SCHWARTZ INVESTMENT COUNSEL, INC.

AVE MARIA MUTUAL FUNDS

Ave Maria Catholic Values Fund

Ave Maria Growth Fund

Ave Maria Rising Dividend Fund

Ave Maria Opportunity Fund

Ave Maria Bond Fund

UNAUDITED

Semi-Annual Report

JUNE 30, 2006

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

AVE MARIA
MUTUAL
FUNDS

Corporate Offices
3707 W. Maple Road
Suite 100
Bloomfield Hills, MI 48301
(248) 644-8500
Fax (248) 644-4250

Dear Shareowner of:

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

It's hard to believe that 5 years have already gone by since the start of our first Catholic Fund, the Ave Maria Catholic Values Fund (AVEMX). On May 1, 2006 we started the Ave Maria Opportunity Fund (AVESX), fifth in the series. Its focus is on smaller capitalization stocks which adhere to the moral guidelines established for all of the Ave Maria Mutual Funds.

Responding to the shareholders' requests, on July 3, 2006 we introduced the Ave Maria Money Market Account. In partnership with Federated Securities, we now offer Fund shareholders and prospective shareholders a money market fund, which invests in accordance with the Funds' moral guidelines. Only the highest quality, short-term money market instruments are used – U.S. Treasury and Agency obligations. Daily liquidity is provided in addition to transferability to and from any of the Ave Maria Mutual Funds, plus check writing privileges.

To open a money market account, call toll free 1-866-AVE-MARIA.

Sincerely,

George P. Schwartz

George P. Schwartz, CFA
President

July 31, 2006

P.S. Due to the Board of Trustees' retirement policy, John J. McHale attended his last board meeting on July 27, 2006. Having served with distinction since the Ave Maria Catholic Values Fund's inception, his encyclopedic knowledge, sound business judgement and wise counsel will be sorely missed.

AVE MARIA MUTUAL FUNDS
TABLE OF CONTENTS

AVE MARIA CATHOLIC VALUES FUND
PORTFOLIO MANAGER COMMENTARY

Dear Fellow Shareowner:

The Ave Maria Catholic Values Fund had a total return of 5.4% for the six months ended June 30, 2006. This exceeded both the 2.7% return for the S&P 500 Index and the 4.2% return for the S&P 400 Mid-Cap Index.

This good relative performance continues the trend of out-performance, visible since inception of the Fund over five years ago:

	From 5-01-01 (Inception) Through 6-30-06 Total Returns	
	Cumulative	Annualized
Ave Maria Catholic Values Fund (AVEMX)	72.4%	11.1%
S&P 500 Index	9.6%	1.8%
S&P 400 Mid-Cap Index	57.7%	9.2%

In the first half of 2006, the general stock market struggled to make a modest gain. The reasons include $70-oil, rising short-term interest rates, inflation scares, a housing slowdown, Iraq, North Korea, and now Iran. But if it's in the headlines, it's in the market; i.e., already reflected in stock prices. Corporate profits continue to grow at a double-digit pace and corporate balance sheets are solid. The market has not traded at a lower multiple of earnings in the last ten years. In fact, the S&P 500 Index is now at about half the price relative to earnings compared to the 1999-2000 market peak. More importantly, we continue to find attractively priced, high-quality stocks to buy. Judging by the increased merger and acquisition activity, others share that view.

So far this year, three of our portfolio holdings have been the object of takeovers. Fargo Electronics, Inc., Education Management Corporation, and North Fork Bancorp received attractive takeover offers, which resulted in substantial gains for the Fund. Other names that contributed significantly to first half performance were Thor Industries, Inc., Christopher & Banks Corporation, Core Laboratories N.V., and First Marblehead Corporation, all up more than 25%.

The ProQuest Company was our biggest disappointment, as accounting irregularities and a questionable management response to regulatory inquiries blasted the stock. We sold most of the position and took a tax loss to offset some of the other realized gains. Other poorly performing stocks in the first half were Pulte Homes, Inc., Mohawk Industries, Inc. (both housing related), and Zebra Technologies Corporation (bar codes). All three are excellent companies, and we have purchased additional shares, as the market appears to have overreacted to temporary business weakness.

AVE MARIA CATHOLIC VALUES FUND
PORTFOLIO MANAGER COMMENTARY (Continued)

Three portfolio companies no longer met the Fund's moral screens this year and were sold from the portfolio. The 3M Company and American International Group, Inc. now offer non-marital partner benefits to employees, and Corinthian Colleges, Inc. started assigning students to an abortion clinic to complete their externship requirement for a Medical Assisting Diploma Program. As always, we explained to top management of these companies why we sold their stock and urged them to change their offending corporate behavior. Other significant positions eliminated from the Fund this year were STERIS Corporation, Jones Apparel Group, Inc., and Applied Signal Technology, Inc. All experienced deteriorating long-term business outlooks, and alternative investment opportunities were more compelling. New names include American Woodmark Corporation (cabinet manufacturer), Sherwin-Williams Company (paints), ConocoPhillips and Southwestern Energy Company (energy), Zale Corporation (jewelry retail), American Safety Insurance Holdings, Ltd., and ADTRAN, Inc. (telecom equipment). Each of these companies possesses excellent business characteristics: solid balance sheets, good cash flow, and attractive valuations. None violate the core teachings of the Catholic Church.

Thanks for investing in the Ave Maria Catholic Values Fund.

