AVE MARIA CATHOLIC VALUES FUND

AVE MARIA GROWTH FUND

AVE MARIA RISING DIVIDEND FUND

AVE MARIA BOND FUND

AVE MARIA MUTUAL FUNDS

SEMI-ANNUAL REPORT (UNAUDITED)

for the six months ended
JUNE 30, 2005

Ticker Symbols:
AVEMX – AVEGX – AVEDX – AVEFX

Shareholder Accounts
c/o Ultimus Fund
Solutions, LLC
P.O. Box 46707
Cincinnati, OH 45246
1-888-726-9331

AVE MARIA MUTUAL FUNDS

Corporate Offices
3707 W. Maple Road
Bloomfield Hills, MI 48301
(248) 644-8500
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Dear Shareowner of:

Ave Maria Catholic Values Fund (AVEMX)
Ave Maria Growth Fund (AVEGX)
Ave Maria Rising Dividend Fund (AVEDX)
Ave Maria Bond Fund (AVEFX)

May 1, 2005 was the launch date for our fourth Catholic mutual fund – Ave Maria Rising Dividend Fund (discussed elsewhere in this report). May 1st was also the fourth anniversary of our original Catholic mutual fund – Ave Maria Catholic Values Fund, and the second anniversary of the Ave Maria Growth Fund and Ave Maria Bond Fund.

Together, these Funds represent the largest family of Catholic mutual funds in the country. Over 10,000 pro-life investors, including 80 institutions, from all 50 states have invested more than $375,000,000 in these four Funds. Schwartz Investment Counsel, Inc. is humbled and honored to be managing these assets for you. I can't guarantee that the favorable investment results achieved so far will continue, but I can assure you we'll do the best we can to meet the investment objectives of each Fund and importantly, do it within the context of the Catholic Advisory Board's guidelines. As you know, in managing these Funds, eliminated from consideration for the portfolios are companies that support the culture of death, either directly or through contributions to Planned Parenthood. Also screened out are purveyors of pornography and companies which undermine the sanctity of marriage by offering their employees non-marital partner benefits.

Sincerely,

George P. Schwartz

George P. Schwartz, CFA
President

July 31, 2005

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AVE MARIA CATHOLIC VALUES FUND PORTFOLIO MANAGER COMMENTARY

Dear Fellow Shareowner:

The Ave Maria Catholic Values Fund had a total return of 1.3% for the six months ended June 30, 2005. This exceeded the –0.8% return of the S&P 500 Index, but lagged the 3.9% return of the S&P 400 Mid-Cap Index.

Since inception just over four years ago, the Fund has handily outperformed both benchmarks:

	Since 5-01-01 Inception Through 6-30-05 Total Return	
	Cumulative	Annualized
Ave Maria Catholic Values Fund (AVEMX)	56.6%	11.4%
S&P 500 Index	0.9%	0.2%
S&P 400 Mid Cap Index	39.6%	8.3%

The tough-minded Harry Truman once said, "bring me a one-armed economist, I'm sick of advisors telling me, 'on the one hand this could happen, and on the other hand, that could happen'". The first six months of 2005 is reminiscent of that sentiment. Investors vacillated between anxiety and relief: anxiety over $60 oil and what it will do to economic growth, but relief that so far its impact has been minimal; anxiety over Federal Reserve short-term interest rate hikes, but relief that long-term rates have declined year-to-date; anxiety about slowing corporate profits growth, but delight that in the first half, 381 companies in the S&P 500 bought back $82 billion of their own stock; and anxiety over low dividend yields, but delight that 1,055 companies increased their dividends during the first half of 2005.

All added up, we believe the environment is favorable for purchasing well-selected equities. Corporate profit growth is slowing, but from an unsustainably high 20% annual rate to a more normal trend. Rate increases by the Federal Reserve may be nearing an end, and inflation is still moderate. In addition, corporations and investors are flush with cash. As a result, merger and acquisition activity is rising. The Fund benefited from the announced acquisitions of two major holdings, Sungard Data Systems and Brookstone, Inc. Also, Fargo Electronics, Inc., Pulte Homes, Inc., XTO Energy, Inc., Lifetime Hoan Corporation, and Chattem, Inc. contributed significantly to the Fund's positive performance in the first half. These companies operate in different industries, but share the characteristics we love to see – above-average growth in earnings and cash flow, shareholder-oriented managements, solid balance sheets and attractive valuations at the time of purchase. Other companies which share these attributes that were added to the portfolio

AVE MARIA CATHOLIC VALUES FUND
PORTFOLIO MANAGER COMMENTARY (Continued)

during the first half of this year include: Caterpillar, Inc., Diebold, Inc., Mine Safety Appliances Co., Stericycle, Inc., Student Loan Corporation, Thor Industries and Zebra Technologies.

The most notable under-performers in the portfolio were Dollar Tree Stores, Inc., Input/Output, Inc., Harley-Davidson, Inc. and Neogen Corporation. We still like the long-term outlooks for these companies and in most cases have added to the positions. In fact, Dollar Tree is now the Fund's largest holding. Names eliminated from the Fund in the first half were Champion Enterprises, Inc., Garmin Ltd., Monaco Coach Corp., Pier 1 Imports, Inc. and Rockwell Collins, Inc. These stocks either appreciated to our estimate of intrinsic value, or we detected deterioration in the company's fundamentals.

All of the Fund's investments pass the pro-life and pro-family screens established by the Fund's Catholic Advisory Board.

A reporter recently referred to this Fund as – "the value fund with values". Seems an apt description!

Thank you for investing with the Ave Maria Catholic Values Fund.

Sincerely,

George P. Schwartz

Gregory R Heilman

George P. Schwartz, CFA
Co-Portfolio Manager

Gregory R. Heilman, CFA
Co-Portfolio Manager

AVE MARIA CATHOLIC VALUES FUND
TEN LARGEST EQUITY HOLDINGS
June 30, 2005 (Unaudited)

Shares	Company	Market Value
380,000	Dollar Tree Stores, Inc.	$ 9,120,000
75,000	General Dynamics Corporation	8,215,500
400,000	Fargo Electronics	7,996,000
400,000	Mylan Laboratories, Inc.	7,696,000
285,000	STERIS Corporation	7,344,450
175,000	Manor Care, Inc.	6,952,750
344,594	Lifetime Hoan Corporation	6,729,921
115,000	Exxon Mobil Corporation	6,609,050
300,000	Furniture Brands International, Inc.	6,483,000
220,000	North Fork Bancorporation, Inc.	6,179,800

ASSET ALLOCATION

Sector	% of Net Assets
Aerospace/Defense	4.7%
Apparel & Textiles	3.8%
Building Materials & Construction	2.8%
Business Services	4.9%
Communication Equipment & Services	1.5%
Consumer Products	13.8%
Electronics	1.8%
Energy & Mining	13.4%
Environmental Services	0.6%
Finance	9.9%
Healthcare	12.5%
Industrial Products & Services	13.0%
Leisure & Entertainment	1.3%
Printing & Publishing	1.2%
Real Estate	1.0%
Retail	8.0%
Transportation	2.3%
Utilities	0.8%
Cash Equivalents	2.7%
	100.0%

AVE MARIA CATHOLIC VALUES FUND
SCHEDULE OF INVESTMENTS
June 30, 2005 (Unaudited)

Shares	COMMON STOCKS — 97.3%	Market Value
	AEROSPACE/DEFENSE — 4.7%	
120,000	Cubic Corporation	$ 2,128,800
75,000	General Dynamics Corporation	8,215,500
30,000	Harris Corporation	936,300
		11,280,600
	APPAREL & TEXTILES — 3.8%	
125,000	Jones Apparel Group, Inc.	3,880,000
65,000	Mohawk Industries, Inc. *	5,362,500
		9,242,500
	BUILDING MATERIALS & CONSTRUCTION — 2.8%	
175,000	Fleetwood Enterprises, Inc. *	1,776,250
60,000	Pulte Homes, Inc.	5,055,000
		6,831,250
	BUSINESS SERVICES — 4.9%	
45,000	Automatic Data Processing, Inc.	1,888,650
400,000	Fargo Electronics, Inc. *	7,996,000
130,000	Neogen Corporation *	1,859,000
		11,743,650
	COMMUNICATION EQUIPMENT & SERVICES — 1.5%	
30,000	Alltel Corporation	1,868,400
50,000	CenturyTel, Inc.	1,731,500
		3,599,900
	CONSUMER PRODUCTS - DURABLES — 8.7%	
10,000	Brunswick Corporation	433,200
307,000	Craftmade International, Inc.	4,973,400
300,000	Furniture Brands International, Inc.	6,483,000
100,000	Harley-Davidson, Inc.	4,960,000
160,000	Leggett & Platt, Inc.	4,252,800
		21,102,400
	CONSUMER PRODUCTS - NONDURABLES — 5.1%	
90,000	Chattem, Inc. *	3,726,000
5,000	Coach, Inc. *	167,850
20,000	Fortune Brands, Inc.	1,776,000
344,594	Lifetime Hoan Corporation	6,729,921
		12,399,771
	ELECTRONICS — 1.8%	
150,000	Gentex Corporation	2,730,000
152,902	Sparton Corporation *	1,512,201
		4,242,201
	ENERGY & MINING — 13.4%	
50,000	Anadarko Petroleum Corporation	4,107,500
75,000	Core Laboratories N.V. *	2,011,500
15,000	Diamond Offshore Drilling, Inc.	801,450

AVE MARIA CATHOLIC VALUES FUND
SCHEDULE OF INVESTMENTS (Continued)

