

Institutional Advisors
LargeCap Fund

Managed By

Institutional Advisors LLC

ANNUAL REPORT

September 30, 2009

September 30, 2009

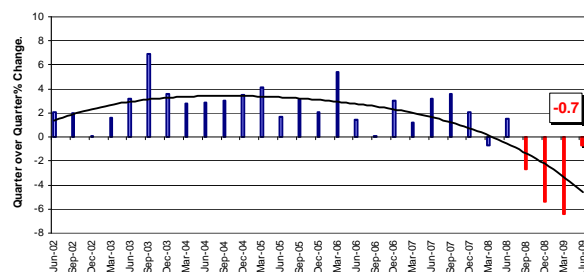
Dear Fellow Shareholders,

Market Overview

Most people like things to be simple; whether it is the win or lose of a favorite sports team or the up or down of the stock market on any given day. Unfortunately, such a one-dimensional aspect does not exist in the health of the U.S. economy. While last week Fed Chairman Ben Bernanke stated publicly that the recession is likely over (welcome news to be sure), that pronouncement does not adequately report the true health of the economy.

The improved **direction** of the economic cycle seems clear. The deterioration of activity reached its worst point in the first quarter, and after one modestly weaker sighting in June, likely turned positive in September. The expected report of positive GDP growth would confirm the end of the recession. Anticipation of recovery provided the fuel for stock prices to soar from extremely depressed levels in the Spring and has lured some fixed-income investors to seek higher returns by taking on greater credit risk. Institutional Advisors agrees that the direction of the economy is improving, and we maintain our intermediate to long-term positive outlook.

Gross Domestic Product Quarterly % Change



Unfortunately, significant negatives persist and suggest that the **pace** of recovery will be far from ideal. First, consumers have been the ultimate drivers of the U.S. economy, but their ability to spend is constrained by many factors. Consumer household wealth has declined a record \$13.9 trillion since the middle of 2007 due to extraordinary losses in home value and stock prices, and access to credit has become more restrictive. These factors have prompted consumers to aggressively pay off outstanding debt. This will certainly promote future spending, but for now makes it unlikely that they will keep pace with historical spending. That fact serves only to dampen the economic recovery.

Second, unemployment is high and likely heading higher. Even though the pace of decline abated this quarter, the unemployment rate reached a 26 year high of 9.8%, as U.S. Employers reduced their workforce in the third quarter by an additional 768,000 jobs. Employment is a lagging indicator, and companies will need to be profitable before looking to expand their payrolls. Until they do, we will not see robust levels of economic growth.

Finally, fiscal and monetary stimuli continue to boost economic growth, but such artificial measures are not sustainable. These stimuli must eventually be removed. When they are removed, organic growth will be challenged to overcome the consequential dampening effect their removal will have on economic growth.

The financial system has stabilized and the major financial institutions have recapitalized, restoring investor confidence. Securities markets have priced in a significant amount of recovery. Institutional Advisors is optimistic about the intermediate and long-term outlook for the economy and markets; however, we recognize that the road to recovery is likely to be a long one with significant obstacles to overcome along the way. We continue to focus client assets on high quality securities and avoid the temptation to “reach” for increased return through increased risk prematurely.

Equities

Equities continued to rally in the third quarter with the S&P 500 index posting a 15.93% total return. The best performing sectors for the quarter were financials, industrials and materials. The catalyst for the rally in equities was the better than anticipated second quarter earnings reported during the period. Although overall earnings came in down 21% year-over-year, the decline was much less than anticipated. On a

positive note, 72% of earnings beat market expectations. Market mindset changed from economic armageddon to one that the economic recovery is underway. Most of the improvement in bottom-line earnings was driven by cost cutting. For the equity market to continue to improve it must see evidence of top-line growth, which was lacking last quarter and is the next sequential step in the recovery.

The rally in the S&P 500 of 58% since its bottom in early March 2009 has led to concern about the sustainability of current market conditions. Lower quality stocks, as measured by S&P credit rating, have far outperformed the averages. The S&P 500 has produced a total return of 19.26% through 09/30/09; AAA rated companies have gone up an average of only 5.55% while BB and below rated companies have gone up an average of 68.26%. Investors are questioning if the indiscriminate nature of the rally discredits the result- did stocks move too far, too fast?

At Institutional Advisors, our LargeCap fund is built for risk-adjusted returns. In other words, we attempt to generate the highest relative returns with the least relative risk. We concentrate on quality companies with above average earnings growth stability and below average debt levels. Quality companies did not experience the level of price declines that the markets in general experienced over the past 12 months.