Sincerely,

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, 2006 (Unaudited)

Shares	Company	Market Value
275,000	Kinetic Concepts, Inc.	$ 12,141,250
450,000	Lifetime Brands, Inc.	9,751,500
300,000	Pulte Homes, Inc.	8,637,000
300,000	Dollar Tree Stores, Inc.	7,950,000
37,500	Student Loan Corporation (The)	7,575,000
150,000	Thor Industries, Inc.	7,267,500
700,000	Input/Output, Inc.	6,615,000
250,000	Leggett & Platt, Inc.	6,245,000
150,000	Mine Safety Appliances Company	6,030,000
130,000	Graco, Inc.	5,977,400

ASSET ALLOCATION (Unaudited)

Sector	% of Net Assets
Aerospace & Defense	5.3%
Building Materials & Construction	6.6%
Business Services	4.6%
Consumer - Durables	13.7%
Consumer - Nondurables	11.3%
Consumer - Retail	7.0%
Energy & Mining	7.8%
Finance	12.0%
Healthcare	12.5%
Industrial Products & Services	5.4%
Real Estate	0.6%
Technology	7.0%
Utilities	0.7%
Cash Equivalents, Other Assets and Liabilities	5.5%
	100.0%

AVE MARIA CATHOLIC VALUES FUND
SCHEDULE OF INVESTMENTS
June 30, 2006 (Unaudited)

Shares	COMMON STOCKS — 94.5%	Market Value
	AEROSPACE & DEFENSE — 5.3%	
25,000	American Science and Engineering, Inc. *	$ 1,448,000
80,000	General Dynamics Corporation	5,236,800
150,000	Mine Safety Appliances Company	6,030,000
		12,714,800
	BUILDING MATERIALS & CONSTRUCTION — 6.6%	
100,000	American Woodmark Corporation	3,504,000
300,000	Pulte Homes, Inc.	8,637,000
100,000	Simpson Manufacturing Company, Inc.	3,605,000
		15,746,000
	BUSINESS SERVICES — 4.6%	
50,000	Automatic Data Processing, Inc.	2,267,500
90,000	Diebold, Incorporated	3,655,800
138,000	Neogen Corporation *	2,638,560
50,000	ProQuest Company *	614,500
500,000	TVI Corporation *	1,765,000
		10,941,360
	CONSUMER - DURABLES — 13.7%	
15,000	Brunswick Corporation	498,750
297,000	Craftmade International, Inc.	4,974,750
400,000	Gentex Corporation	5,600,000
35,000	Harley-Davidson, Inc.	1,921,150
250,000	Leggett & Platt, Inc.	6,245,000
70,000	Mohawk Industries, Inc. *	4,924,500
50,000	Stanley Furniture Company, Inc.	1,198,500
150,000	Thor Industries, Inc.	7,267,500
		32,630,150
	CONSUMER - NONDURABLES — 11.3%	
50,000	ACCO Brands Corporation *	1,095,000
110,000	Chattem, Inc. *	3,340,700
20,000	Fortune Brands, Inc.	1,420,200
450,000	Lifetime Brands, Inc.	9,751,500
140,000	RC2 Corporation *	5,412,400
80,000	Sherwin-Williams Company (The)	3,798,400
30,000	VF Corporation	2,037,600
		26,855,800
	CONSUMER - RETAIL — 7.0%	
70,000	Christopher & Banks Corporation	2,030,000
300,000	Dollar Tree Stores, Inc. *	7,950,000
110,000	Ross Stores, Inc.	3,085,500
150,000	Zale Corporation *	3,613,500
		16,679,000

AVE MARIA CATHOLIC VALUES FUND
SCHEDULE OF INVESTMENTS (Continued)

Shares	COMMON STOCKS — 94.5% (Continued)	Market Value
	ENERGY & MINING — 7.8%	
20,000	Anadarko Petroleum Corporation	$ 953,800
50,000	ConocoPhillips	3,276,500
20,000	Core Laboratories N.V. *	1,220,800
25,000	Exxon Mobil Corporation	1,533,750
700,000	Input/Output, Inc. *	6,615,000
90,000	Southwestern Energy Company *	2,804,400
20,000	Transocean Inc. *	1,606,400
15,000	XTO Energy Inc.	664,050
		18,674,700
	FINANCE - BANKS & THRIFTS — 2.0%	
45,000	BB&T Corporation	1,871,550
10,000	Century Bancorp, Inc. - Class A	245,000
75,000	Synovus Financial Corporation	2,008,500
20,000	TCF Financial Corporation	529,000
		4,654,050
	FINANCE - INSURANCE — 6.3%	
151,500	American Safety Insurance Holdings, Ltd. *	2,499,750
50,000	Everest Re Group, Ltd.	4,328,500
430,000	Meadowbrook Insurance Group, Inc. *	3,577,600
282,945	Unico American Corporation *	3,024,682
55,000	United Fire & Casualty Company	1,657,150
		15,087,682
	FINANCE - SERVICES — 3.7%	
20,000	First Marblehead Corporation (The)	1,138,800
37,500	Student Loan Corporation (The)	7,575,000
		8,713,800
	HEALTHCARE — 12.5%	
35,000	Beckman Coulter, Inc.	1,944,250
275,000	Kinetic Concepts, Inc.*	12,141,250
30,000	Lincare Holdings Inc. *	1,135,200
115,000	Manor Care, Inc.	5,395,800
240,000	Mylan Laboratories Inc.	4,800,000
100,000	Waters Corporation *	4,440,000
		29,856,500
	INDUSTRIAL PRODUCTS & SERVICES — 5.4%	
60,000	Balchem Corporation	1,350,000
20,000	Caterpillar Inc.	1,489,600
50,000	Genuine Parts Company	2,083,000
130,000	Graco, Inc.	5,977,400
12,500	Stericycle, Inc. *	813,750
20,000	Teleflex Incorporated	1,080,400
		12,794,150

AVE MARIA CATHOLIC VALUES FUND
SCHEDULE OF INVESTMENTS (Continued)

Shares	COMMON STOCKS — 94.5% (Continued)	Market Value
	REAL ESTATE — 0.6%	
50,000	Health Care Property Investors, Inc.	$ 1,337,000
	TECHNOLOGY — 7.0%	
110,000	ADTRAN, Inc.	2,467,300
30,000	Alltel Corporation	1,914,900
25,000	CenturyTel, Inc.	928,750
168,647	Sparton Corporation	1,425,067
150,000	Stratasys, Inc.*	4,419,000
177,500	Yak Communications, Inc.*	527,175
150,000	Zebra Technologies Corporation - Class A *	5,124,000
		16,806,192
	UTILITIES — 0.7%	
305,000	SEMCO Energy, Inc.*	1,695,800
	TOTAL COMMON STOCKS (Cost $197,152,415)	$ 225,186,984

Shares	CASH EQUIVALENTS — 4.3%	Market Value
10,357,150	Federated Treasury Obligations Money Market Fund (Cost $10,357,150)	$ 10,357,150
	TOTAL INVESTMENTS AT MARKET VALUE — 98.8% (Cost $207,509,565)	$ 235,544,134
	OTHER ASSETS IN EXCESS OF LIABILTIES — 1.2%	2,840,730
	NET ASSETS — 100.0%	$ 238,384,864

* Non-income producing security.

