	<u>51,705</u>
	104,145
Search, Detection, Navigation, Guidance, Aeronautical Sys - 2.56%	
2,700 Garmin Ltd. (Cayman Islands)	85,779
Security Brokers, Dealers & Flotation Companies - 5.14%	
36,600 Gleacher & Company, Inc. *	43,554
9,100 JMP Group, Inc.	52,871
5,600 Morgan Stanley	<u>75,656</u>
	172,081
Security & Commodity Brokers, Dealers, Exchanges & Services - 0.28%	
400 NYSE Euronext	9,296
Semiconductors & Related Devices - 1.27%	
1,600 Texas Instruments, Inc.	42,640
Services-Advertising Agencies - 0.60%	
1,300 ValueClick, Inc. *	20,228
Services-Amusement & Recreation Services - 1.14%	
16,900 Dover Downs Gaming & Entertainment, Inc.	38,321

* Non-Income producing securities during the period

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

Statement of Changes in Net Assets

September 30, 2011

	(Unaudited)	
	Six Months	
	Ended	Year Ended
	<u>9/30/2011</u>	<u>3/31/2011</u>
Increase (Decrease) in Net Assets From Operations:		
Net Investment Income	\$ 6,490	\$ 15,215
Net Realized Gain on Investments	97,180	107,605
Net Change in Unrealized Appreciation/(Depreciation) on Investments	<u>(798,604)</u>	<u>346,315</u>
Net Increase/(Decrease) in Net Assets Resulting from Operations	(694,934)	469,135
Distributions to Shareholders From:		
Net Investment Income	-	(33,309)
Realized Gains	<u>-</u>	<u>(8,753)</u>
Net Change in Net Assets from Distributions	-	(42,062)
Capital Share Transactions:		
Proceeds from Sale of Shares	574,386	303,931
Shares Issued on Reinvestment of Dividends	-	42,062
Cost of Shares Redeemed	<u>-</u>	<u>(50,064)</u>
Net Increase in Net Assets from Shareholder Activity	574,386	295,929
Net Assets:		
Net Increase/(Decrease) in Net Assets	(120,548)	723,002
Beginning of Period	<u>3,471,074</u>	<u>2,748,072</u>
End of Period (Including Accumulated Net Investment Loss of \$(10,267) and \$(16,757), respectively)	<u>\$ 3,350,526</u>	<u>\$ 3,471,074</u>
Share Transactions:		
Shares Sold	45,316	24,892
Shares Issued on Reinvestment of Dividends	-	3,335
Shares Redeemed	<u>-</u>	<u>(4,237)</u>
Net Increase in Shares	45,316	23,990
Outstanding at Beginning of Period	<u>263,003</u>	<u>239,013</u>
Outstanding at End of Period	<u>308,319</u>	<u>263,003</u>

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

Statement of Assets and Liabilities (Unaudited)

September 30, 2011

Assets:

Investments, at Fair Value (Cost \$3,402,776)	\$ 3,022,457
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Receivables:

Dividends and Interest	3,665
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Due from Securities Sold	<u>11,268</u>
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Total Assets	<u>3,037,390</u>
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Liabilities:

Accrued Management Fees (Note 4)	2,917
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Accrued Charitable Contributions (Note 4)	1,458
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Securities Purchased	<u>22,010</u>
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Total Liabilities	<u>26,385</u>
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Net Assets	<u>\$ 3,011,005</u>
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Net Assets Consist of:

Paid In Capital	\$ 3,254,906
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Accumulated Net Investment Loss	(10,267)
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Accumulated Undistributed Realized Gain on Investments	146,685
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Unrealized Depreciation in Value of Investments	<u>(40,798)</u>
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Net Assets, for 308,319 Shares Outstanding (Unlimited number of shares authorized without par value)	<u>\$ 3,350,526</u>
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Net Asset Value and Offering Price Per Share (\$3,350,526/308,319)	<u>\$ 10.87</u>
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Minimum Redemption Price (\$10.87 x 0.99)*	<u>\$ 10.76</u>
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* The Fund will deduct a 1% redemption fee from redemption proceeds if purchased and redeemed within 90 days.
The accompanying notes are an integral part of these financial statements.