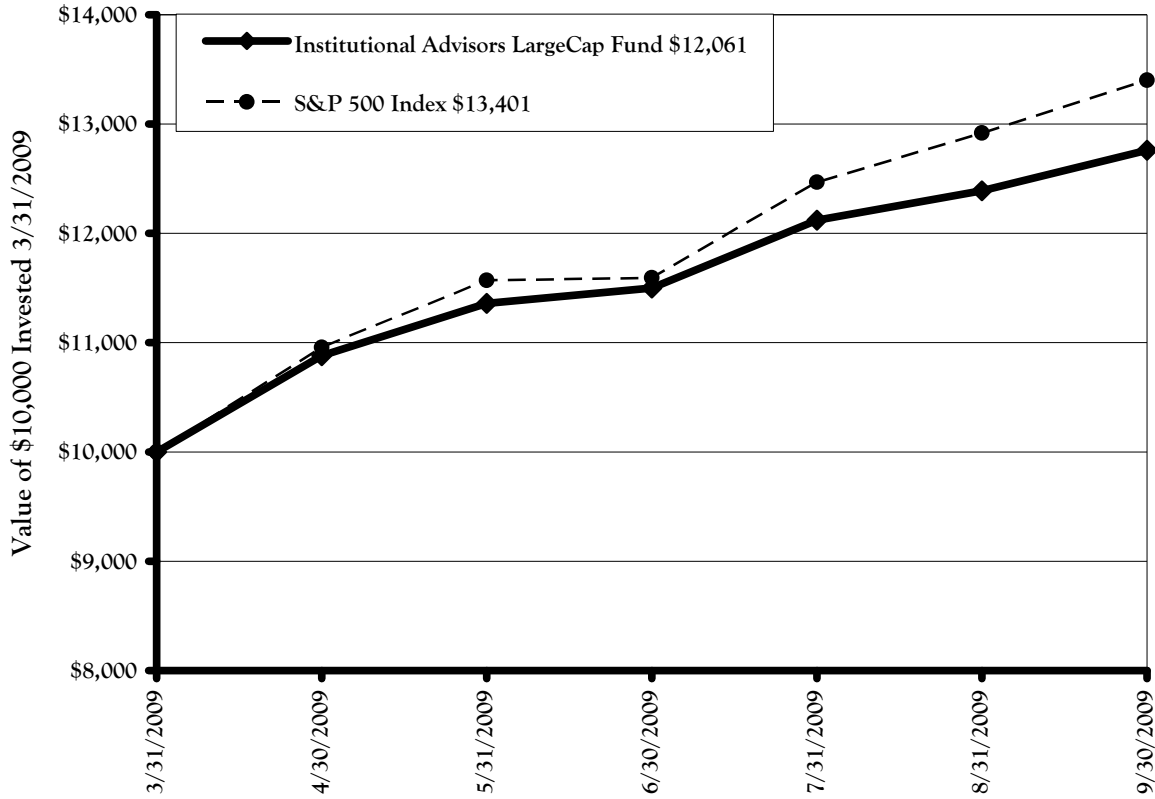
Knowing we will continue to experience market fluctuations, the strength of the global recovery and the successful policy maneuvers by global central banks will be the key determinants of asset prices over the intermediate to longer term. Although investors' appetite for risk has entered back into the equation, Institutional Advisors will remain committed to our disciplined equity approach focusing on quality companies with strong balance sheets, solid valuation and growth characteristics, and consistent earnings growth.

Sincerely,

Terry L. Morris
Portfolio Manager

Institutional Advisors LargeCap Fund

Comparison of Changes in Value of \$10,000 As of Closing Business Day Prior to Inception (March 31, 2009)



	Since Inception
	(3/31/2009 through 9/30/2009)
Institutional Advisors LargeCap Fund *	20.61%
S&P 500 Index	34.01%

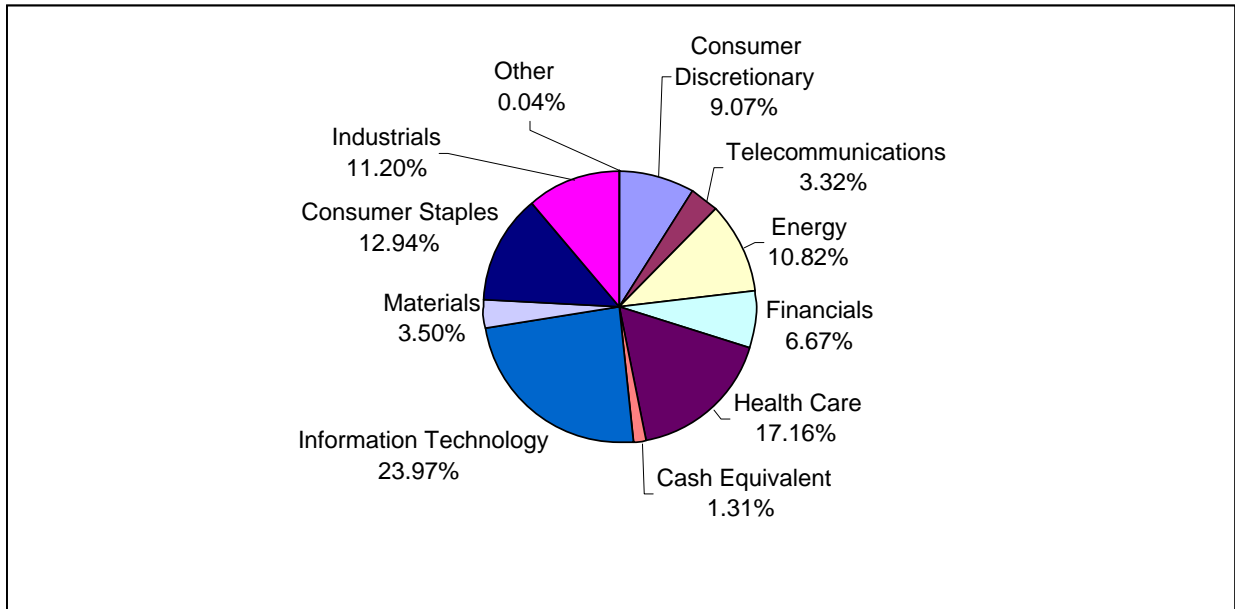
* Net of sales charge.