See notes to financial statements.

AVE MARIA GROWTH FUND
PORTFOLIO MANAGER COMMENTARY

Dear Fellow Shareholders:

For the six months ended June 30, 2006, the Ave Maria Growth Fund had a total return of 10.1% compared with 2.7% for the S&P 500 Index. Since inception on May 1, 2003, the Fund's annualized total return was 17.3% compared with an annualized total return of 12.9% for the S&P 500.

The five top-performing issues in the Ave Maria Growth Fund for the six-month period were:

Expeditors International (freight forwarder)	+68%
Christopher & Banks (women's specialty apparel)	+55%
Franklin Electric (submersible electric motors)	+33%
Graco, Inc. (fluid-handling devices)	+33%
SEI Investments (investment management services)	+32%

The five bottom-performing issues were:

Arthur J. Gallagher & Co. (insurance brokerage & risk management)	-16%
Biomet, Inc. (reconstructive joint devices)	-15%
Polaris Industries, Inc. (snowmobiles, ATVs, personal watercraft)	-14%
Bed, Bath & Beyond, Inc. (bed linens, towels, cookware, housewares)	- 9%
ITT Industries (defense electronics)	- 4%

Your Fund marked its three-year anniversary on May 1st of this year. Accordingly, it became qualified to be rated by Morningstar, a universally recognized rating agency of mutual fund performance. As of June 30, 2006, your Fund was awarded four stars, ranked among 823 Mid-Cap Growth Funds. Keep in mind that past performance does not guarantee future results. The ratings range from a high of five stars to a low of one star. Morningstar calculates a risk-adjusted measure that accounts for variation in a fund's monthly performance (including the effects of sales charges), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds receive five stars, the next 22.5% four stars, the next 35% three stars, the next 22.5% two stars, and the bottom 10% receive one star.

Respectfully,

James L. Bashaw

James L. Bashaw, CFA
Portfolio Manager

AVE MARIA GROWTH FUND
TEN LARGEST EQUITY HOLDINGS
June 30, 2006 (Unaudited)

Shares	Company	Market Value
44,200	Expeditors International of Washington, Inc.	$ 2,475,642
50,950	FactSet Research Systems, Inc.	2,409,935
46,300	Franklin Electric Company, Inc.	2,390,932
22,900	Occidental Petroleum Corporation	2,348,395
47,000	SEI Investments Company	2,297,360
27,300	Johnson Controls, Inc.	2,244,606
30,100	C.R. Bard, Inc.	2,205,126
46,400	Landstar System, Inc.	2,191,472
45,200	Kellogg Company	2,189,036
48,200	XTO Energy, Inc.	2,133,814

ASSET ALLOCATION (Unaudited)

Sector	% of Net Assets
Aerospace & Defense	7.4%
Consumer - Durables	10.5%
Consumer - Nondurables	5.8%
Consumer - Retail	7.2%
Energy & Mining	6.2%
Finance	16.4%
Healthcare	14.2%
Industrial Products & Services	29.1%
Technology	2.7%
Cash Equivalents, Other Assets and Liabilities	0.5%
	100.0%

AVE MARIA GROWTH FUND
SCHEDULE OF INVESTMENTS
June 30, 2006 (Unaudited)

Shares	COMMON STOCKS — 99.5%	Market Value
	AEROSPACE & DEFENSE — 7.4%	
18,000	Alliant Techsystems, Inc. *	$ 1,374,300
29,200	General Dynamics Corporation	1,911,432
37,500	Rockwell Collins, Inc.	2,095,125
		5,380,857
	CONSUMER - DURABLES — 10.5%	
23,400	Black & Decker Corporation (The)	1,976,364
37,900	Harley-Davidson, Inc.	2,080,331
38,200	Polaris Industries, Inc.	1,654,060
41,500	Toro Company (The)	1,938,050
		7,648,805
	CONSUMER - NONDURABLES — 5.8%	
45,200	Kellogg Company	2,189,036
60,000	McCormick & Company, Inc.	2,013,000
		4,202,036
	CONSUMER - RETAIL — 7.2%	
53,100	Bed Bath & Beyond Inc. *	1,761,327
73,500	Christopher & Banks Corporation	2,131,500
46,300	Ross Stores, Inc.	1,298,715
		5,191,542
	ENERGY & MINING — 6.2%	
22,900	Occidental Petroleum Corporation	2,348,395
48,200	XTO Energy, Inc.	2,133,814
		4,482,209
	FINANCE - BANKS & THRIFTS — 5.5%	
56,200	National City Corporation	2,033,878
64,650	North Fork Bancorporation, Inc.	1,950,491
		3,984,369
	FINANCE - INSURANCE — 4.4%	
50,400	Arthur J. Gallagher & Co.	1,277,136
65,900	Brown & Brown, Inc.	1,925,598
		3,202,734
	FINANCE - SERVICES — 6.5%	
50,950	FactSet Research Systems, Inc.	2,409,935
47,000	SEI Investments Company	2,297,360
		4,707,295

AVE MARIA GROWTH FUND
SCHEDULE OF INVESTMENTS (Continued)

Shares	COMMON STOCKS — 99.5% (Continued)	Market Value
	HEALTHCARE — 14.2%	
29,300	Beckman Coulter, Inc.	$ 1,627,615
60,900	Biomet, Inc.	1,905,561
30,100	C. R. Bard, Inc.	2,205,126
55,500	Patterson Companies, Inc. *	1,938,615
16,000	Stryker Corporation	673,760
43,600	Waters Corporation *	1,935,840
		10,286,517
	INDUSTRIAL PRODUCTS & SERVICES — 29.1%	
42,200	AMETEK, Inc.	1,999,436
61,800	CLARCOR, Inc.	1,841,022
30,200	Danaher Corporation	1,942,464
61,400	Donaldson Company, Inc.	2,079,618
44,200	Expeditors International of Washington, Inc.	2,475,642
46,300	Franklin Electric Company, Inc.	2,390,932
42,700	Graco, Inc.	1,963,346
38,600	ITT Industries, Inc.	1,910,700
27,300	Johnson Controls, Inc.	2,244,606
46,400	Landstar System, Inc.	2,191,472
		21,039,238
	TECHNOLOGY — 2.7%	
31,900	Mettler-Toledo International Inc. *	1,932,183
	TOTAL COMMON STOCKS (Cost $63,726,456)	$ 72,057,785

Shares	CASH EQUIVALENTS — 1.5%	Market Value
1,091,412	Federated Treasury Obligations Money Market Fund (Cost $1,091,412)	$ 1,091,412
	TOTAL INVESTMENTS AT MARKET VALUE — 101.0% (Cost $64,817,868)	$ 73,149,197
	LIABILITIES IN EXCESS OF OTHER ASSETS — (1.0%)	(750,822)
	NET ASSETS — 100.0%	$ 72,398,375

* Non-income producing security.