Shares	COMMON STOCKS — 97.3% (Continued)	Market Value
	ENERGY & MINING — 13.4% (Continued)	
115,000	Exxon Mobil Corporation	$ 6,609,050
800,000	Input/Output, Inc. *	5,024,000
90,000	Patterson-UTI Energy, Inc.	2,504,700
50,000	Pioneer Natural Resources Company	2,104,000
75,000	Transocean, Inc. *	4,047,750
156,666	XTO Energy, Inc.	5,325,077
		32,535,027
	ENVIRONMENTAL SERVICES — 0.6%	
70,000	Layne Christensen Company *	1,390,550
	FINANCE - BANKS & THRIFTS — 3.8%	
60,000	BB&T Corporation	2,398,200
220,000	North Fork Bancorporation, Inc.	6,179,800
20,000	Synovus Financial Corporation	573,400
		9,151,400
	FINANCE - INSURANCE — 4.3%	
37,500	American International Group, Inc.	2,178,750
60,000	Everest Re Group, Ltd.	5,580,000
282,945	Unico American Corporation	2,577,629
		10,336,379
	FINANCE - MISCELLANEOUS — 1.8%	
20,000	Student Loan Corporation (The)	4,396,000
	HEALTHCARE — 12.5%	
35,000	Beckman Coulter, Inc.	2,224,950
25,000	Hillenbrand Industries, Inc.	1,263,750
83,000	Lincare Holdings, Inc. *	3,389,720
175,000	Manor Care, Inc.	6,952,750
400,000	Mylan Laboratories, Inc.	7,696,000
285,000	STERIS Corporation	7,344,450
40,000	Waters Corporation *	1,486,800
		30,358,420
	INDUSTRIAL PRODUCTS & SERVICES — 13.0%	
52,500	3M Company	3,795,750
60,000	Balchem Corporation	1,803,000
40,000	Caterpillar, Inc.	3,812,400
85,000	Diebold, Inc.	3,834,350
10,000	Dover Corporation	363,800
60,000	Genuine Parts Company	2,465,400
50,000	Graco, Inc.	1,703,500
100,000	Mine Safety Appliances Company	4,620,000
100,000	Simpson Manufacturing Company, Inc.	3,055,000
11,000	Stericycle, Inc. *	553,520
30,000	Teleflex, Inc.	1,781,100
85,000	Zebra Technologies Corporation *	3,722,150
		31,509,970

AVE MARIA CATHOLIC VALUES FUND
SCHEDULE OF INVESTMENTS (Continued)

Shares	COMMON STOCKS — 97.3% (Continued)	Market Value
	LEISURE & ENTERTAINMENT — 1.3%	
60,000	Polaris Industries, Inc.	$ 3,240,000
	PRINTING & PUBLISHING — 1.2%	
5,000	Courier Corporation	192,050
80,000	ProQuest Company *	2,623,200
		2,815,250
	REAL ESTATE — 1.0%	
25,000	Duke Realty Corporation	791,500
50,000	Health Care Property Investors, Inc.	1,352,000
10,000	Washington Real Estate Investment Trust	312,000
		2,455,500
	RETAIL — 8.0%	
260,000	Christopher & Banks Corporation	4,747,600
380,000	Dollar Tree Stores, Inc. *	9,120,000
5,000	Hibbett Sporting Goods, Inc. *	189,200
180,000	Ross Stores, Inc.	5,203,800
4,000	Tractor Supply Company *	196,400
		19,457,000
	TRANSPORTATION — 2.3%	
175,000	Thor Industries, Inc.	5,500,250
	UTILITIES — 0.8%	
333,500	SEMCO Energy, Inc. *	1,997,665
	TOTAL COMMON STOCKS (Cost $195,798,359)	$ 235,585,683

Face Amount	REPURCHASE AGREEMENTS [1] — 3.8%	Market Value
$ 9,214,279	US Bank N.A., 2.10%, dated 06/30/05, due 07/01/05 repurchase proceeds: $9,214,817 (Cost $9,214,279)	$ 9,214,279
	TOTAL INVESTMENTS — 101.1% (Cost $205,012,638)	$ 244,799,962
	LIABILITIES IN EXCESS OF OTHER ASSETS — (1.1%)	(2,782,308)
	NET ASSETS — 100.0%	$ 242,017,654

* Non-income producing security.

[1] Repurchase agreement is fully collaterized by $9,214,279 FGCI, Pool #E01424, 4.00%, due 08/01/18. The aggregate market value of the collateral at June 30, 2005 was $9,398,720.

See notes to financial statements.

AVE MARIA GROWTH FUND
PORTFOLIO MANAGER COMMENTARY

Dear Fellow Shareholders:

For the six months ended June 30, 2005, the Ave Maria Growth Fund was down 5.5% vs. –0.8% for the S&P 500 Index. For the twelve months ended June 30, 2005, the Ave Maria Growth Fund returned 7.0% compared with 6.3% for the S&P 500 Index. Since inception, the Fund's investment results are favorable, as well:

	Since 5-1-03 Inception through 6-30-05 Total Return	
	Cumulative	Annualized
Ave Maria Growth Fund (AVEGX)	41.7%	17.5%
S&P 500 Index	35.1%	14.9%

During the first half of 2005, various cross-currents affected the share prices of holdings in the Fund. Continuing a five-year trend, value stocks generally outperformed growth stocks. Additionally, companies which missed Wall Street's quarterly earnings estimates by even a small amount were severely punished in the marketplace, while those exceeding estimates were not rewarded. These somewhat challenging trends appear to be subsiding in the current market.

When investing with a long-term time horizon in shares of outstanding businesses, it's important to not be short-sighted. So, we have stuck to our disciplined security selection process in managing this growth stock portfolio. As always, emphasis is placed on companies with well above-average profitability, superior growth in sales and cash flow, and strong balance sheets. Additionally, the shares must be selling at attractive valuations before they are added to the portfolio. Despite recent disappointing results, this time-tested approach to portfolio management should continue to produce favorable long-term results.

Respectfully,

James L. Bashaw, CFA
Portfolio Manager

AVE MARIA GROWTH FUND
TEN LARGEST EQUITY HOLDINGS
June 30, 2005 (Unaudited)

Shares	Company	Market Value
74,600	CLARCOR, Inc.	$ 2,182,050
59,500	FactSet Research Systems, Inc.	2,132,480
71,950	North Fork Bancorporation, Inc.	2,021,076
35,800	Johnson Controls, Inc.	2,016,614
53,900	SEI Investments Company	2,013,165
45,200	Kellogg Company	2,008,688
30,100	C.R. Bard, Inc.	2,001,951
50,300	Franklin Electric Company, Inc.	1,944,095
56,200	National City Corporation	1,917,544
40,700	Mettler-Toledo International, Inc.	1,895,806

ASSET ALLOCATION

Sector	% of Net Assets
Aerospace/Defense	5.9%
Business Services	3.8%
Consumer Products	3.0%
Electronics	6.3%
Energy & Mining	2.8%
Finance	16.0%
Food & Tobacco	6.7%
Healthcare	17.7%
Industrial Products & Services	25.9%
Leisure & Entertainment	2.0%
Retail	8.0%
Cash Equivalents	1.9%
	100.0%

AVE MARIA GROWTH FUND
SCHEDULE OF INVESTMENTS
June 30, 2005 (Unaudited)

Shares	COMMON STOCKS — 98.1%	Market Value
	AEROSPACE/DEFENSE — 5.9%	
22,200	Alliant Techsystems, Inc. *	$ 1,567,320
16,300	General Dynamics Corporation	1,785,502
		3,352,822
	BUSINESS SERVICES — 3.8%	
59,500	FactSet Research Systems, Inc.	2,132,480
	CONSUMER PRODUCTS - DURABLES — 3.0%	
30,500	Harley-Davidson, Inc.	1,512,800
5,000	Toro Company	193,050
		1,705,850
	ELECTRONICS — 6.3%	
42,200	Garmin Ltd.	1,804,050
85,000	Integrated Circuit Systems, Inc. *	1,754,400
		3,558,450
	ENERGY & MINING — 2.8%	
20,400	Occidental Petroleum Corporation	1,569,372
	FINANCE - BANKS & THRIFTS — 6.9%	
56,200	National City Corporation	1,917,544
71,950	North Fork Bancorporation, Inc.	2,021,076
		3,938,620
	FINANCE - INSURANCE — 5.6%	
50,400	Arthur J. Gallagher & Company	1,367,352
40,500	Brown & Brown, Inc.	1,820,070
		3,187,422
	FINANCE - MISCELLANEOUS — 3.5%	
53,900	SEI Investments Company	2,013,165
	FOOD & TOBACCO — 6.7%	
45,200	Kellogg Company	2,008,688
55,700	McCormick & Company, Inc.	1,820,276
		3,828,964
	HEALTHCARE — 17.7%	
26,200	Beckman Coulter, Inc.	1,665,534
52,100	Biomet, Inc.	1,804,744
30,100	C.R Bard, Inc.	2,001,951
18,700	Guidant Corporation	1,258,510
34,000	Patterson Companies, Inc. *	1,532,720
48,100	Waters Corporation *	1,787,877
		10,051,336

AVE MARIA GROWTH FUND
SCHEDULE OF INVESTMENTS (Continued)

Shares	COMMON STOCKS — 98.1% (Continued)	Market Value
	INDUSTRIAL PRODUCTS & SERVICES — 25.9%	
26,400	AMETEK, Inc.	$ 1,104,840
74,600	CLARCOR, Inc.	2,182,050
61,400	Donaldson Company, Inc.	1,862,262
37,400	Expeditors International of Washington, Inc.	1,862,894
50,300	Franklin Electric Company, Inc.	1,944,095
53,050	Graco, Inc.	1,807,413
35,800	Johnson Controls, Inc.	2,016,614
40,700	Mettler-Toledo International, Inc. *	1,895,806
		14,675,974
	LEISURE & ENTERTAINMENT — 2.0%	
20,700	Polaris Industries, Inc.	1,117,800
	RETAIL — 8.0%	
38,900	Bed Bath & Beyond, Inc. *	1,625,242
73,500	Christopher & Banks Corporation	1,342,110
54,100	Ross Stores, Inc.	1,564,031
		4,531,383
	TOTAL COMMON STOCKS (Cost $52,920,143)	$ 55,663,638

Face Amount	REPURCHASE AGREEMENTS [1] — 1.8%	Market Value
$ 1,017,305	US Bank N.A., 2.10%, dated 06/30/05, due 07/01/05 repurchase proceeds: $1,017,364 (Cost $1,017,305)	$ 1,017,305
	TOTAL INVESTMENTS — 99.9% (Cost $53,937,448)	$ 56,680,943
	OTHER ASSETS IN EXCESS OF LIABILITIES — 0.1%	46,356
	NET ASSETS — 100.0%	$ 56,727,299

* Non-income producing security.

(1) Repurchase agreement is fully collaterized by $1,017,305 FNCI, Pool #729590, 4.50%, due 07/01/18. The aggregate market value of the collateral at June 30, 2005 was $1,037,833.

See notes to financial statements.

AVE MARIA RISING DIVIDEND FUND
PORTFOLIO MANAGER COMMENTARY

Dear Fellow Shareholders:

As of June 30, 2005, the portfolio was comprised of 35 stocks that do not violate the core teachings of the Catholic Church as determined by the Fund's Catholic Advisory Board. Those 35 companies are drawn from industries as diverse as energy, financial services and health care. Some are household names such as 3M Company, ADP, Inc. and Caterpillar Inc., while others such as RPM International, Inc. and Graco, Inc. are less well-known. They all share the ability to grow earnings using internally generated funds and financially powerful balance sheets. As such, they all have above-average control of their own destiny, including the ability to increase dividends regularly.