The Fund's past performance does not predict its future performance. The graph and table shown above do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

INSTITUTIONAL ADVISORS LARGE CAP FUND

Portfolio Holdings September 30, 2009 (Unaudited)

The following chart gives a visual breakdown of the Fund by the sectors. The underlying securities represent a percentage of the total net assets. The total net assets of the Fund on September 30, 2009 were \$19,858,795.



INSTITUTIONAL ADVISORS LARGE CAP FUND

Schedule of Investments
September 30, 2009

Shares	Value	% of Total Net Assets
COMMON STOCKS		
<u>Consumer Discretionary</u>		
Hotels Restaurants & Leisure		
17,690 Darden Restaurants, Inc.	\$ 603,760	
Media		
11,324 McGraw-Hill Companies, Inc.	284,685	
Specialty Retail		
22,808 Staples, Inc.	529,602	
Textiles, Apparel & Luxury Goods		
5,278 VF Corp.	382,286	
Consumer Discretionary Sector Total	1,800,333	9.07%
<u>Consumer Staples</u>		
Beverages		
13,883 Pepsi Co.	814,377	
Food Products		
21,880 McCormick & Co.	742,607	
Food & Staples Retailing		
27,030 Walgreen Co.	1,012,814	
Consumer Staples Sector Total	2,569,798	12.94%
<u>Energy</u>		
Oil, Gas & Consumable Fuels		
9,021 Chevron Corp.	635,349	
10,588 Exxon Mobil Corp.	726,443	
10,076 Occidental Petroleum Corp.	789,958	
Energy Sector Total	2,151,750	10.82%

* Non-income Producing

** The rate represents the rate at September 30, 2009

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

INSTITUTIONAL ADVISORS LARGE CAP FUND

Schedule of Investments
September 30, 2009

Shares	Value	% of Total Net Assets
<u>Financials</u>		
Capital Markets		
7,933 T Rowe Price Group	362,538	
Commercial Banks		
17,178 Wells Fargo & Co.	484,076	
Insurance		
11,164 Aflac, Inc.	477,149	
Financials Sector Total	1,323,763	6.67%
<u>Health Care</u>		
Biotechnology		
9,309 Amgen, Inc. *	560,681	
Health Care Equipment & Supplies		
8,310 McKesson Corp.	494,860	
12,284 Stryker Corp.	558,062	
Health Care Equipment & Supplies Total	1,052,922	
Health Care Providers & Services		
4,894 Laboratory Corp of America Holdings *	321,536	
Pharmaceuticals		
13,595 Johnson & Johnson	827,800	
13,051 Lilly Eli & Co.	431,075	
12,987 Pfizer, Inc.	214,935	
Pharmaceutical Total	1,473,810	
Health Care Sector Total	3,408,949	17.16%

* Non-income Producing

** The rate represents the rate at September 30, 2009

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INSTITUTIONAL ADVISORS LARGE CAP FUND

Schedule of Investments
September 30, 2009

Shares	Value	% of Total Net Assets
<u>Industrials</u>		
Aerospace & Defense		
11,516 United Technologies Corp.	701,670	
Air Freight & Logistics		
7,773 C.H. Robinson Worldwide, Inc.	448,891	
Industrial Conglomerates		
17,082 General Electric Co.	280,486	
Machinery		
11,772 Danaher Corp.	792,491	
Industrials Sector Total	2,223,538	11.20%
<u>Information Technology</u>		
Communications Equipment		
17,114 Qualcomm, Inc	769,788	
Computers & Peripherals		
3,647 Apple, Inc. *	675,971	
16,442 Hewlett-Packard Co.	776,227	
5,086 International Business Machines, Inc.	608,336	
Computers & Peripherals Total	2,060,534	
Semiconductors		
20,569 Altera Corp.	421,870	
Software		
17,690 Intuit, Inc. *	504,165	
16,634 Microsoft Corp.	427,826	
27,702 Oracle Corp.	577,310	
Software Total	1,509,301	
Information Technology Sector Total	4,761,493	23.97%

* Non-income Producing

** The rate represents the rate at September 30, 2009

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

INSTITUTIONAL ADVISORS LARGE CAP FUND

Schedule of Investments
September 30, 2009

Shares	Value	% of Total Net Assets
<u>Materials</u>		
Chemicals		
12,859 Sigma Aldrich Corp.	694,129	
Materials Sector Total	694,129	3.50%
<u>Telecommunication Services</u>		
Diversified Telecommunication		
24,375 AT&T, Inc.	658,369	
Telecommunications Sector Total	658,369	3.32%
TOTAL COMMON STOCKS		
(Cost \$17,261,729)	19,592,122	98.65%
SHORT-TERM INVESTMENTS		
259,380 UMB Bank Money Market Fiduciary 0.05% **	259,380	0.00%
(Cost \$259,380)		
TOTAL INVESTMENTS		
(Cost \$17,521,109)	19,851,502	99.96%
Other Assets in excess of Liabilities	7,293	0.04%
TOTAL NET ASSETS	\$ 19,858,795	100.00%