See notes to financial statements.

AVE MARIA RISING DIVIDEND FUND
PORTFOLIO MANAGER COMMENTARY

Dear Fellow Shareholders:

The total return of the Ave Maria Rising Dividend Fund for the first six months of 2006 was 6.2%. This compares favorably with the 2.7% return for the S&P 500 Index and the 6.0% return for the S&P Dividend Aristocrat Index for the same period. Domestic equity markets were strong early in the year, peaking in early May. Since then, stock prices have generally fallen in response to rising interest rates and initial signs that the economy may be slowing. Our relatively good performance came from a variety of sectors, with Thor Industries, Inc. (travel trailers), Caterpillar Inc. (construction and mining equipment), Manor Care, Inc. (nursing homes), and Johnson Controls, Inc. (automotive supplier) among our strongest contributors. Pulte Homes, Inc. (home builder), The ServiceMaster Company (ChemLawn), and Arthur J. Gallagher & Co. (insurance broker) saw significant declines in their stock prices during the period. We continue to believe that investments in these companies represent good long-term value and have added to each.

Stocks added to the portfolio during the six month period include: Beckman Coulter, Inc. (biomedical testing equipment); TCF Financial Corporation (regional bank); The J. M. Smucker Company (food processor); and VF Corporation (apparel manufacturer). All of these companies have a history of paying dividends and have the financial strength to consistently increase dividend payments in the future. North Fork Bancorp, Inc., a takeover target, was sold during the period. Also sold as a result of their managements offering non-marital partner benefits to employees, thereby violating one of our pro-life, pro-family screens, were American International Group, Inc., 3M Company, and Exelon Corp.

It appears that the U.S. economy is slowing in response to the Fed's sustained application of the monetary brakes. This is particularly evident in the residential real estate market, which has depressed some of our building-related shares, like Pulte Homes, Inc. and Masco Corporation. But these companies, like all the companies in the Ave Maria Rising Dividend Fund, are established entities with strong balance sheets and demonstrated staying power. We have a great deal of confidence in the long-term outlook for the exceptionally high-quality stocks which comprise this portfolio.

Your participation in this Fund is appreciated.

With best regards,

George P. Schwartz, CFA
Co-Portfolio Manager

Richard L. Platte, Jr., CFA
Co-Portfolio Manager

AVE MARIA RISING DIVIDEND FUND
TEN LARGEST EQUITY HOLDINGS
June 30, 2006 (Unaudited)

Shares	Company	Market Value
22,000	Sherwin-Williams Company (The)	$ 1,044,560
20,000	Kellogg Company	968,600
20,000	Stanley Works (The)	944,400
17,000	Beckman Coulter, Inc.	944,350
23,000	Diebold, Incorporated	934,260
22,000	BB&T Corporation	914,980
36,000	Arthur J. Gallagher & Co.	912,240
22,000	FPL Group, Inc.	910,360
34,000	TCF Financial Corporation	899,300
36,000	Leggett & Platt, Inc.	899,280

ASSET ALLOCATION (Unaudited)

Sector	% of Net Assets
Aerospace & Defense	3.0%
Building Materials & Construction	5.7%
Business Services	7.6%
Consumer - Durables	6.3%
Consumer - Nondurables	23.0%
Consumer - Retail	3.0%
Energy & Mining	1.8%
Finance	16.7%
Healthcare	6.2%
Industrial Products & Services	17.0%
Technology	0.7%
Utilities	3.1%
Cash Equivalents, Other Assets and Liabilities	5.9%
	100.0%

AVE MARIA RISING DIVIDEND FUND
SCHEDULE OF INVESTMENTS
June 30, 2006 (Unaudited)

Shares	COMMON STOCKS — 94.1%	Market Value
	AEROSPACE & DEFENSE — 3.0%	
5,000	General Dynamics Corporation	$ 327,300
14,000	Mine Safety Appliances Company	562,800
		890,100
	BUILDING MATERIALS & CONSTRUCTION — 5.7%	
28,000	Masco Corporation	829,920
30,000	Pulte Homes, Inc.	863,700
		1,693,620
	BUSINESS SERVICES — 7.6%	
13,000	Automatic Data Processing, Inc.	589,550
23,000	Diebold, Incorporated	934,260
70,000	ServiceMaster Company (The)	723,100
		2,246,910
	CONSUMER - DURABLES — 6.3%	
36,000	Leggett & Platt, Inc.	899,280
22,000	Newell Rubbermaid Inc.	568,260
8,000	Thor Industries, Inc.	387,600
		1,855,140
	CONSUMER - NONDURABLES — 23.0%	
17,000	Alberto-Culver Company	828,240
15,000	Avery Dennison Corporation	870,900
20,000	Hormel Foods Corporation	742,800
18,000	J.M. Smucker Company (The)	804,600
20,000	Kellogg Company	968,600
25,000	McCormick & Company, Inc.	838,750
22,000	Sherwin-Williams Company (The)	1,044,560
10,000	VF Corporation	679,200
		6,777,650
	CONSUMER - RETAIL — 3.0%	
32,000	Ross Stores, Inc.	897,600
	ENERGY & MINING — 1.8%	
8,500	Exxon Mobil Corporation	521,475
	FINANCE - BANKS & THRIFTS — 11.5%	
22,000	BB&T Corporation	914,980
32,000	Synovus Financial Corporation	856,960
34,000	TCF Financial Corporation	899,300
20,000	United Bankshares, Inc.	732,600
		3,403,840
	FINANCE - INSURANCE — 3.1%	
36,000	Arthur J. Gallagher & Co.	912,240

AVE MARIA RISING DIVIDEND FUND
SCHEDULE OF INVESTMENTS (Continued)