The average dividend yield on the stocks in the portfolio is 2.4%; higher than the average stock, but certainly not the highest yields available on U.S. common stocks. Therein lies an important distinction. The name of the Fund is the Ave Maria Rising Dividend Fund. We invest in companies with a rising stream of dividend payments, not just high-dividend payers. In order for a stock to be included in the Fund, it must exhibit those characteristics consistent with the ability to increase dividends at a meaningful rate. This necessarily implies an ability to employ retained capital effectively and grow earnings. Rising earnings and dividends usually indicate that the value of the enterprise is growing. Ultimately, that increased value will be reflected in increased market price. Over time, we expect a portion of the total return of the Fund to come from dividends, and a portion to come from share price appreciation.

We appreciate your participation in this Fund.

With best regards,

George P. Schwartz, CFA
Richard L. Platte, Jr., CFA

Co-portfolio Manager　　Co-portfolio Manager

AVE MARIA RISING DIVIDEND FUND
TEN LARGEST EQUITY HOLDINGS
June 30, 2005 (Unaudited)

Shares	Company	Market Value
25,000	Thor Industries, Inc.	$ 785,750
25,000	Arthur J. Gallagher & Company	678,250
12,500	Polaris Industries, Inc.	675,000
25,000	Newell Rubbermaid, Inc.	596,000
22,000	Leggett & Platt, Inc.	584,760
12,500	Diebold, Inc.	563,875
20,000	North Fork Bancorporation, Inc.	561,800
30,000	RPM International, Inc.	547,800
12,000	The Stanley Works	546,480
25,000	Furniture Brands International, Inc.	540,250

ASSET ALLOCATION

Sector	% of Net Assets
Aerospace/Defense	1.9%
Apparel & Textiles	0.5%
Building Materials & Construction	4.7%
Business Services	2.4%
Communication Equipment & Services	2.5%
Consumer Products	12.6%
Energy & Mining	2.8%
Finance	17.4%
Food & Tobacco	2.0%
Healthcare	3.2%
Industrial Products & Services	26.7%
Leisure & Entertainment	3.9%
Transportation	4.6%
Utilities	8.9%
Cash Equivalents	5.9%
	100.0%

AVE MARIA RISING DIVIDEND FUND
SCHEDULE OF INVESTMENTS
June 30, 2005 (Unaudited)

Shares	COMMON STOCKS — 94.1%	Market Value
	AEROSPACE/DEFENSE — 1.9%	
3,000	General Dynamics Corporation	$ 328,620
	APPAREL & TEXTILES — 0.5%	
1,000	Mohawk Industries, Inc. *	82,500
	BUILDING MATERIALS & CONSTRUCTION — 4.7%	
8,000	Masco Corporation	254,080
30,000	RPM International, Inc.	547,800
		801,880
	BUSINESS SERVICES — 2.4%	
10,000	Automatic Data Processing, Inc.	419,700
	COMMUNICATION EQUIPMENT & SERVICES — 2.5%	
7,000	Alltel Corporation	435,960
	CONSUMER PRODUCTS - DURABLES — 12.6%	
25,000	Furniture Brands International, Inc.	540,250
9,000	Harley-Davidson, Inc.	446,400
22,000	Leggett & Platt, Inc.	584,760
25,000	Newell Rubbermaid, Inc.	596,000
		2,167,410
	ENERGY & MINING — 2.8%	
8,500	Exxon Mobil Corporation	488,495
	FINANCE - BANKS & THRIFTS — 11.0%	
12,000	BB&T Corporation	479,640
20,000	North Fork Bancorporation, Inc.	561,800
15,000	Synovus Financial Corporation	430,050
12,000	United Bankshares, Inc.	427,320
		1,898,810
	FINANCE - INSURANCE — 3.9%	
25,000	Arthur J. Gallagher & Company	678,250
	FINANCE - MISCELLANEOUS — 2.5%	
2,000	Student Loan Corporation (The)	439,600
	FOOD & TOBACCO — 2.0%	
15,000	Conagra Foods, Inc.	347,400

AVE MARIA RISING DIVIDEND FUND
SCHEDULE OF INVESTMENTS (Continued)

Shares	COMMON STOCKS — 94.1% (Continued)	Market Value
	HEALTHCARE — 3.2%	
4,000	Hillenbrand Industries, Inc.	$ 202,200
9,000	Manor Care, Inc.	357,570
		559,770
	INDUSTRIAL PRODUCTS & SERVICES — 26.7%	
7,000	3M Company	506,100
5,000	Caterpillar, Inc.	476,550
12,500	Diebold, Inc.	563,875
10,000	Dover Corporation	363,800
8,000	Emerson Electric Company	501,040
8,000	Genuine Parts Company	328,720
15,000	Graco, Inc.	511,050
7,500	Johnson Controls, Inc.	422,475
12,000	Stanley Works (The)	546,480
6,500	Teleflex, Inc.	385,905
		4,605,995
	LEISURE & ENTERTAINMENT — 3.9%	
12,500	Polaris Industries, Inc.	675,000
	TRANSPORTATION — 4.6%	
25,000	Thor Industries, Inc.	785,750
	UTILITIES — 8.9%	
7,000	Dominion Resources, Inc.	513,730
10,000	Exelon Corporation	513,300
12,000	FPL Group, Inc.	504,720
		1,531,750
	TOTAL COMMON STOCKS (Cost $15,989,195)	$ 16,246,890

Face Amount	REPURCHASE AGREEMENTS [1] — 5.5%	Market Value
$ 951,791	US Bank N.A., 2.10%, dated 06/30/05, due 07/01/05 repurchase proceeds: $951,846 (Cost $951,791)	$ 951,791
	TOTAL INVESTMENTS — 99.6% (Cost $16,940,986)	$ 17,198,681
	OTHER ASSETS IN EXCESS OF LIABILITIES — 0.4%	58,857
	NET ASSETS — 100.0%	$ 17,257,538

* Non-income producing security.

[1] Repurchase agreement is fully collaterized by $951,791, FGCI, Pool #E01424, 4.00%, due 08/01/18. The aggregate market value of the collateral at June 30, 2005 was $970,993.

See notes to financial statements.

AVE MARIA BOND FUND
PORTFOLIO MANAGER COMMENTARY

Dear Fellow Shareowner:

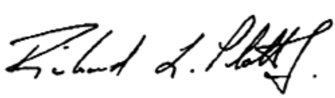
The total return for the Ave Maria Bond Fund for the six months ended June 30, 2005 was 1.0% versus 1.6% for the Lehman Brothers Intermediate Government Credit Index. Interest rates on different parts of the yield curve behaved quite differently during the six-month period. Short-term interest rates rose in direct response to the four increases in the Fed Funds rate, while long-term rates declined. The result was a flatter yield curve. For that reason, long-term bonds out-performed short-term bonds. The predominately short-maturity bonds in this portfolio did not perform as well as longer-maturity issues. Equity holdings, representing 15% of the portfolio as of June 30, 2005, were additive to the overall return.

The corporate debt markets, in general, were rattled during the first half of 2005 by multiple increases in the Fed Funds rate and the downgrade of General Motors debt to junk status. Ford came very close to following GM down this unfortunate path. This was significant both because GM and Ford are two of the largest issuers of corporate debt, and it occurred at a time of good growth and strong corporate profitability in most sectors of the economy. The Ave Maria Bond Fund doesn't own any GM or Ford paper or anything even remotely resembling junk bonds. The Fund holds extremely high-quality, short-maturity, fixed-income securities.

With credit spreads in general tight, investors don't get much in the way of additional return for holding riskier bonds. Near record-low bond yields have caused many investors to buy lower-quality bonds for only marginally better yields. This is commonly referred to as "reaching for yield", and a practice that generally doesn't turn out well. In managing the portfolio, we'd rather have high-quality issues with lower yields and better protection against default. The Ave Maria Bond Fund is defensively postured and preservation of principal oriented.

As mentioned earlier, the equity portion of the portfolio, while relatively small in size, aided performance during the first half of the year. In selecting stocks for the Fund, an important criterion has been a company's ability to grow dividends. We are pleased to report that during the first half of the year, 11 of the 21 stocks in the portfolio raised their dividend.

Thank you for your continued interest in the Ave Maria Bond Fund.



Richard L. Platte, Jr., CFA
Portfolio Manager

AVE MARIA BOND FUND
TEN LARGEST HOLDINGS
June 30, 2005 (Unaudited)

Par Value	Holding	Market Value
$ 5,500,000	U.S. Treasury Note, 3.375%, due 02/28/07	$ 5,475,938
5,000,000	U.S. Treasury Note, 3.750%, due 05/15/08	5,010,940
4,000,000	U.S. Treasury Note, 2.625%, due 05/15/08	3,887,032
3,500,000	U.S. Treasury Note, 3.750%, due 03/31/07	3,505,331
3,500,000	U.S. Treasury Note, 3.375%, due 10/15/09	3,450,783
3,000,000	U.S. Treasury Note, 3.000%, due 11/15/07	2,956,407
2,000,000	U.S. Treasury Note, 4.000%, due 11/15/12	2,022,422
2,000,000	U.S. Treasury Note, 3.375%, due 02/15/08	1,985,468
2,000,000	U.S. Treasury Note, 2.875%, due 11/30/06	1,979,610
1,186,320	U.S. Treasury Inflation-Protection Notes, 3.875%, due 01/15/09	1,290,818

AVE MARIA BOND FUND
ASSET ALLOCATION
June 30, 2005 (Unaudited)

	% of Net Assets
U.S. GOVERNMENT AND AGENCY OBLIGATIONS	
U.S. Treasuries	56.9%
U.S. Government Agencies	7.6%
CORPORATE BONDS	
Sector	
Finance	3.5%
Industrials	7.0%
Utilities	3.3%
COMMON STOCKS	
Sector	
Building Materials & Construction	0.6%
Communication Equipment & Services	0.7%
Consumer Products	1.4%
Energy & Mining	1.5%
Finance	3.6%
Food & Tobacco	0.6%
Healthcare	0.6%
Industrial Products & Services	0.5%
Real Estate	1.1%
Utilities	4.5%
Cash Equivalents	6.6%
	100.0%

AVE MARIA BOND FUND
SCHEDULE OF INVESTMENTS
June 30, 2005 (Unaudited)

