

SECURITIES AND EXCHANGE COMMISSION

FORM N-30D

Initial annual and semi-annual reports mailed to investment company shareholders pursuant to Rule 30e-1 (other than those required to be submitted as part of Form NCSR)

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FILER

HILLIARD LYONS GROWTH FUND INC

CIK: **879858** | IRS No.: **611207868** | State of Incorpor.: **MD** | Fiscal Year End: **1231**
Type: **N-30D** | Act: **40** | File No.: **811-06423** | Film No.: **96620415**

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AUGUST 12, 1996

Dear Shareholder:

The Hilliard Lyons Growth Fund had a flat second quarter and finished the first six months of the year ahead by 7.13%. The comparable performance for the Standard & Poor's 500 Index for these periods was 4.49% and 10.10% respectively. As July was a very volatile month for equity investors, it should be noted that the Fund performed relatively well, and its year-to-date gain at the end of July approximated that of the S & P 500. More on this later.

We are quite pleased with the additional flexibility provided by our newly adopted non-diversified structure. We have opportunistically increased concentration in our favorite holdings and believe that the benefits to performance which we expected are already being felt.

EQUITY MARKETS IN 1996

Our flat performance in the second quarter should come as no surprise to our shareholders. The fact is, our stocks had advanced 53% over the last six quarters. Certainly our tree would grow to the sky if this persisted! Stock performance ultimately is determined by the real economic growth in the value of a business. That growth may be measured in book value progress, earnings per share increases, and other indications of increasing financial power. When stock prices grow more rapidly than companies' underlying financial worth for an extended period, there's bound to be trouble. The trouble deepens when individuals, mutual funds, and other institutional investors want the investment party to keep on swinging.

In their desire to keep the fun going, investors must deceive themselves in greater and greater measure to justify higher prices. This is a good deal easier to do when they invest in companies with ill-defined prospects which defy accurate evaluation and leave the blue sky open for their imagination. This explains the intense interest in small growth companies, some with no sales or earnings. Likewise, building an infrastructure to fully utilize modern technology in information processing and communications has an open-ended feel which allows investors to extrapolate growth rates far into the future. The Hilliard Lyons Growth Fund has little exposure to either of these areas. In fact, the fundamentals of our holdings are really quite straightforward (and quite good, we believe). We expect our stock price performance to track the business performance of our companies fairly closely. While it is always difficult to produce good absolute performance in a bad stock market, there is no bubble to be burst in our case. We believe that the more turbulent the markets, the clearer the strengths of our Fund become.

ECONOMIC CONDITIONS AT MID-YEAR

The man in the street must think it odd that sharp stock market movements tend to take so many companies in one direction or the other. Such movements suggest that there are dramatic moments in time when the economy of the nation changes on a dime and affects nearly all companies in a similar way. To our thinking, this group behavior is a psychological phenomenon that does not accurately represent the tremendously varied nature of business activity in our country. In July the stock market swooned because it looked like business was getting too good.

Then it catapulted forward once statistics came out which suggested that it really wasn't all that good. The mass movements are even nuttier when one considers that much of the data that are published are relatively old by publication time, and the economy may be exhibiting quite different trends from those the reports suggest.

Making heads or tails of all this for practical use in investing is impossible in our view, except for those who wish to trade on a very short-term basis. We try simply to identify facts that are significant enough to have an effect on overall business demand. Currently, we believe there is a case to be made for a slow-down in the growth of demand for many goods. Just about all the statistics point to a consumer who has liberally used available credit (particularly credit cards) and is experiencing a greater degree of difficulty in keeping up with debt repayment. Also, in the recession of the early nineties there was significant postponement of expensive durable goods purchases. This seeded a strong recovery in many industries over the past couple of years. The spell of heightened demand seems over on the basis of what we hear from most of the companies we own. Nevertheless, none of the companies we regularly follow expects significantly lower demand so we have no basis to expect a serious recession.

Given this outlook, we are comfortable with our holdings. Our investments are chosen because of the respect we feel toward their managers' ability to maximize the bang they get for their bucks when reinvesting net income. This quality is particularly valuable in turbulent markets and sluggish business climates. We expect the business values of our companies to advance even if slower economic growth develops.

As always, we are thankful for your support and work diligently to keep it.