Shares	COMMON STOCKS — 94.1% (Continued)	Market Value
	FINANCE - SERVICES — 2.1%	
3,000	Student Loan Corporation (The)	$ 606,000
	HEALTHCARE — 6.2%	
17,000	Beckman Coulter, Inc.	944,350
19,000	Manor Care, Inc.	891,480
		1,835,830
	INDUSTRIAL PRODUCTS & SERVICES — 17.0%	
8,000	Caterpillar Inc.	595,840
14,000	Dover Corporation	692,020
7,000	Emerson Electric Co.	586,670
15,000	Graco, Inc.	689,700
8,000	Johnson Controls, Inc.	657,760
48,000	RPM International Inc.	864,000
20,000	Stanley Works (The)	944,400
		5,030,390
	TECHNOLOGY — 0.7%	
3,500	Alltel Corporation	223,405
	UTILITIES — 3.1%	
22,000	FPL Group, Inc.	910,360
	TOTAL COMMON STOCKS (Cost $26,358,004)	$ 27,804,560

Shares	CASH EQUIVALENTS — 4.7%	Market Value
703,969	Federated Treasury Obligations Money Market Fund	$ 703,969
696,330	Federated Government Obligations Money Market Fund	696,330
	TOTAL CASH EQUIVALENTS (Cost $1,400,299)	$ 1,400,299
	TOTAL INVESTMENTS AT MARKET VALUE — 98.8% (Cost $27,758,303)	$ 29,204,859
	OTHER ASSETS IN EXCESS OF LIABILITIES — 1.2%	344,909
	NET ASSETS — 100.0%	$ 29,549,768

See notes to financial statements.

AVE MARIA OPPORTUNITY FUND
PORTFOLIO MANAGER COMMENTARY

Dear Fellow Shareholders:

The Ave Maria Opportunity Fund (formerly the Ave Maria Small Cap Fund) was launched on May 1, 2006. Through June 30, 2006, the Fund was down .6%, while the Russell 2000 Index declined 4.6% during the same period. This relative out-performance was due to the Fund's large uninvested cash position, a takeover of one of the Fund's largest holdings at a nice premium to our cost, and a carefully constructed portfolio of smaller capitalization value stocks.

The investment philosophy of the Ave Maria Opportunity Fund is to utilize fundamental security analysis to identify and purchase shares of primarily small-cap companies with significant long-term appreciation potential. Ideal portfolio holdings have superior operating fundamentals, proprietary products or services with enduring competitive advantages, low debt, above-average growth prospects, and shareholder-focused managements and boards. We believe that a sound balance sheet is vital, as it affords the luxury of controlling one's destiny during an economic downturn. Most importantly, when we invest in a company, the stock price must be at a discount to its intrinsic value. This is the essence of value investing and it requires contrarian thinking to execute properly, because popular stocks don't sell at bargain prices. Popular stocks have high prices with high expectations. Often times a slight misstep by those companies can result in a severe downward adjustment in their share prices. In order to minimize these occurrences, the Fund attempts to buy stocks that are already depressed, which by definition have lower risks associated with them. Buying low affords the Fund the opportunity to hopefully generate substantial future gains.

No effort is made to capitalize on the stock market's near-term price movements. Short-term stock movements result from changes in investors' psychology and unpredictable events. Therefore, the Fund makes long-term commitments, typically with a 3 to 5 year time horizon. As Warren Buffett says, "Time is your friend if you own a great business, and my favorite holding period is forever."

One Fund investment which has been sold already is Fargo Electronics, Inc., a manufacturer of security identification cards and software. Shortly after the Fund started, we bought 23,500 shares of Fargo at $17, which represented 2.5% of the portfolio. Shortly after that, Fargo agreed to be acquired by a Sweden-based competitor for $25.50 in cash. As the stock price jumped close to the all-cash takeover price, the entire position was liquidated, locking in a nice gain for shareholders.

Since early May, small-cap stocks have been thrashed. The Russell 2000 Index has fallen 13% from its all-time high reached on May 5, 2006. With most stock prices cheaper, the sell-off has allowed the Fund to acquire additional shares of companies we like at even more attractive prices.

Thank you for your interest and investment in the Ave Maria Opportunity Fund.

With best regards,

Timothy S. Schwartz
Portfolio Manager

AVE MARIA OPPORTUNITY FUND
TEN LARGEST EQUITY HOLDINGS
June 30, 2006 (Unaudited)

Shares	Company	Market Value
15,000	Kinetic Concepts, Inc.	$ 662,250
19,000	Zebra Technologies Corporation - Class A	649,040
17,500	Chattem, Inc.	531,475
35,000	Gentex Corporation	490,000
20,000	Stanley Furniture Company, Inc.	479,400
17,500	Zale Corporation	421,575
25,000	Craftmade International, Inc.	418,750
2,000	Student Loan Corporation (The)	404,000
8,000	Thor Industries, Inc.	387,600
10,000	RC2 Corporation	386,600

ASSET ALLOCATION (Unaudited)

Sector	% of Net Assets
Aerospace & Defense	1.5%
Building Materials & Construction	4.0%
Business Services	4.5%
Consumer - Durables	16.8%
Consumer - Nondurables	10.6%
Consumer - Retail	5.3%
Energy & Mining	3.2%
Finance	13.5%
Healthcare	10.0%
Industrial Products & Services	4.3%
Technology	7.5%
Utilities	0.4%
Cash Equivalents, Other Assets and Liabilities	18.4%
	100.0%

AVE MARIA OPPORTUNITY FUND
SCHEDULE OF INVESTMENTS
June 30, 2006 (Unaudited)