Par Value	U.S. GOVERNMENT AND AGENCY OBLIGATIONS — 64.5%	Market Value
	U.S. TREASURIES — 56.9%	
$ 2,000,000	U.S. Treasury Note, 2.875%, due 11/30/06	$ 1,979,610
5,500,000	U.S. Treasury Note, 3.375%, due 02/28/07	5,475,937
3,500,000	U.S. Treasury Note, 3.750%, due 03/31/07	3,505,331
3,000,000	U.S. Treasury Note, 3.000%, due 11/15/07	2,956,407
1,000,000	U.S. Treasury Note, 3.000%, due 02/15/08	983,789
2,000,000	U.S. Treasury Note, 3.375%, due 02/15/08	1,985,468
4,000,000	U.S. Treasury Note, 2.625%, due 05/15/08	3,887,032
5,000,000	U.S. Treasury Note, 3.750%, due 05/15/08	5,010,940
1,186,320	U.S. Treasury Inflation-Protection Note, 3.875%, due 01/15/09	1,290,818
1,000,000	U.S. Treasury Note, 3.000%, due 02/15/09	976,641
3,500,000	U.S. Treasury Note, 3.375%, due 10/15/09	3,450,783
2,000,000	U.S. Treasury Note, 4.000%, due 11/15/12	2,022,422
1,000,000	U.S. Treasury Note, 4.000%, due 02/15/14	1,006,016
		34,531,194
	U.S. GOVERNMENT AGENCIES — 7.6%	
1,000,000	Federal Farm Credit Bank, 4.480%, due 08/24/12	1,020,333
1,000,000	Federal Farm Credit Bank, 4.600%, due 12/27/12	1,027,756
500,000	Federal Home Loan Bank, 3.375%, due 07/21/08	490,442
1,000,000	Federal Home Loan Bank, 5.477%, due 01/28/09	1,052,523
1,000,000	Federal Home Loan Bank, 4.375%, due 02/04/10	999,008
		4,590,062
	TOTAL U.S. GOVERNMENT AND AGENCY OBLIGATIONS (Cost $39,254,070)	$ 39,121,256

Par Value	CORPORATE BONDS — 13.8%	Market Value
	FINANCE — 3.5%	
$ 1,000,000	Caterpillar Financial Services Corporation, 2.650%, due 01/30/06	$ 993,315
1,000,000	Regions Financial Corporation, 7.000%, due 03/01/11	1,125,238
		2,118,553
	INDUSTRIALS — 7.0%	
1,000,000	Alcoa, Inc., 6.000%, due 01/15/12	1,082,980
1,010,000	Dover Corporation, 6.250%, due 06/01/08	1,072,850
1,000,000	Harley-Davidson, Inc., 3.625%, due 12/15/08	981,930
1,000,000	United Technologies Corporation, 6.350%, due 03/01/11	1,101,661
		4,239,421
	UTILITIES — 3.3%	
1,000,000	Alabama Power Company, 3.125%, due 05/01/08	973,524
1,000,000	National Rural Utilities Cooperative Finance Corporation, 6.000%, due 05/15/06	1,017,967
		1,991,491
	TOTAL CORPORATE BONDS (Cost $8,356,519)	$ 8,349,465

AVE MARIA BOND FUND
SCHEDULE OF INVESTMENTS (Continued)

Shares	COMMON STOCKS — 15.1%	Market Value
	BUILDING MATERIALS & CONSTRUCTION — 0.6%	
20,000	RPM International, Inc.	$ 365,200
	COMMUNICATION EQUIPMENT & SERVICES — 0.7%	
7,000	Alltel Corporation	435,960
	CONSUMER PRODUCTS - DURABLES — 1.4%	
12,500	Leggett & Platt, Inc.	332,250
22,000	Newell Rubbermaid, Inc.	524,480
		856,730
	ENERGY & MINING — 1.5%	
8,500	Exxon Mobil Corporation	488,495
14,000	National Fuel Gas Company	404,740
		893,235
	FINANCE - BANKS & THRIFTS — 3.0%	
12,000	BB&T Corporation	479,640
15,000	Huntington Bancshares, Inc.	362,100
12,000	National City Corporation	409,440
20,000	North Fork Bancorporation, Inc.	561,800
		1,812,980
	FINANCE - INSURANCE — 0.6%	
14,000	Arthur J. Gallagher & Company	379,820
	FOOD & TOBACCO — 0.6%	
16,000	Conagra Foods, Inc.	370,560
	HEALTHCARE — 0.6%	
7,000	Landauer, Inc.	363,370
	INDUSTRIAL PRODUCTS & SERVICES — 0.5%	
7,500	Genuine Parts Company	308,175
	REAL ESTATE — 1.1%	
12,000	Duke Realty Corporation	379,920
10,000	Washington Real Estate Investment Trust	312,000
		691,920

AVE MARIA BOND FUND
SCHEDULE OF INVESTMENTS (Continued)

Shares	COMMON STOCKS — 15.1% (Continued)	Market Value
	UTILITIES — 4.5%	
8,000	Dominion Resources, Inc.	$ 587,120
11,000	Exelon Corporation	564,630
15,000	FPL Group, Inc.	630,900
10,000	Pinnacle West Capital Corporation	444,500
14,000	Southern Company (The)	485,380
		2,712,530
	TOTAL COMMON STOCKS (Cost $8,168,016)	$ 9,190,480

Face Amount	REPURCHASE AGREEEMENTS [1] — 5.8%	Market Value
$ 3,542,488	US Bank N.A., 2.10%, dated 06/30/05, due 07/01/05 repurchase proceeds: $3,542,695 (Cost $3,542,488)	$ 3,542,488
	TOTAL INVESTMENTS — 99.2% (Cost $59,321,093)	$ 60,203,689
	OTHER ASSETS IN EXCESS OF LIABILITIES — 0.8%	472,750
	NET ASSETS — 100.0%	$ 60,676,439

[1] Repurchase agreement is fully collaterized by $3,542,488 FGCI, Pool #E01424, 4.00%, due 08/01/18. The aggregate market value of the collateral at June 30, 2005 was $3,613,392.

See notes to financial statements.

AVE MARIA MUTUAL FUNDS
STATEMENTS OF ASSETS AND LIABILITIES
June 30, 2005 (Unaudited)

	Ave Maria Catholic Values Fund	Ave Maria Growth Fund	Ave Maria Rising Dividend Fund	Ave Maria Bond Fund
ASSETS				
Investment securities:				
At amortized cost	$ 205,012,638	$ 53,937,448	$ 16,940,986	$ 59,321,093
At market value (Note 1)	$ 244,799,962	$ 56,680,943	$ 17,198,681	$ 60,203,689
Receivable for investment securities sold	1,057,824	—	—	—
Receivable for capital shares sold	159,828	138,070	41,000	26,290
Dividends and interest receivable	187,621	32,660	23,803	456,087
Other assets	33,608	18,622	18,470	12,969
TOTAL ASSETS	246,238,843	56,870,295	17,281,954	60,699,035
LIABILITIES				
Dividends payable	—	—	177	2,428
Payable for investment securities purchased	3,304,242	—	—	—
Payable for capital shares redeemed	291,486	10,240	—	—
Accrued investment advisory fees (Note 2)	570,506	115,886	14,024	4,198
Payable to affiliate (Note 2)	30,200	7,100	4,000	4,800
Other accrued expenses	24,755	9,770	6,215	11,170
TOTAL LIABILITIES	4,221,189	142,996	24,416	22,596
NET ASSETS	$ 242,017,654	$ 56,727,299	$ 17,257,538	$ 60,676,439
NET ASSETS CONSIST OF:				
Paid-in capital	$ 181,943,805	$ 51,064,747	$ 16,996,084	$ 59,733,047
Accumulated net investment income (loss)	(417,960)	(122,053)	1,661	573
Accumulated net realized gains from security transactions	20,704,485	3,041,110	2,098	60,223
Net unrealized appreciation on investments	39,787,324	2,743,495	257,695	882,596
NET ASSETS	$ 242,017,654	$ 56,727,299	$ 17,257,538	$ 60,676,439
Shares of beneficial interest outstanding (unlimited number of shares authorized, no par value)	16,347,006	4,004,322	1,695,660	
Net asset value, offering price and redemption price per share (Note 1) [a]	$ 14.81	$ 14.17	$ 10.18	
PRICING OF CLASS I SHARES				
Net assets applicable to Class I shares				$ 45,471,804
Shares of beneficial interest outstanding (unlimited number of shares authorized, no par value)				4,434,398
Net asset value, offering price and redemption price per share (Note 1)				$ 10.25
PRICING OF CLASS R SHARES				
Net assets applicable to Class R shares				$ 15,204,635
Shares of beneficial interest outstanding (unlimited number of shares authorized, no par value)				1,484,530
Net asset value, offering price and redemption price per share (Note 1) [a]				$ 10.24

[a] Except with respect to Class I shares of the Ave Maria Bond Fund, redemption price will vary if subject to contingent deferred sales load (Note 1).

See notes to financial statements.

AVE MARIA MUTUAL FUNDS
STATEMENTS OF OPERATIONS
For the Six Months Ended June 30, 2005[(a)] (Unaudited)

	Ave Maria Catholic Values Fund	Ave Maria Growth Fund	Ave Maria Rising Dividend Fund	Ave Maria Bond Fund
INVESTMENT INCOME				
Dividend	$ 1,257,718	$ 286,140	$ 56,508	$ 139,654
Interest	138,028	12,001	10,808	662,658
Total Income	1,395,746	298,141	67,316	802,312
EXPENSES				
Investment advisory fees (Note 2)	1,209,139	280,130	19,109	69,012
Distribution fees (Note 2)	302,284	70,032	—	—
Distribution fees - Class R (Note 2)	—	—	—	12,406
Administration, accounting and transfer agent fees (Note 2)	182,386	42,266	8,000	25,244
Registration fees - Common	22,801	14,052	2,971	6,681
Registration fees - Class I	—	—	—	1,219
Registration fees - Class R	—	—	—	4,079
Postage and supplies	27,702	12,009	1,314	7,860
Legal and audit fees	23,472	10,584	2,870	10,235
Trustees' fees and expenses	12,601	12,601	—	12,601
Custodian fees	14,246	6,373	1,761	3,836
Compliance service fees	11,556	2,688	242	2,278
Insurance expense	9,463	1,803	—	1,985
Reports to shareholders	6,818	3,056	248	1,256
Advisory board fees and expenses	1,667	1,667	—	1,667
Other expenses	7,617	3,573	420	5,167
TOTAL EXPENSES	1,831,752	460,834	36,935	165,526
Less fees waived and/or expenses reimbursed by the Adviser (Note 2):				
Common	(18,046)	(40,640)	(5,086)	(78,810)
Class I	—	—	—	(1,219)
NET EXPENSES	1,813,706	420,194	31,849	85,497
NET INVESTMENT INCOME (LOSS)	(417,960)	(122,053)	35,467	716,815
REALIZED AND UNREALIZED GAINS (LOSSES) ON INVESTMENTS				
Net realized gains from security transactions	4,840,769	48,765	2,098	60,194
Net realized gains from in-kind redemptions (Note 1)	16,626,972	2,992,345	—	—
Net change in unrealized appreciation/ (depreciation) on investments	(18,534,554)	(6,299,285)	257,695	(41,480)
NET REALIZED AND UNREALIZED GAINS (LOSSES) ON INVESTMENTS	2,933,187	(3,258,175)	259,793	18,714
NET INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	$ 2,515,227	$ (3,380,228)	$ 295,260	$ 735,529

[(a)] Except for the Ave Maria Rising Dividend Fund, which represents the period from the commencement of operations (May 2, 2005) through June 30, 2005.