Sincerely,

/s/ Donald F. Kohler
DONALD F. KOHLER
Chairman

/s/ Samuel C. Harvey
SAMUEL C. HARVEY
President

HILLIARD LYONS GROWTH FUND, INC.
SCHEDULE OF INVESTMENTS
(UNAUDITED)
JUNE 30, 1996

COMMON STOCKS -- 86.9%

<TABLE>
<CAPTION>

Shares	Company	Cost	Market Value
--------	---------	------	--------------

<C>	<S>	<C>	<C>
	BASIC INDUSTRY -- 0.6%		
7,350	Sonoco Products Co.....	\$ 136,910	\$ 208,556
		136,910	208,556
	CAPITAL GOODS -- 14.4%		
26,000	Dover Corp.....	630,550	1,199,250
14,000	General Electric Co.....	565,278	1,211,000
8,400	Hubbell Inc. CL B.....	408,960	556,500
35,000	Lydall Inc.....	818,975	770,000
14,500	Nordson Corp.....	799,188	819,250
		3,222,951	4,556,000
	CONSUMER DURABLE -- 3.8%		
46,500	Donaldson Inc.....	1,218,502	1,197,375
		1,218,502	1,197,375
	CONSUMER NON-DURABLE -- 13.4%		
28,500*	Bush Boake Allen Inc.....	790,084	619,875
8,000	CPC International Inc.....	339,924	576,000
14,000	International Flavors & Fragrances.....	477,681	666,750
48,000	PepsiCo Inc.....	886,525	1,698,000
7,500	Procter & Gamble Co.....	365,983	679,688
		2,860,197	4,240,313
	FINANCIAL -- 28.0%		
18,000	American International Group Inc.....	869,512	1,775,250
23*	Berkshire Hathaway Inc.....	208,980	706,100
37,500	Cincinnati Financial Corp.....	1,999,774	2,151,562
12,000	Federal Home Loan Mortgage Corp.....	554,652	1,026,000
14,000	Fifth Third Bancorp.....	476,000	756,000
77,250	Synovus Financial Corp.....	983,277	1,670,531
18,000	Wachovia Corp.....	655,830	787,500
		5,748,025	8,872,943

</TABLE>

See notes to financial statements.

HILLIARD LYONS GROWTH FUND, INC.
SCHEDULE OF INVESTMENTS (CONTINUED)
(UNAUDITED)
JUNE 30, 1996

<TABLE>

<CAPTION>

Shares	Company	Cost	Market Value
-----	-----	----	-----
<C>	<S>	<C>	<C>

HEALTH CARE -- 10.2%

38,500	Allergan Inc.....	926,295	1,511,125
35,000	Johnson & Johnson.....	721,314	1,732,500
		1,647,609	3,243,625

RETAIL & SERVICES -- 12.5%

26,500	Brady WH Co. CL A.....	484,125	589,625
12,000	Gannett Inc.....	654,720	849,000
20,000	May Department Stores Co.....	565,751	875,000
49,000	Walgreen Co.....	880,348	1,641,500
		2,584,944	3,955,125

TECHNOLOGY -- 1.2%

8,000	Teleflex Inc.....	227,310	382,000
		227,310	382,000

UTILITY -- 2.8%

27,500	Century Telephone Enterprises.....	871,837	876,563
		871,837	876,563
	TOTAL COMMON STOCKS.....	\$18,518,285	27,532,500

</TABLE>

U.S. GOVERNMENT AGENCY OBLIGATIONS -- 13.1%

<TABLE>

<CAPTION>

Principal Amount	Description	Purchase Yield	Maturity Date	Market Value
<C>	<S>	<C>	<C>	<C>
\$4,145,000	Federal Home Loan Bank.....	5.477%	07/01/96	4,143,757
	TOTAL U. S. GOVERNMENT AGENCY OBLIGATIONS (COST -- \$4,143,757).....			4,143,757
	TOTAL INVESTMENTS (COST -- \$22,662,042) (100.0%).....			\$31,676,257

</TABLE>

The percentage shown for each investment category is the total value of that category as a percentage of the total net assets of the Fund.

*Non-income producing security.

See notes to financial statements.

ASSETS:

Investments at market value:

<TABLE>

<S>

<C>

Common stocks (cost \$18,518,285).....	\$27,532,500
U.S. Government Agency Obligations at value (amortized cost \$4,143,757).....	4,143,757

Total investments.....	31,676,257
Cash.....	902
Receivables:	
Dividends.....	42,380
Shares sold.....	74,507
Deferred organizational expenses -- Note A.....	12,101
Prepaid expenses.....	8,074

Total Assets.....	\$31,814,221
	=====

LIABILITIES:

Payables:

Due to adviser -- Note B.....	\$ 62,051
Organizational expenses -- Note A.....	17,896
Shares redeemed.....	4,228
Accrued expenses.....	42,357

Total Liabilities.....	126,532

CAPITAL:

Common stock (\$.001 par value; 150,000,000 shares authorized and 1,464,605 shares issued and outstanding).....	1,466
Paid-in surplus.....	22,001,599
Accumulated undistributed net realized gain on investments.....	591,563
Net unrealized appreciation on investments.....	9,014,215
Accumulated undistributed net investment income -- Note A.....	78,846

Total Capital (Net Assets) (equivalent to \$21.64 per share)..	31,687,689

Total Liabilities and Capital.....	\$31,814,221
	=====

</TABLE>

See notes to financial statements.