Shares	COMMON STOCKS — 81.6%	Market Value
	AEROSPACE & DEFENSE — 1.5%	
6,000	Mine Safety Appliances Company	$ 241,200
	BUILDING MATERIALS & CONSTRUCTION — 4.0%	
10,000	American Woodmark Corporation	350,400
10,000	Pulte Homes, Inc.	287,900
		638,300
	BUSINESS SERVICES — 4.5%	
5,000	Diebold, Incorporated	203,100
20,000	ServiceMaster Company (The)	206,600
10,000	Superior Uniform Group, Inc.	131,000
50,000	TVI Corporation *	176,500
		717,200
	CONSUMER - DURABLES — 16.8%	
25,000	Craftmade International, Inc.	418,750
35,000	Gentex Corporation	490,000
12,500	Leggett & Platt, Inc.	312,250
15,000	Marine Products Corporation	145,950
5,000	Polaris Industries, Inc.	216,500
20,000	Stanley Furniture Company, Inc.	479,400
5,000	Strattec Security Corporation *	249,050
8,000	Thor Industries, Inc.	387,600
		2,699,500
	CONSUMER - NONDURABLES — 10.6%	
10,000	ACCO Brands Corporation *	219,000
10,000	Acme United Corporation	146,400
17,500	Chattem, Inc. *	531,475
15,000	Lifetime Brands, Inc.	325,050
10,000	Prestige Brands Holdings, Inc. *	99,700
10,000	RC2 Corporation *	386,600
		1,708,225
	CONSUMER - RETAIL — 5.3%	
10,000	Dollar Tree Stores, Inc. *	265,000
7,000	Hibbett Sporting Goods, Inc. *	167,300
17,500	Zale Corporation *	421,575
		853,875
	ENERGY & MINING — 3.2%	
32,500	Input/Output, Inc. *	307,125
3,000	Patterson-UTI Energy, Inc.	84,930
4,000	Southwestern Energy Company *	124,640
		516,695

AVE MARIA OPPORTUNITY FUND
SCHEDULE OF INVESTMENTS (Continued)

Shares	COMMON STOCKS — 81.6% (Continued)	Market Value
	FINANCE - BANKS & THRIFTS — 4.5%	
10,000	Century Bancorp, Inc. - Class A	$ 245,000
10,000	TCF Financial Corporation	264,500
6,000	United Bankshares, Inc.	219,780
		729,280
	FINANCE - INSURANCE — 6.5%	
12,000	Arthur J. Gallagher & Co.	304,080
5,000	Fremont Michigan InsuraCorp, Inc. - Class A *	187,500
45,000	Meadowbrook Insurance Group, Inc. *	374,400
3,200	Unico American Corporation *	34,208
5,000	United Fire & Casualty Company	150,650
		1,050,838
	FINANCE - SERVICES — 2.5%	
2,000	Student Loan Corporation (The)	404,000
	HEALTHCARE — 10.0%	
5,000	Beckman Coulter, Inc.	277,750
15,000	Kinetic Concepts, Inc. *	662,250
6,500	Lincare Holdings Inc. *	245,960
2,000	Manor Care, Inc.	93,840
5,000	Stryker Corporation	210,550
2,500	Waters Corporation *	111,000
		1,601,350
	INDUSTRIAL PRODUCTS & SERVICES — 4.3%	
1,000	Balchem Corporation	22,500
5,000	Graco, Inc.	229,900
7,500	Matthews International Corporation - Class A	258,525
7,500	RPM International Inc.	135,000
2,500	Sun Hydraulics Corporation	51,950
		697,875
	TECHNOLOGY — 7.5%	
15,000	ADTRAN, Inc.	336,450
3,500	Stratasys, Inc. *	103,110
41,449	Yak Communications, Inc. *	123,103
19,000	Zebra Technologies Corporation - Class A *	649,040
		1,211,703
	UTILITIES — 0.4%	
10,000	SEMCO Energy, Inc. *	55,600
	TOTAL COMMON STOCKS (Cost $13,408,524)	$ 13,125,641

AVE MARIA OPPORTUNITY FUND
SCHEDULE OF INVESTMENTS (Continued)

Shares	CASH EQUIVALENTS — 9.9%	Market Value
796,580	Federated Treasury Obligations Money Market Fund	$ 796,580
796,580	Federated Government Obligations Money Market Fund	796,580
	TOTAL CASH EQUIVALENTS (Cost $1,593,160)	$ 1,593,160

Face Amount	REPURCHASE AGREEMENTS [(1)] — 8.7%	Market Value
$ 1,401,170	U.S. Bank N.A., 3.750%, dated 06/30/06, due 07/03/06 repurchase proceeds: $1,401,330 (Cost $1,401,170)	$ 1,401,170
	TOTAL INVESTMENTS AT MARKET VALUE — 100.2% (Cost $16,402,854)	$ 16,119,971
	LIABILITIES IN EXCESS OF OTHER ASSETS — (0.2%)	(38,167)
	NET ASSETS — 100.0%	$ 16,081,804

* Non-income producing security.

(1) Repurchase agreement is fully collateralized by $694,794 FGCI, Series G11649, 4.500%, due 02/01/20 and $706,376 FHLMC, Series 781652, 4.609%, due 06/01/34. The aggregate market value of the collateral at June 30, 2006 was $1,429,436.

See notes to financial statements.

AVE MARIA BOND FUND
PORTFOLIO MANAGER COMMENTARY

Dear Fellow Shareholders:

The Fed continued to raise the target Fed Funds rate during the first six months of 2006, raising that rate four times from 4.25% to 5.25%, so that at June 30th the yield curve was essentially flat.

Rising interest rates have the effect of depressing bond prices, offsetting coupon income. For the six months ended June 30, the total return of the Ave Maria Bond Fund (Retail class) was +.3%. The Lehman Brothers Intermediate Government/Credit Index had a total return of -.2% for the same period. The Fund has a shorter average maturity than the Index and was aided by a 15% equity position as of June 30, 2006.

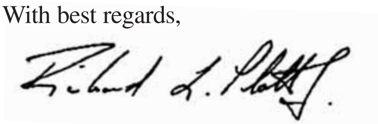
Since June of 2004, the Federal Reserve Board has raised the Fed Funds rate from 1.0% to 5.25% in 17 increments of 25 basis points. This is the longest streak of rate increases since the 1970's. The yield on the ten-year Treasury hit a cyclical low in June of 2005 at 3.9% and has subsequently risen to 5.2%. The effect of these interest rate increases on bond prices has been, in a word, depressing. Bond prices are significantly lower than they were a year ago, with bond yields significantly higher. That makes bonds a more attractive investment now. Too often investors are backward looking in their evaluation of investments. The poor investment returns on bonds of the last couple of years say nothing about future returns other than that on balance, bonds are a more attractive purchase now.