See notes to financial statements.

AVE MARIA CATHOLIC VALUES FUND
STATEMENTS OF CHANGES IN NET ASSETS

	Six Months Ended June 30, 2005 (Unaudited)	Year Ended December 31, 2004
FROM OPERATIONS		
Net investment loss	$ (417,960)	$ (848,428)
Net realized gains from security transactions	4,840,769	11,939,746
Net realized gains from in-kind redemptions (Note 1)	16,626,972	—
Net change in unrealized appreciation/(depreciation) on investments	(18,534,554)	25,552,126
Net increase in net assets from operations	2,515,227	36,643,444
FROM DISTRIBUTIONS TO SHAREHOLDERS		
From net realized gains on investments	—	(11,172,077)
FROM CAPITAL SHARE TRANSACTIONS		
Proceeds from shares sold	41,734,250	83,221,894
Reinvestment of distributions to shareholders	—	10,923,676
Payments for shares redeemed	(50,302,128)	(16,502,334)
Net increase (decrease) in net assets from capital share transactions	(8,567,878)	77,643,236
TOTAL INCREASE (DECREASE) IN NET ASSETS	(6,052,651)	103,114,603
NET ASSETS		
Beginning of period	248,070,305	144,955,702
End of period	$ 242,017,654	$ 248,070,305
ACCUMULATED NET INVESTMENT LOSS	$ (417,960)	$ —
SUMMARY OF CAPITAL SHARE ACTIVITY		
Shares sold	2,901,482	5,983,686
Shares issued in reinvestment of distributions to shareholders	—	750,253
Shares redeemed	(3,524,334)	(1,133,670)
Net increase (decrease) in shares outstanding	(622,852)	5,600,269
Shares outstanding, beginning of period	16,969,858	11,369,589
Shares outstanding, end of period	16,347,006	16,969,858

See notes to financial statements.

AVE MARIA GROWTH FUND
STATEMENTS OF CHANGES IN NET ASSETS

	Six Months Ended June 30, 2005 (Unaudited)	Year Ended December 31, 2004
FROM OPERATIONS		
Net investment loss	$ (122,053)	$ (90,052)
Net realized gains from security transactions	48,765	88,987
Net realized gains from in-kind redemptions (Note 1)	2,992,345	—
Net change in unrealized appreciation/(depreciation) on investments	(6,299,285)	7,175,089
Net increase (decrease) in net assets from operations	(3,380,228)	7,174,024
FROM CAPITAL SHARE TRANSACTIONS		
Proceeds from shares sold	19,122,060	30,047,463
Payments for shares redeemed	(10,588,713)	(752,065)
Net increase in net assets from capital share transactions	8,533,347	29,295,398
TOTAL INCREASE IN NET ASSETS	5,153,119	36,469,422
NET ASSETS		
Beginning of period	51,574,180	15,104,758
End of period	$ 56,727,299	$ 51,574,180
ACCUMULATED NET INVESTMENT LOSS	$ (122,053)	$ —
SUMMARY OF CAPITAL SHARE ACTIVITY		
Shares sold	1,315,293	2,271,166
Shares redeemed	(751,056)	(55,526)
Net increase in shares outstanding	564,237	2,215,640
Shares outstanding, beginning of period	3,440,085	1,224,445
Shares outstanding, end of period	4,004,322	3,440,085

See notes to financial statements.

AVE MARIA RISING DIVIDEND FUND
STATEMENT OF CHANGES IN NET ASSETS

	Period Ended June 30, 2005[a] (Unaudited)
FROM OPERATIONS	
Net investment income	$ 35,467
Net realized gains from security transactions	2,098
Net change in unrealized appreciation/(depreciation) on investments	257,695
Net increase in net assets from operations	295,260
FROM DISTRIBUTIONS TO SHAREHOLDERS	
From net investment income	(33,806)
FROM CAPITAL SHARE TRANSACTIONS	
Proceeds from shares sold	16,963,438
Reinvestment of distributions to shareholders	33,628
Payments for shares redeemed	(982)
Net increase in net assets from capital share transactions	16,996,084
TOTAL INCREASE IN NET ASSETS	17,257,538
NET ASSETS	
Beginning of period	—
End of period	$17,257,538
UNDISTRIBUTED NET INVESTMENT INCOME	$ 1,661
SUMMARY OF CAPITAL SHARE ACTIVITY	
Shares sold	1,692,453
Shares issued in reinvestment of distributions to shareholders	3,304
Shares redeemed	(97)
Net increase in shares outstanding	1,695,660
Shares outstanding, beginning of period	—
Shares outstanding, end of period	1,695,660

[a] Represents the period from the commencement of operations (May 2, 2005) through June 30, 2005.

See notes to financial statements.

AVE MARIA BOND FUND
STATEMENTS OF CHANGES IN NET ASSETS

	Six Months Ended June 30, 2005 (Unaudited)	Year Ended December 31, 2004
FROM OPERATIONS		
Net investment income	$ 716,815	$ 953,713
Net realized gains from security transactions	60,194	286,596
Net change in unrealized appreciation/(depreciation) on investments	(41,480)	625,970
Net increase in net assets from operations	735,529	1,866,279
FROM DISTRIBUTIONS TO SHAREHOLDERS		
From net investment income, Class I	(574,668)	(860,906)
From net investment income, Class R	(145,259)	(89,172)
From net realized gains on investments, Class I	—	(223,509)
From net realized gains on investments, Class R	—	(44,699)
Net decrease in net assets from distributions to shareholders	(719,927)	(1,218,286)
FROM CAPITAL SHARE TRANSACTIONS		
CLASS I		
Proceeds from shares sold	12,467,614	—
Reinvestment of distributions to shareholders	574,668	1,084,415
Net increase in net assets from Class I capital share transactions	13,042,282	1,084,415
CLASS R		
Proceeds from shares sold	8,822,016	5,057,877
Reinvestment of distributions to shareholders	131,960	114,761
Payments for shares redeemed	(284,009)	(231,322)
Net increase in net assets from Class R capital share transactions	8,669,967	4,941,316
TOTAL INCREASE IN NET ASSETS	21,727,851	6,673,724
NET ASSETS		
Beginning of period	38,948,588	32,274,864
End of period	$ 60,676,439	$ 38,948,588
UNDISTRIBUTED NET INVESTMENT INCOME	$ 573	$ 3,685
SUMMARY OF CAPITAL SHARE ACTIVITY		
CLASS I		
Shares sold	1,222,560	—
Shares issued in reinvestment of distributions to shareholders	56,354	106,183
Net increase in shares outstanding	1,278,914	106,183
Shares outstanding, beginning of period	3,155,484	3,049,301
Shares outstanding, end of period	4,434,398	3,155,484
CLASS R		
Shares sold	867,761	494,261
Shares issued in reinvestment of distributions to shareholders	12,946	11,216
Shares redeemed	(27,854)	(22,676)
Net increase in shares outstanding	852,853	482,801
Shares outstanding, beginning of period	631,677	148,876
Shares outstanding, end of period	1,484,530	631,677

See notes to financial statements.

AVE MARIA CATHOLIC VALUES FUND
FINANCIAL HIGHLIGHTS
Per Share Data for a Share Outstanding Throughout Each Period

	Six Months Ended June 30, 2005 (Unaudited)	Year Ended December 31, 2004	Year Ended December 31, 2003	Year Ended December 31, 2002	Period Ended December 31, 2001[a]
Net asset value at beginning of period	$ 14.62	$ 12.75	$ 9.47	$ 10.50	$ 10.00
Income (loss) from investment operations:					
Net investment income (loss)	(0.03)	(0.05)	(0.03)	(0.01)	0.02
Net realized and unrealized gains (losses) on investments	0.22	2.61	3.40	(1.02)	0.51
Total from investment operations	0.19	2.56	3.37	(1.03)	0.53
Less distributions:					
From net investment income	—	—	—	—	(0.02)
From net realized gains on investments	—	(0.69)	(0.09)	—	(0.01)
In excess of net realized gains on investments	—	—	—	—	(0.00)
Total distributions	—	(0.69)	(0.09)	—	(0.03)
Net asset value at end of period	$ 14.81	$ 14.62	$ 12.75	$ 9.47	$ 10.50
Total return [c]	1.3% [b]	20.1%	35.6%	(9.8)%	5.3% [b]
Ratios/Supplementary Data:					
Net assets at end of period (000's)	$ 242,018	$ 248,070	$ 144,956	$ 61,802	$ 23,953
Ratio of net expenses to average net assets [d]	1.50% [e]	1.50%	1.50%	1.50%	1.50% [e]
Ratio of net investment income (loss) to average net assets	(0.35)% [e]	(0.44)%	(0.28)%	(0.14)%	0.39% [e]
Portfolio turnover rate	68% [e]	34%	58%	86%	44% [e]

[a] Represents the period from the initial public offering (May 1, 2001) through December 31, 2001.

[b] Not annualized.

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

[d] Absent investment advisory fees waived by the Adviser, the ratio of expenses to average net assets would have been 1.52%[e], 1.52%, 1.56%, 1.69%, and 2.09%[e] for the periods ended June 30, 2005 and December 31, 2004, 2003, 2002, and 2001, respectively.

[e] Annualized.

See notes to financial statements.