* Non-income Producing

** The rate represents the rate at September 30, 2009

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

INSTITUTIONAL ADVISORS LARGE CAP FUND

Statement of Assets and Liabilities
September 30, 2009

Assets:	
Investments, at Value (Cost \$17,521,109)	\$ 19,851,502
Receivables:	
Dividends & Interest	15,630
Shareholder Subscriptions	38,604
Total Assets	19,905,736
Liabilities:	
Accrued Investment Advisory Fees payable	19,564
Shareholder Redemptions	27,377
Total Liabilities	46,941
Net Assets	\$ <u><u>19,858,795</u></u>
Net Assets Consist of:	
Beneficial Interest Paid-In	\$ 17,594,830
Accumulated Undistributed Net Investment Income	45,052
Accumulated Net Realized Loss on Investments	(111,480)
Net Unrealized Appreciation in Value of Investments	2,330,393
Net Assets, for 1,556,404 Shares of Beneficial Interest Outstanding, Unlimited Number of Shares Authorized with a \$0.001 Par Value	\$ 19,858,795
Net Asset Value and Redemption Price (1)	
Per Share (\$19,858,795/1,556,404 shares)	\$ 12.76
Offering Price per share (\$12.76/.945 sales charge as a percentage of the investment)	\$ 13.50

(1) A deferred sales charge of up to 0.75% may be imposed on redemptions of shares representing original purchase of \$1,000,000 or more that occur in the first year after purchase. The deferred sales charge is imposed on the lower of the original cost of the shares or the value of shares at the time of redemption.

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

INSTITUTIONAL ADVISORS LARGE CAP FUND

Statement of Operations
For the Period* Ended September 30, 2009

Investment Income:		
Dividends	\$	139,317
Interest		<u>140</u>
Total investment income		<u>139,457</u>
Expenses:		
Investment advisory fees		117,956
Trustees' fees and expenses		<u>11,290</u>
Total expenses		129,246
Less: Advisory fees waived		<u>34,841</u>
Net expenses		<u>94,405</u>
Net Investment Income		<u>45,052</u>
Realized & Unrealized gain (loss) on investments:		
Net realized loss on investments		(111,480)
Net change in unrealized appreciation on investments		<u>3,082,370</u>
Net realized & unrealized gain on investments		<u>2,970,890</u>
Net increase in net assets resulting from operations	\$	<u><u>3,015,942</u></u>

* The Institutional Advisors LargeCap Fund Commenced Operations on March 31, 2009

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

INSTITUTIONAL ADVISORS LARGE CAP FUND

Statement of Changes in Net Assets

	For the Period Ended <u>9/30/2009*</u>
Increase In Net Assets	
From Operations:	
Net investment income	\$ 45,052
Net realized loss on investments	(111,480)
Net change in unrealized appreciation on investments	<u>3,082,370</u>
Net increase in net assets resulting from operations	<u>3,015,942</u>
From shares of beneficial interest transactions:	
Proceeds from sale of shares	24,248,023
Cost of shares redeemed	<u>(7,405,170)</u>
Total Increase in net assets from Fund share transactions	<u>16,842,853</u>
Total Increase in net assets	19,858,795
Net Assets at Beginning of Period	<u>-</u>
Net Assets at End of Period (Includes undistributed net investment income of \$45,052)	\$ <u><u>19,858,795</u></u>

* The Institutional Advisors LargeCap Fund Commenced Operations March 31, 2009

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

INSTITUTIONAL ADVISORS LARGE CAP FUND

Financial Highlights

Selected data for a share outstanding throughout the period indicated:

	For the Period Ended September 30, 2009 *
Net asset value - beginning of period	\$10.00
Net investment income	0.03
Net realized and unrealized gains on investments	2.73
Total from investment operations	<u>2.76</u>
Net asset value - end of period	<u>\$12.76</u>
Total return	27.60 %
Ratios/supplemental data	
Net Assets - end of period (thousands)	19,859
Before waivers	
Ratio of expenses to average net assets	1.85% **
Ratio of net investment income to average net assets	0.15% **
After waivers	
Ratio of expenses to average net assets	1.35% **
Ratio of net investment income to average net assets	0.65% **
Portfolio turnover rate	8.99%

* The Institutional Advisors LargeCap Fund Commenced Operations March 31, 2009.

** Annualized

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

INSTITUTIONAL ADVISORS LARGE CAP FUND

Notes to Financial Statements

September 30, 2009

Note 1. Organization

Institutional Advisors LargeCap Fund (the "Fund") is a series of Conestoga Funds (the "Trust"), a diversified, open end management investment company registered under the Investment Company of 1940 (the "1940 Act"). The Fund's investment strategy is to provide long-term growth of capital. The Fund's registration statement became effective with the SEC, and the Fund commenced operations on March 31, 2009. The Fund's investment adviser is Institutional Advisors LLC (the "Adviser"). Effective March 31, 2009 (commencement of operations), certain shareholders contributed cash and investment securities to the Fund in a tax-free exchange for 567,157 shares of beneficial interest. The net assets received were valued at \$5,671,571 in accordance with the Fund's stated valuation policies and included unrealized depreciation of \$751,977.

Note 2. Summary of Significant Accounting Policies

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

Security Valuation- Securities that are traded on any exchange are valued at the last quoted sale price. Securities which are quoted by NASDAQ are valued at the NASDAQ Official Closing Price. Lacking a last sale price, a security is valued at its last bid price except when, in the opinion of the Fund's Adviser, the last bid price does not accurately reflect the current value of the security. All other securities for which over-the-counter market quotations are readily available are valued at their last bid price. When market quotations are not readily available, when the Adviser determines the last bid price does not accurately reflect the current value or when restricted securities are being valued, such securities are valued as determined in good faith by the Adviser, in conformity with guidelines adopted by and subject to review of the Board.