HILLIARD LYONS GROWTH FUND, INC.
STATEMENT OF OPERATIONS
(UNAUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 1996

<TABLE>

<S>

<C>

INVESTMENT INCOME:

Dividends.....	\$ 207,076
Interest.....	124,228

Total investment income.....	331,304
EXPENSES:	
Management fees -- Note B.....	121,484
Custodian fees.....	24,870
12b-1 expenses -- Note B.....	21,818
Audit fees.....	18,200
Transfer Agent fees.....	14,250
Directors' fees.....	12,440
Organizational expenses -- Note A.....	11,590
Insurance expense.....	7,570
Legal fees.....	6,980
Shareholder reports.....	6,515
Filing fees.....	4,560
Trade Association.....	853
Total expenses.....	251,130
Net investment income.....	80,174
REALIZED AND UNREALIZED GAIN ON INVESTMENTS:	
Net realized gain on investments -- Note A.....	591,561
Change in unrealized appreciation on investments.....	1,346,446
Net gain on investments.....	1,938,007
Net increase in net assets resulting from operations.....	\$2,018,181

</TABLE>

See notes to financial statements.

HILLIARD LYONS GROWTH FUND, INC.
STATEMENTS OF CHANGES IN NET ASSETS

<TABLE>
<CAPTION>

	FOR THE SIX MONTHS ENDED JUNE 30, 1996 (UNAUDITED)	FOR THE YEAR ENDED DECEMBER 31, 1995
	-----	-----
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS:		
<S>	<C>	<C>
Net investment income.....	\$ 80,174	\$ 197,087
Net realized gain on investments.....	591,561	919,975
Net change in unrealized appreciation on invest- ments.....	1,346,446	5,335,064
Net increase in net assets from operations.....	2,018,181	6,452,126
DISTRIBUTIONS TO SHAREHOLDERS FROM:		
Net investment income.....	0	(196,792)
Realized gain from investment transactions.....	0	(811,088)
Distributions in excess of net investment income..	0	0
Total distributions.....	0	(1,007,880)

FROM CAPITAL SHARE TRANSACTIONS:

Proceeds from 0 and 49,498 shares issued in reinvestment of dividends, respectively.....	0	991,935
Proceeds from 121,325 and 446,320 shares sold, respectively.....	2,597,468	8,924,169
Cost of 56,001 and 377,902 shares repurchased, respectively.....	(1,187,181)	(7,576,898)
	-----	-----
Net increase in net assets from capital share transactions.....	1,410,287	2,339,206
	-----	-----
Total increase in net assets.....	3,428,468	7,783,452
NET ASSETS:		
Beginning of period.....	28,259,221	20,475,769
	-----	-----
End of period (includes undistributed net investment income of \$78,846 and distributions in excess of net investment income of (\$1,325), respectively).....	\$31,687,689	\$28,259,221
	=====	=====

</TABLE>

See notes to financial statements.

HILLIARD LYONS GROWTH FUND, INC.
 NOTES TO FINANCIAL STATEMENTS
 (UNAUDITED)

NOTE A--ACCOUNTING POLICIES

Hilliard Lyons Growth Fund, Inc. (the "Fund") is a diversified open-end management investment company registered under the Investment Company Act of 1940, as amended. The Fund was incorporated under the laws of the state of Maryland and commenced operations on January 6, 1992. The following is a summary of significant accounting policies followed by the Fund in preparation of its financial statements.

SECURITY VALUATION: Securities traded on a national securities exchange or traded over-the-counter and quoted on the NASDAQ System are valued at last sales prices. Securities so traded for which there were no sales and other securities are valued at the mean of the most recent bid-asked quotations except that bonds not traded on a securities exchange nor quoted on the NASDAQ System will be valued at prices provided by a recognized pricing service unless the Adviser believes that such price does not represent a fair value. Each money market instrument having a maturity of 60 days or less from the valuation date is valued on an amortized cost basis. Other securities and assets will be valued at fair value, as determined in good faith by the Adviser under procedures established by, and under the supervision and responsibility of, the Fund's Board of Directors.