AVE MARIA GROWTH FUND
FINANCIAL HIGHLIGHTS
Per Share Data for a Share Outstanding Throughout Each Period

	Six Months Ended June 30, 2005 (Unaudited)	Year Ended December 31, 2004	Period Ended December 31, 2003[a]
Net asset value at beginning of period	$ 14.99	$ 12.34	$ 10.00
Income (loss) from investment operations:			
Net investment loss	(0.03)	(0.03)	(0.02)
Net realized and unrealized gains (losses) on investments	(0.79)	2.68	2.36
Total from investment operations	(0.82)	2.65	2.34
Less distributions:			
From net investment income	—	—	—
From net realized gains on investments	—	—	—
Total distributions	—	—	—
Net asset value at end of period	$ 14.17	$ 14.99	$ 12.34
Total return [c]	(5.5)% [b]	21.5%	23.4% [b]
Ratios/Supplementary Data:			
Net assets at end of period (000's)	$ 56,727	$ 51,574	$ 15,105
Ratio of net expenses to average net assets [d]	1.50% [e]	1.50%	1.49% [e]
Ratio of net investment loss to average net assets	(0.44)% [e]	(0.29)%	(0.36)% [e]
Portfolio turnover rate	26% [e]	3%	0.0%

[a] Represents the period from the initial public offering (May 1, 2003) through December 31, 2003.

[b] Not annualized.

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

[d] Absent fee waivers and expense reimbursements by the Adviser, the ratio of expenses to average net assets would have been 1.64%[e], 1.79% and 2.61%[e] for the periods ended June 30, 2005 and December 31, 2004 and 2003, respectively.

[e] Annualized

See notes to financial statements.

AVE MARIA RISING DIVIDEND FUND
FINANCIAL HIGHLIGHTS
Per Share Data for a Share Outstanding Throughout the Period

	Period Ended June 30, 2005[a] (Unaudited)
Net asset value at beginning of period	$ 10.00
Income from investment operations:	
Net investment income	0.02
Net realized and unrealized gains on investments	0.18
Total from investment operations	0.20
Less distributions:	
From net investment income	(0.02)
Net asset value at end of period	$ 10.18
Total return [c]	2.0% [b]
Ratios/Supplementary Data:	
Net assets at end of period (000's)	$ 17,258
Ratio of net expenses to average net assets [d]	1.23% [e]
Ratio of net investment income to average net assets	1.37% [e]
Portfolio turnover rate	15% [e]

[a] Represents the period from the initial public offering (May 2, 2005) through June 30, 2005.

[b] Not annualized.

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

[d] Absent fee waivers and expense reimbursements by the Adviser, the ratio of expenses to average net assets would have been 1.42%[e] for the period ended June 30, 2005.

[e] Annualized.

See notes to financial statements.

AVE MARIA BOND FUND - CLASS I
FINANCIAL HIGHLIGHTS
Per Share Data for a Share Outstanding Throughout Each Period

	Six Months Ended June 30, 2005 (Unaudited)	Year Ended December 31, 2004	Period Ended December 31, 2003[a]
Net asset value at beginning of period	$ 10.29	$ 10.09	$ 10.00
Income (loss) from investment operations:			
Net investment income	0.16	0.28	0.16
Net realized and unrealized gains (losses) on investments	(0.04)	0.27	0.10
Total from investment operations	0.12	0.55	0.26
Less distributions:			
From net investment income	(0.16)	(0.28)	(0.16)
From net realized gains on investments	—	(0.07)	(0.01)
Total distributions	(0.16)	(0.35)	(0.17)
Net asset value at end of period	$ 10.25	$ 10.29	$ 10.09
Total return[c]	1.1% [b]	5.5%	2.6% [b]
Ratios/Supplementary Data:			
Net assets at end of period (000's)	$ 45,472	$ 32,458	$ 30,773
Ratio of net expenses to average net assets[d]	0.30% [e]	0.30%	0.30% [e]
Ratio of net investment income to average net assets	3.18% [e]	2.77%	2.36% [e]
Portfolio turnover rate	15% [e]	47%	50% [e]

[a] Represents the period from the initial public offering (May 1, 2003) through December 31, 2003.

[b] Not annualized.

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

[d] Absent fee waivers and expense reimbursements by the Adviser, the ratio of expenses to average net assets would have been 0.65%[e], 0.72% and 0.71%[e] for the periods ended June 30, 2005 and December 31, 2004 and 2003, respectively.

[e] Annualized.

See notes to financial statements.

AVE MARIA BOND FUND - CLASS R
FINANCIAL HIGHLIGHTS
Per Share Data for a Share Outstanding Throughout Each Period

	Six Months Ended June 30, 2005 (Unaudited)	Year Ended December 31, 2004	Period Ended December 31, 2003[a]
Net asset value at beginning of period	$ 10.28	$ 10.09	$ 10.00
Income (loss) from investment operations:			
Net investment income	0.14	0.24	0.14
Net realized and unrealized gains (losses) on investments	(0.04)	0.26	0.10
Total from investment operations	0.10	0.50	0.24
Less distributions:			
From net investment income	(0.14)	(0.24)	(0.14)
From net realized gains on investments	—	(0.07)	(0.01)
Total distributions	(0.14)	(0.31)	(0.15)
Net asset value at end of period	$ 10.24	$ 10.28	$ 10.09
Total return[c]	1.0% [b]	5.1%	2.4% [b]
Ratios/Supplementary Data:			
Net assets at end of period (000's)	$ 15,205	$ 6,491	$ 1,502
Ratio of net expenses to average net assets[d]	0.63% [e]	0.70%	0.69% [e]
Ratio of net investment income to average net assets	2.85% [e]	2.37%	1.96% [e]
Portfolio turnover rate	15% [e]	47%	50% [e]

[a] Represents the period from the initial public offering (May 1, 2003) through December 31, 2003.

[b] Not annualized.

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

[d] Absent fee waivers and expense reimbursements by the Adviser, the ratio of expenses to average net assets would have been 0.97%[e], 1.31%and 2.49%[e] for the periods ended June 30, 2005 and December 31, 2004 and 2003, respectively.

[e] Annualized.

See notes to financial statements.

1. Significant Accounting Policies

The Ave Maria Catholic Values Fund, the Ave Maria Growth Fund, the Ave Maria Rising Dividend Fund and the Ave Maria Bond Fund (the Funds) are each a series of the Schwartz Investment Trust, a diversified open-end management investment company registered under the Investment Company Act of 1940 and established as an Ohio business trust under a Declaration of Trust dated August 31, 1992. The Ave Maria Catholic Values Fund commenced the public offering of its shares on May 1, 2001. The public offering of shares of the Ave Maria Growth Fund and the Ave Maria Bond Fund commenced on May 1, 2003. The Ave Maria Rising Dividend Fund commenced the public offering of its shares on May 2, 2005. The Funds determine and make available for publication the net asset value of each of its shares on a daily basis.

The investment objective of the Ave Maria Catholic Values Fund is to seek long-term capital appreciation from equity investments in companies that do not violate the core values and teachings of the Roman Catholic Church. The investment objective of the Ave Maria Growth Fund is to seek long-term capital appreciation, using the growth style, from equity investments in companies that do not violate the core values and teachings of the Roman Catholic Church. The investment objective of the Ave Maria Rising Dividend Fund is increasing dividend income over time, long-term growth of capital, and a reasonable level of current income from investments in dividend-paying common stocks of companies that do no violate the core values and teachings of the Roman Catholic Church. The investment objective of the Ave Maria Bond Fund is to seek preservation of principal with a reasonable level of current income. See the Prospectus for more detailed information regarding the investment strategies of each Fund.

The Ave Maria Bond Fund offers two classes of shares: Class I shares (sold subject to a distribution fee of up to 0.10% of the average daily net assets attributable to Class I shares) and Class R shares (sold subject to a distribution fee of up to 0.25% of the average daily net assets attributable to Class R shares). Each class of shares represents an interest in the same assets of the Fund, has the same rights and is identical in all material respects except that (1) Class R bears the expenses of higher distribution fees; (2) certain other class specific expenses will be borne solely by the class to which such expenses are attributable; (3) Class I shares are not subject to the contingent deferred sales load described below; (4) each class has exclusive voting rights with respect to matters relating to its own distribution arrangements; and (5) Class I shares require an initial investment of $25 million. Investment income earned, realized capital gains and losses, and unrealized appreciation and depreciation are allocated daily to each class of shares based upon its proportionate share of total net assets of the Fund. Class specific expenses are charged directly to the class incurring the expense. Common expenses which are not attributable to a specific class are allocated daily to each class of shares based upon its proportionate share of total net assets of the Fund.

Shares of each Fund are sold at net asset value. To calculate the net asset value, each Fund's assets are valued and totaled, liabilities are subtracted, and the balance is divided by the number of shares outstanding. The offering price and redemption price per share are equal to the net asset value per share, except that shares of each Fund (except for Class I shares of the Ave Maria Bond Fund) are subject to a 1% contingent deferred sales load (CDSC) if redeemed within one year of their purchase. Shares purchased after December 31, 2004 are not subject to the CDSC if the shares are purchased either directly from the Funds or through a broker-dealer or other financial intermediary that does not receive any compensation in connection with such purchases.

The following is a summary of significant accounting policies followed by the Funds:

(a) Valuation of investments – Securities which are traded on stock exchanges are valued at the closing sales price as of the close of the regular session of trading on the New York Stock Exchange (NYSE) on the day the securities are being valued, or, if not traded on a particular day, at the closing bid price. Securities which are quoted by NASDAQ are valued at the NASDAQ Official Closing Price. Securities traded in the over-the-counter market, and which are not quoted by NASDAQ, are valued at the average of the highest current independent bid and lowest current independent offer as of the close of the regular session of trading on the NYSE on the day of valuation. Securities which are traded both in the over-the-counter market and on a stock exchange are valued according to the broadest and most representative market. Securities (and other assets) for which market quotations are not readily available are valued at their fair value as determined in good faith in accordance with consistently applied procedures established by and under the general supervision of the Board of Trustees. Short-term instruments (those with remaining maturities of 60 days or less) are valued at amortized cost, which approximates market value.

(b) Income taxes – It is each Fund's policy to comply with the special provisions of Subchapter M of the Internal Revenue Code applicable to regulated investment companies. As provided therein, in any fiscal year in which the Fund so qualifies and distributes at least 90% of its taxable income, the Fund (but not the shareholders) will be relieved of federal income tax on the income distributed. Accordingly, no provision for income taxes has been made.

In order to avoid imposition of the excise tax applicable to regulated investment companies, it is also each Fund's intention to declare as dividends in each calendar year at least 98% of its net investment income and 98% of its net realized capital gains plus undistributed amounts from prior years.