Short term investments in fixed income securities with maturities of less than 60 days when acquired, or which subsequently are within 60 days of maturity, are valued by using the amortized cost method of valuation, which the Board has determined will represent fair value.

Accounting principles generally accepted in the United States of America define fair value as the price that the Fund would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date and also establishes a framework for measuring fair value, and a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. The three-tier hierarchy seeks to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the Fund's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized below:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities. Valuation adjustments and block discounts are not applied to Level 1 securities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

INSTITUTIONAL ADVISORS LARGE CAP FUND

Notes to Financial Statements

September 30, 2009

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The following table presents information about the Fund's assets measured at fair value as of September 30, 2009 by major security type:

	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>	<u>Balance as of September 31, 2009</u>
Assets				
Money Market	\$ 259,380	\$ -	\$ -	\$ 259,380
Common Stocks	<u>\$19,592,122</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$19,592,122</u>
Total	<u>\$19,851,502</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$19,851,502</u>

Federal Income Taxes- The Fund intends to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its net investment income and any realized capital gain. Therefore, no federal income or excise tax provision is required.

Accounting principles generally accepted in the United States of America provide guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements and require 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 benefits of positions not deemed to meet the more-likely-than-not threshold would be booked as a tax expense in the current year and recognized as: a liability for unrecognized tax benefits; a reduction of an income tax refund receivable; a reduction of deferred tax asset; an increase in deferred tax liability; or a combination thereof. Management has evaluated the Fund's tax positions as of September 30, 2009, and has determined that none of them are uncertain.

Dividends and Distributions- The Fund intends to distribute substantially all of its net investment income as dividends to its shareholders on an annual basis. The Fund intends to distribute its net long term capital gains and its net short term capital gains at least once a year. Income and capital gain distributions to shareholders are determined in accordance with income tax regulations, which may differ from accounting principles generally accepted in the United States of America. Those differences are primarily due to differing treatments for net investment losses and deferral of wash sale losses and post-October losses. Distributions to shareholders are recorded on the ex-dividend date.

Security Transactions and Investment Income- The Fund follows industry practice and records security transactions on the trade date. The specific identification method is used for determining gains or losses for financial statements and income tax purposes. Dividend income is recorded on the ex-dividend date and interest income is recorded on an accrual basis.

Estimates- Preparation of financial statements in accordance with accounting principles generally accepted in the United States of America 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

INSTITUTIONAL ADVISORS LARGE CAP FUND

Notes to Financial Statements September 30, 2009

Other- Accounting principles generally accepted in the United States of America require that permanent book/tax differences be reclassified to paid in capital.

Subsequent Event - Management has evaluated the impact of all subsequent events on the Fund through November 24, 2009, the date of the financial statements were available to be issued, and has determined that there were no subsequent events requiring recognition or disclosure in the financial statements.

Note 3. Investment Advisory Agreement and Other Related Party Transactions

The Fund has entered into an Advisory Agreement with the Adviser to provide supervision, and assistance in the overall management services to the Fund. Under the terms of the Advisory Agreement, the Adviser pays all Fund expenses except Rule 12b-1 fees, shareholder servicing fees, fees and expenses of the Trustees, taxes, interest and extraordinary expenses. The Advisory Agreement also provides that the Adviser supervises and assists in the overall management of the Fund's affairs subject to the authority of the Board. Pursuant to the Advisory Agreement, the Fund pays the Adviser a monthly fee calculated at an annual rate of 1.70% of the Fund's average daily net assets. For the period ended September 30, 2009 the Adviser earned advisory fees of \$117,956.

The Adviser has contractually agreed to limit the Fund's expense ratio to 1.35% of the Fund's average daily net assets until at least January 29, 2010. The Adviser may not recoup any of the fees waived pursuant to this contractual waiver. For the period ended September 30, 2009 the Adviser waived \$34,841 under this arrangement.

The Trust, on behalf of the Fund, has adopted a Distribution Plan pursuant to Rule 12b-1 under the 1940 Act (the "Distribution Plan"). Rule 12b-1 provides in substance that a mutual fund may not engage directly or indirectly in financing any activity that is primarily intended to result in the sale of shares of such mutual fund except pursuant to a plan adopted by the fund under Rule 12b-1. The Distribution Plan provides that the Fund may incur distribution expenses related to the sale of shares of up to 0.25% per annum of the Fund's average daily net assets. The Distribution Plan is currently inactive and the Fund did not accrue any 12b-1 fees under this Plan during the period ending September 30, 2009.

The Distribution Plan provides that the Fund may finance activities that are primarily intended to result in the sale of the Fund's shares, including, but not limited to, advertising, printing of prospectuses and reports for other than existing shareholders, preparation and distribution of advertising material and sales literature and payments to dealers and shareholder servicing agents who enter into agreements with the Fund.