Normally, repurchase agreements are not subject to trading. U.S. Government obligations pledged as collateral for repurchase agreements are held by the Fund's custodian bank until maturity of the repurchase agreement. Provisions of the agreement provide that the market value of the collateral is sufficient in the event of default; however, in the event of default or bankruptcy by the

other party to the agreement, realization and/or retention of the collateral may be subject to legal proceedings.

FEDERAL INCOME TAXES: It is the policy of the Fund to qualify under the Internal Revenue Code as a regulated investment company and to distribute all of its taxable income to shareholders, thereby relieving the Fund of federal income tax liability. The Fund intends to utilize provisions of Federal income tax laws which allow a realized capital loss to be carried forward for eight years following the year of loss and offset such losses against any future realized gains. At December 31, 1995, the Fund did not have a tax-basis capital loss carryforward. In addition, from November 1, 1995 through December 31, 1995, the Fund did not incur any net realized capital losses. If the Fund had incurred net capital losses during this period, as permitted by tax regulations, the Fund would elect to defer these losses and treat them as arising in the fiscal year ended December 31, 1996.

DIVIDEND POLICY: It is the policy of the Fund to make distributions annually of its net investment income and its net realized capital gains, if any, at the end of the year in which earned or at the beginning of the next year. Dividends and capital gain distributions will normally be reinvested in additional shares at net asset value without a sales charge, unless otherwise elected at purchase.

DEFERRED ORGANIZATIONAL EXPENSES: Deferred organizational expenses included on the statement of assets and liabilities include organizational costs incurred during the start up of the Fund that J. J. B. Hilliard, W. L. Lyons, Inc., the Distributor, had paid for the Fund. It is the policy of the Fund that the Fund will reimburse these organizational expenses. These expenses are being amortized using the straight-line method over sixty (60) months.

8

The Distributor has agreed that in the event that any of the initial 34,990 shares that it purchased are redeemed during the period of amortization of the Fund's organizational and start-up expenses, the redemption proceeds will be reduced by any such unamortized organizational expenses in the same proportion as the number of initial shares being redeemed bears to the number of initial shares outstanding at the time of redemption.

OTHER: The accounts of the Fund are kept on the accrual basis of accounting. Security transactions are recorded on the trade date. Realized gains or losses from sales of securities are determined on the specific identified cost basis. Dividend income is recognized on the ex-dividend date.

NOTE B--INVESTMENT ADVISORY AGREEMENT

The investment adviser, Hilliard Lyons Investment Advisors (the "Adviser") is a division of J. J. B. Hilliard, W. L. Lyons, Inc. which owns 37,098 shares of the Fund. Under the Investment Advisory Agreement, the Adviser receives a fee, accrued daily and paid quarterly, at an annual rate of .80% of the Fund's average daily net assets. The Adviser has voluntarily agreed to reduce the fee payable to it under the Advisory Agreement and, if necessary, reimburse the Fund on a quarterly basis, by the amount by which the Fund's total annualized operating expenses (exclusive of taxes, interest, brokerage commissions and extraordinary expenses but including the Adviser's compensation) for the fiscal year ending December 31, 1996 exceed 1.75% of the first \$50 million of average daily net assets and 1.50% of average daily net assets in excess of \$50 million. For the six months ended June 30, 1996, there was no

reimbursement necessary from the Adviser and no waiver of the management fee.

The Fund has adopted a plan of distribution pursuant to Rule 12b-1 under the Investment Company Act of 1940, as amended (the "Plan"). Under the Plan, the Fund reimburses the Distributor quarterly at an annualized rate of up to .25% of the Fund's average daily net assets for distribution expenses actually incurred provided the expenses for which reimbursement is made are primarily intended to result in the sale of Fund shares and are approved by the Fund's Board of Directors. Expenses for which the Distributor may be reimbursed under the Plan include, but are not limited to, payments to investment brokers of the Distributor and to authorized dealers for distribution of shares of the Fund and for promotion of the maintenance of holdings by established stockholders and stockholder servicing.

For transactions executed during the six months ended June 30, 1996, the Fund incurred brokerage commissions of \$9,654. Additionally, J. J. B. Hilliard, W. L. Lyons, Inc., the Distributor, received sales charges of approximately \$44,866. The Hilliard Lyons profit sharing plan, as directed by each participant, owns 368,031 shares of the Fund as of June 30, 1996.