The tax character of distributable earnings at June 30, 2005 was as follows:

	Ave Maria Catholic Values Fund	Ave Maria Growth Fund	Ave Maria Rising Dividend Fund	Ave Maria Bond Fund
Ordinary income and long-term capital gains	$ 20,923,742	$ 2,919,057	$ 3,759	$ 60,796
Net unrealized appreciation	39,150,107	2,743,495	257,695	882,596
Total distributable earnings	$ 60,073,849	$ 5,662,552	$ 261,454	$ 943,392

The following information is based upon the federal income tax cost of the investment securities as of June 30, 2005:

	Ave Maria Catholic Values Fund	Ave Maria Growth Fund	Ave Maria Rising Dividend Fund	Ave Maria Bond Fund
Gross unrealized appreciation	$ 43,262,759	$ 4,975,823	$ 568,297	$ 1,299,359
Gross unrealized depreciation	(4,112,652)	(2,232,328)	(310,602)	(416,763)
Net unrealized appreciation	$ 39,150,107	$ 2,743,495	$ 257,695	$ 882,596
Federal income tax cost	$ 205,649,855	$ 53,937,448	$ 16,940,986	$ 59,321,093

The difference between the federal income tax cost of portfolio investments and the financial statement cost for the Ave Maria Catholic Values Fund is due to certain timing differences in the recognition of capital losses under income tax regulations and accounting principles generally accepted in the United States of America (GAAP). These "book/tax" differences are temporary in nature and are due to the tax deferral of losses on wash sales.

For the six months ended June 30, 2005, the Ave Maria Catholic Values Fund and the Ave Maria Growth Fund realized $16,626,972 and $2,992,345, respectively, of net capital gains resulting from in-kind redemptions – in which shareholders exchanged fund shares for securities held by the Fund rather than for cash. Such gains are not taxable to the Funds and will not be required to be distributed to shareholders.

(c) Security transactions and investment income – Security transactions are accounted for on the trade date. Dividend income is recorded on the ex-dividend date. Interest income is recognized on the accrual basis. Realized gains and losses on security transactions are determined on the identified cost basis. Discounts and premiums on fixed-income securities purchased are amortized using the interest method.

(d) Dividends and distributions – Dividends from net investment income, if any, are declared and paid annually in December for the Ave Maria Catholic Values Fund and the Ave Maria Growth Fund. Dividends from net investment income, if any, are declared and paid quarterly for the Ave Maria Rising Dividend Fund and are declared and paid monthly for the Ave Maria Bond Fund. Each Fund expects to distribute any net realized capital gains annually. Dividends and distributions to shareholders are recorded on the ex-dividend date. The tax character of distributions paid during the periods ended June 30, 2005 and December 31, 2004 were as follows:

Period Ended	Ordinary Income	Long-Term Capital Gains	Total Distributions
Ave Maria Catholic Values Fund:			
June 30, 2005	$ —	$ —	$ —
December 31, 2004	$ —	$ 11,172,077	$ 11,172,077
Ave Maria Rising Dividend Fund:			
June 30, 2005	$ 33,806	$ —	$ 33,806
Ave Maria Bond Fund – Class I:			
June 30, 2005	$ 574,668	$ —	$ 574,668
December 31, 2004	$ 1,020,957	$ 63,458	$ 1,084,415
Ave Maria Bond Fund – Class R:			
June 30, 2005	$ 145,259	$ —	$ 145,259
December 31, 2004	$ 121,180	$ 12,691	$ 133,871

There were no distributions for the Ave Maria Growth Fund during the periods ended June 30, 2005 and December 31, 2004.

(e) Repurchase agreements – The Funds may enter into repurchase agreements (agreements to purchase securities subject to the seller's agreement to repurchase them at a specified time and price) with well-established securities dealers or banks. Repurchase agreements may be deemed to be loans by the Funds. It is each Fund's policy to take possession of U.S. Government obligations as collateral under a repurchase agreement and, on a daily basis, mark-to-market such obligations to ensure that their value, including accrued interest, is at least equal to the amount to be repaid to the Fund under the repurchase agreement.

(f) Estimates – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(g) Common expenses – Common expenses of the Trust are allocated among the Funds of the Trust based on relative net assets of each Fund or the nature of the services performed and the relative applicability to each Fund.

2. Investment Advisory Agreement and Transactions with Related Parties

The President of the Funds is also the President and Chief Investment Officer of Schwartz Investment Counsel, Inc. (the Adviser). Certain other officers of the Funds are officers of the Adviser, or of Ultimus Fund Solutions, LLC (Ultimus), the administrative, accounting and transfer agent for the Funds.

Pursuant to an Investment Advisory Agreement between the Funds and the Adviser, the Adviser is responsible for the management of each Fund and provides investment advice along with the necessary personnel, facilities, equipment and certain other services necessary to the operations of the Funds. For such services, the Adviser receives from each of the Ave Maria Catholic Values Fund and the Ave Maria Growth Fund a quarterly fee equal to the annual rate of 1.00% of its average daily net assets. The Adviser receives from the Ave Maria Rising Dividend Fund and the Ave Maria Bond Fund a quarterly fee equal to the annual rate of 0.75% and 0.30%, respectively, of its average daily net assets.

The Adviser has contractually agreed to waive a portion of its advisory fees or reimburse a portion of operating expenses so that the net expenses of the Ave Maria Catholic Values Fund do not exceed 1.50% until at least May 1, 2006. The Adviser has contractually agreed to waive a portion of its advisory fees or reimburse a portion of operating expenses so that the net expenses of the Ave Maria Growth Fund do not exceed 1.50% and the net expenses of Class I and Class R shares of the Ave Maria Bond Fund do not exceed 0.30% and 0.70%, respectively, until at least May 1, 2007. The Adviser has contractually agreed to waive a portion of its advisory fees or reimburse a portion of operating expenses so that the net expenses of the Ave Maria Rising Dividend Fund do not exceed 1.25%, until at least May 1, 2008. For the six months ended June 30, 2005, the Adviser waived investment advisory fees of $18,046 with respect to the Ave Maria Catholic Values Fund; waived investment advisory fees of $40,640 with respect to the Ave Maria Growth Fund; waived investment advisory fees of $5,086 with respect to the Ave Maria Rising Dividend Fund; and waived all of its investment advisory fees of $69,012 and reimbursed $11,017 of other operating expenses (including $9,798 of common expenses and $1,219 of Class I expenses) with respect to the Ave Maria Bond Fund.

Any fee waivers or expense reimbursements by the Adviser are subject to repayment by the Funds for a period of three years from the time such waivers or reimbursements occurred, provided the Funds are able to effect such repayment and remain in compliance with the undertaking by the Adviser to limit expenses of the Funds. As of June 30, 2005 the amount of fee waivers and expense reimbursements available for reimbursement to the Adviser are as follows:

Ave Maria Catholic Values Fund	$	149,767
Ave Maria Growth Fund	$	206,774
Ave Maria Rising Dividend Fund	$	5,086
Ave Maria Bond Fund	$	325,130

As of June 30, 2005, the Adviser may recapture a portion of the above amounts no later than the dates as stated below:

	December 31, 2005		December 31, 2006		December 31, 2007		December 31, 2008	
Ave Maria Catholic Values Fund	$	27,938	$	66,849	$	36,934	$	18,046
Ave Maria Growth Fund	$	—	$	72,903	$	93,231	$	40,640
Ave Maria Rising Dividend Fund	$	—	$	—	$	—	$	5,086
Ave Maria Bond Fund	$	—	$	90,827	$	154,274	$	80,029

Pursuant to a Mutual Fund Services Agreement between the Funds and Ultimus, Ultimus supplies regulatory and compliance services, calculates the daily net asset value per share, maintains the financial books and records of the Funds, maintains the records of each shareholder's account, and processes purchases and redemptions of each Fund's shares. For the performance of these services, the Ave Maria Bond Fund pays Ultimus a monthly fee at an annual rate of 0.10% of its average daily net assets and each of the Ave Maria Catholic Values Fund, the Ave Maria Growth Fund, and the Ave Maria Rising Dividend Fund pays Ultimus a monthly fee at an annual rate of 0.15% of its average daily net assets. The fee payable by each Fund is subject to a minimum monthly fee of $4,000. For the six months ended June 30, 2005, the Ave Maria Catholic Values Fund, the Ave Maria Growth Fund, the Ave Maria Rising Dividend Fund and the Ave Maria Bond Fund paid $182,386, $42,266, $8,000 and $25,244, respectively, to Ultimus for mutual fund services.

Ultimus Fund Distributors, LLC, (UFD) serves as the principal underwriter for the distribution of shares of the Funds. During the six months ended June 30, 2005, UFD collected $9,583, $6,134, and $1,047 in contingent deferred sales loads on redemptions of shares of the Ave Maria Catholic Values Fund, the Ave Maria Growth Fund, and Class R shares of the Ave Maria Bond Fund, respectively.

The Ave Maria Catholic Values Fund, the Ave Maria Growth Fund and the Ave Maria Bond Fund have adopted a Shareholder Servicing Plan (the Plan), which allows the Funds to make payments to financial organizations (including the Adviser and other affiliates of each Fund) for providing account administration and personnel and account maintenance services to Fund shareholders. The annual service fee may not exceed an amount equal to 0.25% of each Fund’s daily net assets (except that the service fee is limited to 0.10% of the average net assets of the Ave Maria Bond Fund allocable to Class I shares). During the six months ended June 30, 2005, the total expenses incurred pursuant to the Plan were $302,284, $70,032, and $12,406 for the Ave Maria Catholic Values Fund, the Ave Maria Growth Fund, and Class R shares of the Ave Maria Bond Fund, respectively. No expenses were incurred pursuant to the Plan for Class I shares of the Ave Maria Bond Fund.

3. Investment Transactions

During the six months ended June 30, 2005, cost of purchases and proceeds from sales and maturities of investment securities, excluding short-term investments and U.S. government securities, were as follows:

	Ave Maria Catholic Values Fund	Ave Maria Growth Fund	Ave Maria Rising Dividend Fund	Ave Maria Bond Fund
Purchases of investment securities	$ 77,161,402	$ 15,741,000	$ 16,240,977	$ 4,120,561
Proceeds from sales of investment securities	$ 80,356,596	$ 7,104,339	$ 253,881	$ 373,938

4. Contingencies and Commitments

The Funds indemnify the Trust's officers and trustees for certain liabilities that might arise from their performance of their duties to the Funds. Additionally, in the normal course of business, the Funds enter into contracts that contain a variety of representations and warranties and which provide general indemnifications. The Funds’ maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Funds that have not yet occurred. However, based on experience, the Funds expect the risk of loss to be remote.

AVE MARIA MUTUAL FUNDS
ABOUT YOUR FUND'S EXPENSES (Unaudited)

We believe it is important for you to understand the impact of costs on your investment. All mutual funds have operating expenses. As a shareholder of the Funds, you incur two types of cost: (1) transaction costs, possibly including contingent deferred sales loads, and (2) ongoing costs, including management fees and other Fund expenses. The following examples are intended to help you understand your ongoing costs (in dollars) of investing in the Funds and to compare these costs with the ongoing costs of investing in other mutual funds.