The Trust, on behalf of the Fund, adopted a shareholder servicing plan ("Shareholder Servicing Plan"). Payments made under the Shareholder Servicing Plan to shareholder servicing agents (which may include affiliates of the Adviser) are for administrative support services to customers who may from time to time beneficially own shares and may be up to 0.25% per annum of the Fund's average daily net assets. These services may include: (i) establishing and maintaining accounts and records relating to shareholders; (ii) processing dividend and distribution payments from the Fund on behalf of shareholders; (iii) providing information periodically to shareholders showing their positions in shares and integrating such statements with those of other transactions and balances in shareholders' other accounts serviced by such financial institution; (iv) arranging for bank wires; (v) responding to shareholder inquiries relating to the services performed; (vi) responding to routine inquiries from shareholders concerning their investments; (vii) providing subaccounting with respect to shares beneficially owned by shareholders, or the information to the Fund necessary for subaccounting; (viii) if required by law, forwarding shareholder communications from the Fund (such as proxies, shareholder reports, annual and semi-annual financial statements and dividend, distribution and tax notices) to shareholders; (ix) assisting in processing purchase, exchange and redemption requests from shareholders and in placing such orders with the Trust's service contractors; (x) assisting shareholders in changing dividend options,

INSTITUTIONAL ADVISORS LARGE CAP FUND

Notes to Financial Statements September 30, 2009

account designations and addresses; (xi) providing shareholders with a service that invests the assets of their accounts in shares pursuant to specific or pre-authorized instructions; and (xii) providing such other similar services as the Fund may reasonably request to the extent that the agent is permitted to do so under applicable statutes, rules and regulations. The Fund presently does not have any such shareholder agreements in effect and is not accruing fees under the Shareholder Servicing Plan.

Certain directors and officers of the Adviser are directors, officers or shareholders of the Fund. These individuals receive benefits from the Adviser resulting from the fees paid to the Adviser by the Fund.

Note 4. Beneficial Interest

As of September 30, 2009, there were an unlimited number of shares of beneficial interest with a \$0.001 par value authorized. The following table summarizing the activity and shares of the Fund:

	<u>For the Period Ended 9/30/2009</u>	
	<u>Shares</u>	<u>Value</u>
Issued	2,205,033	\$24,248,023
Redeemed	<u>(648,629)</u>	<u>\$(7,405,170)</u>
Total	<u>1,556,404</u>	<u>\$16,842,853</u>

Note 5. Investments

Investment transactions, excluding short term investments, for the period ended September 30, 2009, were as follows:

Purchases.....	\$ 12,304,207
Sales.....	\$ 1,248,643

For Federal Income Tax purposes, the cost of investments owned at September 30, 2009 is \$17,576,680. As of September 30, 2009, the gross unrealized appreciation on a tax basis totaled \$2,474,460 and the gross unrealized depreciation totaled \$199,638 for a net unrealized appreciation of \$2,274,822.

As of September 30, 2009 the components of accumulated income/(losses) on a tax basis were as follows:

Net unrealized appreciation	\$2,274,822
Capital loss carryforwards	(55,909)
Undistributed ordinary income	<u>45,052</u>
Total	<u>\$2,263,965</u>

As of September 30, 2009 the Fund net capital loss carryforwards of \$55,909, which are available to offset future realized gains until September 30, 2017. To the extent the carryforwards are used to offset future gains, the amount offset will not be distributed to shareholders.

The difference between the sum of the capital loss carryforwards for tax purposes and the net accumulated realized losses reported in the Statement of Assets and Liabilities is due to wash sale losses, which are required to be deferred for tax purposes. Net unrealized appreciation on a tax basis the net unrealized appreciation on investments reported in the Statement of Assets and Liabilities differ by this same wash sale loss figure.

INSTITUTIONAL ADVISORS LARGE CAP FUND

Notes to Financial Statements

September 30, 2009

Note 6. Accounting Pronouncements

The Fund adopted the “The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles.” Upon adoption the FASB Accounting Standards Codification (“Codification”) became the source of authoritative U.S. accounting and reporting standards for nongovernmental entities, in addition to guidance issued by the Securities and Exchange Commission. All guidance in the Codification carries an equal level of authority. The Codification superseded all existing non-SEC accounting and reporting standards at the time of adoption. All non-grandfathered non-SEC accounting literature not included in the Codification became non-authoritative. Management has determined that the adoption of this standard had little impact on the Fund’s financial statements.

Note 7. Contingency & Commitments

In the normal course of business, the Fund enters into contracts that contain various representations and warranties and provide general indemnifications. The Fund’s maximum exposure under these arrangements is dependent on future claims against the Fund and is presently unknown. However, the Fund considers the risk of loss from such potential claims to be remote.

Note 8. Control and Ownership of Shares

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 amended. As of September 30, 2009, NFS LLC, in aggregate, owned approximately 98% of the Fund’s shares and may be deemed to control the Fund.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders of the Institutional Advisors LargeCap Fund and the Board of Trustees of Conestoga Funds

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of the Institutional Advisors LargeCap Fund, a series of shares of beneficial interest of the Conestoga Funds, as of September 30, 2009, and the related statements of operations, changes in net assets and the financial highlights for the period March 31, 2009 (commencement of operations) to September 30, 2009. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of September 30, 2009, by correspondence with the custodian. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides 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 Institutional Advisors LargeCap Fund, as of September 30, 2009, the results of its operations, changes in its net assets and its financial highlights for the period March 31, 2009 (commencement of operations) to September 30, 2009, in conformity with accounting principles generally accepted in the United States of America.