With respect to the equity investments in the portfolio, we continue to focus on stocks that offer prospects for price appreciation and regular dividend increases. Of the fifteen stocks held in the portfolio at June 30th, nine increased their dividend during the first six months of the year. The common stock of Exelon Corp. was sold because the company started offering non-marital partner benefits to employees. Positions in Duke Energy Corporation and The ServiceMaster Company were initiated during the period.

It appears that the U.S. economy is slowing in response to the Fed's sustained application of the monetary brakes. This is particularly evident in the residential real estate market. We expect economic growth to slow further in late 2006, which will allow the Fed to end its rate-raising activities, setting up a more positive environment for bonds. With credit spreads still tight, we continue to stress high credit quality in selecting the fixed income instruments for the portfolio. As the economy slows, credit spreads are expected to widen, creating better buying opportunities in corporate bonds.

We appreciate your participation in this Fund.

With best regards,



Richard L. Platte, Jr., CFA
Portfolio Manager

AVE MARIA BOND FUND
TEN LARGEST HOLDINGS
June 30, 2006 (Unaudited)

Par Value	Holding	Market Value
$ 5,000,000	U.S. Treasury Note, 3.750%, due 05/15/08	$ 4,873,635
3,500,000	U.S. Treasury Note, 4.125%, due 05/15/15	3,249,943
3,000,000	U.S. Treasury Note, 3.000%, due 11/15/07	2,912,694
3,000,000	U.S. Treasury Note, 2.625%, due 05/15/08	2,864,649
2,000,000	U.S. Treasury Note, 3.750%, due 03/31/07	1,977,500
2,000,000	U.S. Treasury Note, 3.375%, due 02/15/08	1,943,906
2,000,000	U.S. Treasury Note, 4.375%, due 08/15/12	1,923,906
1,500,000	U.S. Treasury Note, 4.250%, due 10/15/10	1,451,718
1,228,310	U.S. Treasury Inflation-Protection Note, 3.875%, due 01/15/09	1,272,260
1,000,000	Regions Financial Corporation, 7.000%, due 03/01/11	1,052,770

ASSET ALLOCATION (Unaudited)

	% of Net Assets
U.S. GOVERNMENT AND AGENCY OBLIGATIONS	
U.S. Treasuries	54.1%
U.S. Government Agencies	8.6%
CORPORATE BONDS	
Sector	
Consumer Products	3.7%
Finance	5.9%
Industrials	6.0%
Utilities	2.0%
COMMON STOCKS	
Sector	
Business Services	0.8%
Consumer - Durables	2.4%
Energy & Mining	1.5%
Finance	4.1%
Industrial Products & Services	1.2%
Real Estate	1.6%
Utilities	3.6%
Cash Equivalents, Other Assets and Liabilities	4.5%
	100.0%

AVE MARIA BOND FUND
SCHEDULE OF INVESTMENTS
June 30, 2006 (Unaudited)

Par Value	U.S. GOVERNMENT AND AGENCY OBLIGATIONS — 62.7%	Market Value
	U.S. TREASURIES — 54.1%	
$ 1,000,000	U.S. Treasury Note, 3.375%, due 02/28/07	$ 987,617
2,000,000	U.S. Treasury Note, 3.750%, due 03/31/07	1,977,500
3,000,000	U.S. Treasury Note, 3.000%, due 11/15/07	2,912,694
1,000,000	U.S. Treasury Note, 3.000%, due 02/15/08	966,211
2,000,000	U.S. Treasury Note, 3.375%, due 02/15/08	1,943,906
3,000,000	U.S. Treasury Note, 2.625%, due 05/15/08	2,864,649
5,000,000	U.S. Treasury Note, 3.750%, due 05/15/08	4,873,635
1,228,310	U.S. Treasury Inflation-Protection Note, 3.875%, due 01/15/09	1,272,260
1,000,000	U.S. Treasury Note, 3.000%, due 02/15/09	947,969
1,000,000	U.S. Treasury Note, 3.375%, due 10/15/09	947,969
1,500,000	U.S. Treasury Note, 4.250%, due 10/15/10	1,451,718
2,000,000	U.S. Treasury Note, 4.375%, due 08/15/12	1,923,906
1,000,000	U.S. Treasury Note, 4.000%, due 02/15/14	928,984
3,500,000	U.S. Treasury Note, 4.125%, due 05/15/15	3,249,943
		27,248,961
	U.S. GOVERNMENT AGENCIES — 8.6%	
1,000,000	Federal Farm Credit Bank, 4.480%, due 08/24/12	949,108
1,000,000	Federal Farm Credit Bank, 4.600%, due 12/27/12	953,812
500,000	Federal Home Loan Bank, 3.375%, due 07/21/08	479,967
1,000,000	Federal Home Loan Bank, 4.375%, due 02/04/10	964,565
1,000,000	Federal Home Loan Bank, 5.000%, due 09/01/10	982,191
		4,329,643
	TOTAL U.S. GOVERNMENT AND AGENCY OBLIGATIONS (Cost $32,586,413)	$ 31,578,604

Par Value	CORPORATE BONDS — 17.6%	Market Value
	CONSUMER PRODUCTS — 3.7%	
$ 1,000,000	Harley-Davidson, Inc. - 144A, 3.625%, due 12/15/08	$ 954,336
1,000,000	Leggett & Platt, Inc., 4.650%, due 11/15/14	914,668
		1,869,004
	FINANCE — 5.9%	
1,000,000	Caterpillar Financial Services Corporation, 4.750%, due 02/17/15	925,710
1,000,000	Marshall & Ilsley Bank, 5.250%, due 09/04/12	976,534
1,000,000	Regions Financial Corporation, 7.000%, due 03/01/11	1,052,770
		2,955,014
	INDUSTRIALS — 6.0%	
1,000,000	Alcoa, Inc., 6.000%, due 01/15/12	1,006,761
1,000,000	Johnson Controls, Inc., 5.250%, due 01/15/11	974,495
1,000,000	United Technologies Corporation, 6.350%, due 03/01/11	1,023,687
		3,004,943

AVE MARIA BOND FUND
SCHEDULE OF INVESTMENTS (Continued)

Par Value	CORPORATE BONDS — 17.6% (Continued)	Market Value
	UTILITIES — 2.0%	
$ 1,000,000	Southern Power Company, 6.250%, due 07/15/12	$ 1,007,997
	TOTAL CORPORATE BONDS (Cost $9,266,502)	$ 8,836,958