A fund's expenses are expressed as a percentage of its average net assets. This figure is known as the expense ratio. The expenses in the tables below are based on an investment of $1,000 made at the beginning of the period shown and held for the entire period.

The tables below illustrate each Fund's costs in two ways:

Actual fund return – This section helps you to estimate the actual expenses that you paid over the period. The "Ending Account Value" shown is derived from each Fund's actual return, and the third column shows the dollar amount of operating expenses that would have been paid by an investor who started with $1,000 in the Funds. You may use the information here, together with the amount you invested, to estimate the expenses that you paid over the period.

To do so, simply divide your account value by $1,000 (for example, an $8,600 account value divided by $1,000 = 8.6), then multiply the result by the number given for the Funds under the heading "Expenses Paid During Period."

Hypothetical 5% return – This section is intended to help you compare the Funds' costs with those of other mutual funds. It assumes that each Fund had an annual return of 5% before expenses during the period shown, but that the expense ratio is unchanged. In this case, because the return used is not the Funds' actual returns, the results do not apply to your investment. The example is useful in making comparisons because the Securities and Exchange Commission requires all mutual funds to calculate expenses based on a 5% return. You can assess each Fund's costs by comparing this hypothetical example with the hypothetical examples that appear in shareholder reports of other funds.

Note that expenses shown in the table are meant to highlight and help you compare ongoing costs only. The Funds do not charge a front-end sales load. However, a contingent deferred sales load of 1% may apply if you redeem your shares within one year of their purchase.

The calculations assume no shares were bought or sold during the period. Your actual costs may have been higher or lower, depending on the amount of your investment and the timing of any purchases or redemptions.

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

Ave Maria Catholic Values Fund

	Beginning Account Value January 1, 2005	Ending Account Value June 30, 2005	Expenses Paid During Period*
Based on Actual Fund Return	$1,000.00	$1,013.00	$7.49
Based on Hypothetical 5% Return (before expenses)	$1,000.00	$1,017.36	$7.50

* Expenses are equal to the Ave Maria Catholic Values Fund's annualized expense ratio of 1.50% for the period, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

Ave Maria Growth Fund

	Beginning Account Value January 1, 2005	Ending Account Value June 30, 2005	Expenses Paid During Period*
Based on Actual Fund Return	$1,000.00	$ 945.30	$7.23
Based on Hypothetical 5% Return (before expenses)	$1,000.00	$1,017.36	$7.50

* Expenses are equal to the Ave Maria Growth Fund's annualized expense ratio of 1.50% for the period, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

Ave Maria Rising Dividend Fund

	Beginning Account Value May 2, 2005	Ending Account Value June 30, 2005	Expenses Paid During Period*
Based on Actual Fund Return	$1,000.00	$1,020.00	$2.04
Based on Hypothetical 5% Return (before expenses)	$1,000.00	$1,006.20	$2.03

* Expenses are equal to the Ave Maria Rising Dividend Fund's annualized expense ratio of 1.23% for the period, multiplied by the average account value over the period, multiplied by 60/365 (to reflect the two month period).

Ave Maria Bond Fund – Class I

	Beginning Account Value January 1, 2005	Ending Account Value June 30, 2005	Expenses Paid During Period*
Based on Actual Fund Return	$1,000.00	$1,011.40	$1.50
Based on Hypothetical 5% Return (before expenses)	$1,000.00	$1,023.31	$1.51

* Expenses are equal to the Ave Maria Bond – Class I's annualized expense ratio of 0.30% for the period, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

Ave Maria Bond Fund – Class R

	Beginning Account Value January 1, 2005	Ending Account Value June 30, 2005	Expenses Paid During Period*
Based on Actual Fund Return	$1,000.00	$1,009.70	$3.14
Based on Hypothetical 5% Return (before expenses)	$1,000.00	$1,021.67	$3.16

* Expenses are equal to the Ave Maria Bond – Class R's annualized expense ratio of 0.63% for the period, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

OTHER INFORMATION (Unaudited)

A description of the policies and procedures the Funds use to determine how to vote proxies relating to portfolio securities is available without charge upon request by calling toll-free 1-888-726-9331., or on the Securities and Exchange Commission's ("SEC") website at http://www.sec.gov. Information regarding how the Funds voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is also available without charge upon request by calling toll-free 1-888-726-9331, or on the SEC's website http://www.sec.gov.

The Schwartz Investment Trust files a complete listing of portfolio holdings for each of the Funds with the SEC as of the first and third quarters of each fiscal year on Form N-Q. The filings will be available upon request, by calling 1-888-726-9331. Furthermore, you will be able to obtain a copy of the filing on the SEC's website at http://www.sec.gov. The Trust's Forms N-Q may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC, and information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

AVE MARIA MUTUAL FUNDS
APPROVAL OF ADVISORY AGREEMENTS (Unaudited)

The Board of Trustees, including the Independent Trustees voting separately, have reviewed and approved the continuance of the Advisory Agreements with Schwartz Investment Counsel, Inc. (the "Adviser") on behalf of the Ave Maria Catholic Values Fund, the Ave Maria Growth Fund and the Ave Maria Bond Fund and the continuance of the Sub-Advisory Agreement with JLB & Associates, Inc. (the "Sub-Adviser") on behalf of the Ave Maria Growth Fund. The approvals took place at an in-person meeting held on January 28, 2005, at which all of the Trustees were present.

The Trustees were advised by counsel for the Trust of their fiduciary obligations in approving the Advisory Agreements and the Sub-Advisory Agreement (collectively, the "Agreements") and the Trustees requested such information from the Adviser as they deemed reasonably necessary to evaluate the terms of the Agreements and whether the Agreements continue to be in the best interest of the Funds and their shareholders. The Trustees reviewed (1) industry data comparing advisory fees and expense ratios of comparable investment companies; (2) comparative performance information; (3) the Adviser's revenues and costs of providing services to the Funds; and (4) information about the Adviser's and the Sub-Adviser's personnel. The Trustees considered various factors, among them (1) the nature, extent and quality of the services provided by the Adviser and the Sub-Adviser; (2) the fees charged for those services and the Adviser's profitability with respect to the Funds; (3) the Funds' performance; (4) the extent to which economies of scale may be realized as the Funds grow; and (5) whether fee levels reflect these economies of scale for the benefit of the Funds investors. The Independent Trustees were advised by experienced counsel throughout the process.

The Trustees evaluated and discussed with the Adviser the responsibilities of the Adviser and the Sub-Adviser under the Agreements. The Trustees also reviewed the background, education and experience of the Adviser's and the Sub-Adviser's investment and operational personnel. The Trustees discussed and considered the quality of administrative and other services provided to the Trust, the Adviser's compliance programs, and the Adviser's role in coordinating such services and programs.

The Trustees considered short-term and longer-term performance of the Funds in their deliberations. The Trustees considered each Fund's historical performance over various periods ended December 31, 2004, as it compared to the returns of relevant indices and similarly managed mutual funds. Based upon their review, the Trustees found that each Fund has consistently outperformed its benchmark index, which is the S&P 500 Index for the Ave Maria Catholic Values Fund and the Ave Maria Growth Fund and the Lehman Brothers U.S. Government/Credit Index for the Ave Maria Bond Fund.

The Trustees reviewed the Adviser's analysis of its profitability from each Fund's Advisory Agreement for the year ended December 31, 2004. The Trustees considered that the Adviser may receive, in addition to the advisory fee, various research services as a result of the placement of the Funds' portfolio brokerage. The Independent Trustees discussed whether it was necessary to review the profitability and financial condition of the Sub-Adviser in connection with the Ave Maria Growth Fund, and they determined that since the Fund does not directly pay any fees to the Sub-Adviser, and since the Sub-Adviser's fee is set as a result of arms-length negotiations by the Adviser, such a review is not material in the Trustees' consideration of the Sub-Advisory

Agreement. The Trustees concluded that the Adviser possessed the fundamental resources necessary to serve as adviser to the Funds, and based upon their review of the financial statements provided by the Adviser, that the firm was sufficiently capitalized to remain economically viable to serve as the adviser.

In reviewing the fees payable under the Agreements, the Trustees reviewed the advisory fees paid by each Fund and compared such fees to the advisory fee ratios of similar mutual funds. The Trustees also compared the total operating expense ratio of each Fund with expense ratios of representative funds with similar investment objectives considered to be in its peer group. The Trustees considered the existence of any economies of scale and whether those would be passed along to the Funds' shareholders, including any fee waivers by the Adviser. The Trustees discussed the appropriateness of recognizing possible economies of scale by instituting breakpoints within the advisory fee structure of each Fund, but determined that based on the relative newness of the Funds and the Adviser's commitment to waive fees and reimburse expenses in order to maintain competitive expense ratios, the implementation of breakpoints is unnecessary at the present time. In evaluating each Fund's advisory fees, the Trustees took into account the quality of the investment management of the Funds. The Trustees concluded that, based upon the investment strategies of the Funds and the quality of services provided by the Adviser, the advisory fees paid by each Fund are reasonable.

In approving the Agreements, the Independent Trustees reached the following conclusions: (1) the Trustees noted the qualifications of key personnel of the Adviser and the Sub-Adviser that would work with the Funds and concluded the Adviser and the Sub-Adviser are qualified to continue to manage each Fund's assets in accordance with its investment objective and policies; (2) based on the performance of each Fund, the Independent Trustees believe that the nature and quality of services provided by the Adviser (and, with respect to the Ave Maria Growth Fund, by the Sub-Adviser) were satisfactory; (3) the advisory fees of the Ave Maria Bond Fund are extremely competitive and lower than most comparably managed mutual funds and, while the advisory fees paid by the Ave Maria Catholic Values Fund and the Ave Maria Growth Fund are in the higher range of fees for comparably managed funds, the Trustees believe that the quality of investment advisory services provided by the Adviser and Sub-Adviser have been well above the norm and that a contributing factor to higher expenses is the relatively small size of the Funds; and (4) the Adviser's commitment to cap overall operating expenses through fee waivers and expense reimbursements has enabled the Funds to maintain a competitive overall expense ratio which has increased investment returns for shareholders.

No single factor was considered in isolation or to be determinative to the decision of the Trustees to approve continuance of the Agreements. Rather, the Trustees, concluded, in light of a weighing and balancing of all factors considered, that it would be in the best interests of each Fund and its shareholders to renew the Agreements for an additional annual period.

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