Briggs, Bunting & Dougherty, LLP

BRIGGS, BUNTING & DOUGHERTY, LLP

**Philadelphia, Pennsylvania
November 24, 2009**

INSTITUTIONAL ADVISORS LARGE CAP FUND

Expense Example (Unaudited)

As a shareholder of the Institutional Advisors LargeCap Fund, you incur the following costs: management fees, trustee fees, load, transaction costs, and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period, April 1, 2009 through September 30, 2009.

Actual Expenses

The first line of the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. 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 in the first line under the heading entitled "Expenses Paid During the Period" to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

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

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

Institutional Advisors LargeCap Fund:

	<u>Beginning Account</u> <u>Value</u> <u>April 1, 2009</u>	<u>Ending Account</u> <u>Value</u> <u>September 30, 2009</u>	<u>Expenses Paid</u> <u>During the Period*</u> <u>April 1, 2009</u> <u>to September 30, 2009</u>
Actual	\$1,000.00	\$1,276.00	\$7.70
Hypothetical (5% Annual Return after expenses)	\$1,000.00	\$1,018.30	\$6.83

* Expenses are equal to the Fund's annualized expense ratio of 1.35%, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one half year period).

INSTITUTIONAL ADVISORS LARGE CAP FUND

September 30, 2009

Trustees and Officers

(Unaudited)

The business and affairs of the Fund are managed under the direction of the Trust's Board of Trustees. Information pertaining to the Trustees and Officers of the Trust are set forth below. The Fund's Statement of Additional Information includes additional information about the Trustees and is available, without charge, upon request by calling toll free 1-800-292-2660.

Name & Year of Birth	Position(s) Held with the Trust	Term of Office and Length of Time Served ²	Principal Occupation During Past Five Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee ³
Disinterested Trustees¹:					
Michael R. Walker, 1948	Trustee	Since 2002	Partner of Key Real Estate LLC, since 2004; Chairman of ElderTrust, 1998-2004	2	None
Nicholas J. Kovich, 1956	Trustee	Since 2002	Kovich Capital Management (Private Asset Management), since 2001	2	Trustee, the Milestone Funds (1 portfolio)
William B. Blundin, 1939	Trustee	Since 2002	CEO of Bransford Investment Partners, LLC, since 1997	2	Trustee, the Saratoga Funds (12 portfolios)
Richard E. Ten Haken, 1934	Trustee	Since 2002	President and CEO of Ten Haken & Associates, Inc., since 1992	2	None
Interested Trustees⁴:					
W. Christopher Maxwell, 1943	Chairman & CEO, Trustee	Since 2002	Managing Partner of Conestoga Capital Advisors LLC, 2001-2008; Maxwell Associates LLC President & CEO, since 1997	2	None
William C. Martindale, Jr., 1942	President, Trustee	Since 2002	Managing Partner and Chief Investment Officer of Conestoga Capital Advisors LLC, since 2001; Co-Portfolio Manager of the Fund since 2002	2	None

INSTITUTIONAL ADVISORS LARGE CAP FUND

Notes:

¹ Each Trustee may be contacted by writing to the Trustee, c/o Conestoga Funds, 259 N. Radnor-Chester Road, Radnor Court, Suite 120, Radnor, PA 19087.

² There is no defined term of office for service as a Trustee. Each Trustee serves until the earlier of resignation, retirement, removal, death, or the election of a qualified successor.

³ Directorships of companies required to report to the Securities and Exchange Commission under the Securities Exchange Act of 1934 (i.e., "public companies") or other investment companies registered under the 1940 Act.

⁴ Mr. Maxwell and Mr. Martindale each have an ownership interest in Conestoga Capital Advisors. Each of these persons are considered to be an "interested person" of the Trust and "Interested Person" within the meaning of the 1940 Act.

Additional Officers of the Trust:		Position Held with the Trust:
Mark S. Clewett		Senior Vice President
Dave L. Lawson		Senior Vice President
Joseph F. Monahan		Senior Vice President
Robert M. Mitchell		Treasurer
Duane R. D'Orazio		Secretary
Greg B. Getts		Assistant Treasurer

Availability of Quarterly Portfolio Schedule

The Fund files its complete schedule of investments with the SEC for the first and third quarters of each fiscal year on Form N-Q no later than 60 days following the close of the quarter. You can obtain a copy, available without charge, on the SEC's website at <http://www.sec.gov> beginning with the filing for the period ended June 30, 2009 (the Fund commenced operations on March 31, 2009). The Fund's Forms N-Q may also be reviewed and copied at the SEC's public Reference Room in Washington, DC, and that information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

Proxy Voting Policy

A description of the policies and procedures that the Trust uses to determine how to vote proxies related to portfolio securities is available (i) without charge, upon request, by calling 1-800-292-2660 and (ii) on the Securities and Exchange Commission's website at <http://www.sec.gov>.

Statement of Additional Information

The Fund's Statement of Additional Information ("SAI") includes additional information about the Trustees and is available, without charge, upon request. You may call toll-free 1-800-292-2660 to request a copy of the SAI or to make shareholder inquiries.

Tax Information (Unaudited)

During the period ended September 30, 2009, the Fund did not pay any distributions.

Factors that the Board Considered when Approving the Investment Advisory Agreement

The Board of Trustees reviewed and discussed the terms and provisions of the Investment Advisory Agreement for the Institutional Advisors LargeCap Fund on February 5, 2009. The details of certain but not all of the matters discussed are set forth below.