No compensation is paid by the Fund to officers and directors of the Fund who are affiliated with the Adviser or Hilliard Lyons. The Fund pays each unaffiliated director an annual retainer of \$5,000 and a fee of \$500 for each Board or Committee meeting attended and certain expenses the directors incur in attending meetings.

NOTE C--PORTFOLIO TRANSACTIONS

For the six months ended June 30, 1996, purchases and proceeds from sale of investment securities (excluding short-term securities) were \$4,189,982 and \$2,478,364, respectively.

The cost of investments for Federal income tax purposes and financial reporting is the same. At June 30, 1996, the gross unrealized appreciation and depreciation on investments was \$9,254,527 and \$240,312, respectively, resulting in net unrealized appreciation of \$9,014,215.

FINANCIAL HIGHLIGHTS

The following table includes selected data for a share of capital stock outstanding throughout each period and other performance information derived from the financial statements. It should be read in conjunction with the financial statements and notes thereto.

<TABLE>

<CAPTION>

	For the six months ended June 30, 1996 (UNAUDITED)	For the year ended December 31,			Period from January 6, 1992* to December 31, 1992
		1995	1994	1993	
<S>	<C>	<C>	<C>	<C>	<C>
Net asset value:					
Beginning of period...	\$ 20.20	\$ 15.98	\$ 15.69	\$ 15.19	\$ 14.29
Net investment income...	0.05	0.15	0.12	0.13	0.10

Net realized and change in unrealized gain on investments.....	1.39	4.82	0.29	0.50	0.90
Total from investment operations.....	1.44	4.97	0.41	0.63	1.00
Less dividends from net investment income.....	(0.00)	(0.15)	(0.12)	(0.13)	(0.10)
Less dividends from net realized capital gains.	(0.00)	(0.60)	(0.00)	(0.00)	(0.00)
Total distributions.....	(0.00)	(0.75)	(0.12)	(0.13)	(0.10)
Net asset value: End of period.....	\$ 21.64	\$ 20.20	\$ 15.98	\$ 15.69	\$ 15.19
Total Investment Return (1).....	7.13%	31.10%	2.60%	4.13%	7.09%**

SIGNIFICANT RATIOS AND
SUPPLEMENTAL DATA

Operating expenses to average net assets.....	1.63%**	1.75%(c)	1.75%(b)	1.75%	1.71%** (a)
Net investment income to average net assets.....	.55%**	.82%(c)	.68%(b)	.75%	1.07%** (a)
Portfolio turnover rate.	9.63%	27.50%	20.10%	59.64%	19.63%
Average commission rate paid.....	\$0.0600	\$0.0604	\$0.0609	\$0.0705	\$0.0706
Net assets, end of pe- riod (000s omitted).....	\$31,688	\$28,259	\$20,476	\$23,758	\$22,404

(a) Net of voluntary expense reimbursement and management fee waiver by the Adviser. If the Fund had borne all expenses that were assumed by the Adviser and paid the full management fee, the annualized ratios of expenses and net investment income to average net assets would have been 2.76% and 0.02%, respectively, for the period January 6, 1992 through December 31, 1992.

(b) Net of voluntary management fee waiver by the Adviser. If the Fund had paid the full management fee, the annualized ratios of expenses and net investment income to average net assets would have been 1.94% and 0.50%, respectively, for the year ended December 31, 1994.

(c) Net of voluntary management fee waiver by the Adviser. If the Fund had paid the full management fee, the annualized ratios of expenses and net investment income to average net assets would have been 1.85% and 0.71%, respectively, for the year ended December 31, 1995.

(1) Excludes maximum sales charge of 4.75%.

* Commencement of operations

** Annualized

SEMI-ANNUAL REPORT
JUNE 30, 1996
J.J.B. HILLIARD, W.L. LYONS, INC.
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(800) 444-1854

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Donald F. Kohler
John C. Owens
Gilbert L. Pamplin
Dillman A. Rash

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Donald F. Kohler -- Chairman
Samuel C. Harvey -- President
Thomas A. Corea -- Vice President
Joseph C. Curry, Jr. -- Vice President, Treasurer and Secretary
Dianna P. Wengler -- Vice President

DISTRIBUTOR

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Boston, Massachusetts 02266

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Louisville, Kentucky 40202

LEGAL COUNSEL

Hirn Doheny & Harper
2000 Meidinger Tower
Louisville, Kentucky 40202

This report is intended for the information of shareholders of the Hilliard Lyons Growth Fund, Inc., but it may also be used as sales literature when preceded or accompanied by the current prospectus, which gives details about charges, expenses, investment objectives and operating policies of the Fund.

SEMI-ANNUAL REPORT
JUNE 30, 1996