Nature, Extent and Quality of the Services Provided. The Board reviewed and considered the nature and extent of the investment advisory services to be provided by the Adviser under the Advisory Agreement, including portfolio management, investment research and equity and fixed income securities trading. The Board also reviewed and considered the nature and extent of the non-advisory services to be provided, including accounting, clerical, bookkeeping, compliance, business management and planning, and the provision of supplies, office space and utilities. The Board reviewed and considered the qualifications of the portfolio manager and other key personnel of the Adviser who will provide the administrative and investment advisory services to the Portfolio. The Board determined that the Adviser's portfolio manager and key personnel are well qualified by education and/or training and experience to perform the services in an efficient and professional manner. The Board concluded that the nature and extent of the

INSTITUTIONAL ADVISORS LARGE CAP FUND

advisory and administrative services to be provided are necessary and appropriate for the conduct of the business and investment activities of the LargeCap Fund.

Performance Relative to Comparable Funds Managed by Other Advisers. The Board considered that the Adviser plans to arrange for a public offering of shares of the Fund to raise assets for investment and that the offering had not yet begun. The Board concluded that, since the Fund had no assets to invest and had no track record of performance, this was not a factor it needed to address at this time. The Board did review and consider the past performance of the National Penn Investors Trust Company Equity Fund, a separate account managed by the predecessor investment entity to the Adviser.

Fees Relative to Other Funds Managed by the Adviser with Comparable Investment Strategies. The Board reviewed the advisory fees proposed to be paid by the Fund under the Advisory Agreement. The Board noted that the fees to be paid to the Adviser cannot appropriately be compared to other accounts at the Adviser since the services, structure, business models and market forces varied substantially.

Fees and Expenses Relative to Comparable Funds Managed by Other Advisers. The Board considered the management fee rate proposed to be paid by the Fund compared to similar type funds managed by other advisers. The Board had previously reviewed information provided by Lipper Inc. regarding the management fee rates paid by other funds with investment strategies comparable to those of the Fund that are managed by other advisers and concluded that the Fund's proposed management fee would be competitive with those of other similar type funds. The Board also considered the anticipated total expense ratio of the Fund and noted that the Adviser voluntarily offered to impose a cap of 1.35% on the Fund and concluded that the capped expenses would result in a total expense ratio that would be competitive with other funds based on information provided by Lipper.

Breakpoints and Economies of Scale. The Board reviewed the structure of the Fund's proposed management fee and noted that it did not include breakpoints. The Board concluded that material economies of scale will not arise until the Fund's assets grow and noted that it could consider breakpoints at a future time.

Profitability of Adviser and Affiliates. Since the Fund has not begun operations and has not paid any fees to the Adviser, the Board concluded that this was not a factor that needed to be considered at this time.

Fall-Out Benefits. The Board considered "fall-out benefits" that could be derived by the Adviser and its affiliates from their relationship with the Fund and concluded that such benefits were likely to be relatively small.

Soft Dollar Benefits. The Board considered whether the Adviser would realize any benefits as a result of brokerage transactions executed through "soft dollar" arrangements. Under such arrangements, brokerage commissions paid by the Fund and/or other accounts managed by the Adviser would be used to pay for research that a securities broker obtains from third parties, or to pay for both research and execution services from securities brokers who effect transactions for the Fund. The Board recognized that the receipt of such research from brokers may reduce the Adviser's costs but concluded that the receipt of such research would strengthen the investment management resources of the Adviser, which may ultimately benefit the Fund.

Adviser Financially Sound and Financially Capable of Meeting the Fund's Needs. The Board considered whether the Adviser is financially sound and has the resources necessary to perform its obligations under the Advisory Agreement. The Board noted that the Adviser's parent remains profitable. The Board concluded that the Adviser has the financial resources necessary to fulfill its obligations under the Advisory Agreement.

The Board reviewed the structure of the predecessor adviser and the Adviser, the policies and procedures formulated and adopted by the Adviser for managing the Fund's operations and the Board's confidence in the competence and integrity of the senior managers and key personnel of the Adviser.

Other Factors and Current Trends. The Board considered the controls and procedures adopted and implemented by the Adviser to be monitored by the Fund's Chief Compliance Officer and concluded that the conduct of business by the Adviser indicates a good faith effort on its part to adhere to high ethical standards in the conduct of the Fund's business.

General Conclusion. After considering and weighing all of the above factors, the Board concluded it would be in the best interest of the Fund and its shareholders to approve the Advisory Agreement which will remain in effect for two years and thereafter must be approved annually by the Board if it is to continue in effect.

INSTITUTIONAL ADVISORS LARGE CAP FUND

Board of Trustees

W. Christopher Maxwell, Chairman
William B. Blundin
Nicholas J. Kovich
William C. Martindale, Jr.
Richard E. Ten Haken
Michael R. Walker

Investment Adviser

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Dividend Paying Agent, Shareholders' Servicing Agent, Transfer Agent

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Custodian

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Kansas City, MO 64106

Independent Registered Public Accounting Firm

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1835 Market Street 26th Floor
Philadelphia, PA 19103

Counsel

Kramer Levin Naftalis & Frankel LLP
1177 Avenue of the Americas
New York, NY 10036

Officers of Institutional Advisors LargeCap Fund

James D. King, President
Karen L. Kleffel, Chief Compliance Officer
Richard A. Lord, Jr., Chief Financial Officer
Michelle H. Debkowski, Secretary

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