Shares	COMMON STOCKS — 15.2%	Market Value
	BUSINESS SERVICES — 0.8%	
37,000	ServiceMaster Company (The)	$ 382,210
	CONSUMER - DURABLES — 2.4%	
20,000	Leggett & Platt, Inc.	499,600
27,000	Newell Rubbermaid Inc.	697,410
		1,197,010
	ENERGY & MINING — 1.5%	
14,000	Duke Energy Corporation	411,180
10,000	National Fuel Gas Company	351,400
		762,580
	FINANCE - BANKS & THRIFTS — 3.0%	
15,000	BB&T Corporation	623,850
15,000	Huntington Bancshares Incorporated	353,700
15,000	National City Corporation	542,850
		1,520,400
	FINANCE - INSURANCE — 1.1%	
22,000	Arthur J. Gallagher & Co.	557,480
	INDUSTRIAL PRODUCTS & SERVICES — 1.2%	
35,000	RPM International Inc.	630,000
	REAL ESTATE — 1.6%	
12,000	Duke Realty Corporation	421,800
10,000	Washington Real Estate Investment Trust	367,000
		788,800
	UTILITIES — 3.6%	
15,000	FPL Group, Inc.	620,700
16,000	Pinnacle West Capital Corporation	638,560
18,000	Southern Company	576,900
		1,836,160
	TOTAL COMMON STOCKS (Cost $7,221,205)	$ 7,674,640

AVE MARIA BOND FUND
SCHEDULE OF INVESTMENTS (Continued)

Shares	CASH EQUIVALENTS — 3.8%	Market Value
604,113	Federated Treasury Obligations Money Market Fund	$ 604,113
1,306,226	Federated Government Obligations Money Market Fund	1,306,226
	TOTAL CASH EQUIVALENTS (Cost $1,910,339)	$ 1,910,339
	TOTAL INVESTMENTS AT MARKET VALUE — 99.3% (Cost $50,984,459)	$ 50,000,541
	OTHER ASSETS IN EXCESS OF LIABILITIES — 0.7%	371,162
	NET ASSETS — 100.0%	$ 50,371,703

See notes to financial statements.

AVE MARIA MUTUAL FUNDS
STATEMENTS OF ASSETS AND LIABILITIES
June 30, 2006 (Unaudited)

	Ave Maria Catholic Values Fund	Ave Maria Growth Fund	Ave Maria Rising Dividend Fund	Ave Maria Opportunity Fund	Ave Maria Bond Fund
ASSETS					
Investment securities:					
At amortized cost	$ 207,509,565	$ 64,817,868	$ 27,758,303	$ 16,402,854	$ 50,984,459
At market value (Note 1)	$ 235,544,134	$ 73,149,197	$ 29,204,859	$ 16,119,971	$ 50,000,541
Receivable for investment securities sold	5,334,007	—	891,536	—	—
Receivable for capital shares sold	289,555	112,741	41,967	5,847	4,449
Receivable from Adviser (Note 2)	—	—	—	—	4,573
Dividends and interest receivable	206,430	42,302	38,641	16,502	482,240
Other assets	22,056	15,401	13,405	19,200	15,618
TOTAL ASSETS	241,396,182	73,319,641	30,190,408	16,161,520	50,507,421
LIABILITIES					
Dividends payable	—	—	42,479	—	108,481
Payable for investment securities purchased	2,187,985	731,826	545,246	56,931	—
Payable for capital shares redeemed	104,548	1,920	385	—	7,496
Payable to Adviser (Note 2)	580,975	145,303	40,991	14,445	—
Payable to affiliate (Note 2)	29,600	8,700	4,000	4,000	4,300
Accrued distribution fees (Note 2)	78,386	21,753	—	—	5,413
Other accrued expenses	29,824	11,764	7,539	4,340	10,028
TOTAL LIABILITIES	3,011,318	921,266	640,640	79,716	135,718
NET ASSETS	$ 238,384,864	$ 72,398,375	$ 29,549,768	$ 16,081,804	$ 50,371,703
NET ASSETS CONSIST OF:					
Paid-in capital	$ 199,332,773	$ 63,825,414	$ 27,584,312	$ 16,168,375	$ 51,182,141
Accumulated net investment income/(loss)	(439,138)	(108,468)	20,332	28,537	239
Accumulated net realized gains from security transactions	11,456,660	350,100	498,568	167,775	173,242
Net unrealized appreciation/(depreciation) on investments	28,034,569	8,331,329	1,446,556	(282,883)	(983,919)
NET ASSETS	$ 238,384,864	$ 72,398,375	$ 29,549,768	$ 16,081,804	$ 50,371,703
Shares of beneficial interest outstanding (unlimited number of shares authorized, no par value)	15,014,243	4,385,715	2,637,288	1,617,508	
Net asset value, offering price and redemption price per share (Note 1) [(a)]	$ 15.88	$ 16.51	$ 11.20	$ 9.94	
PRICING OF CLASS I SHARES					
Net assets applicable to Class I shares					$ 30,734,522
Shares of beneficial interest outstanding (unlimited number of shares authorized, no par value)					3,087,345
Net asset value, offering price and redemption price per share (Note 1)					$ 9.96
PRICING OF CLASS R SHARES					
Net assets applicable to Class R shares					$ 19,637,181
Shares of beneficial interest outstanding (unlimited number of shares authorized, no par value)					1,974,923
Net asset value, offering price and redemption price per share (Note 1) [(a)]					$ 9.94

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

See notes to financial statements.

AVE MARIA MUTUAL FUNDS
STATEMENTS OF OPERATIONS
For the Six Months Ended June 30, 2006[(a)]

	Ave Maria Catholic Values Fund	Ave Maria Growth Fund	Ave Maria Rising Dividend Fund	Ave Maria Opportunity Fund	Ave Maria Bond Fund
INVESTMENT INCOME					
Dividend	$ 1,293,196	$ 375,657	$ 300,431	$ 26,798	$ 173,280
Interest	132,577	22,258	22,961	33,404	958,447
Total Income	1,425,773	397,915	323,392	60,202	1,131,727
EXPENSES					
Investment advisory fees (Note 2)	1,243,275	337,589	103,894	25,332	86,067
Distribution fees (Note 2)	310,818	84,397	—	—	—
Distribution fees - Class R (Note 2)	—	—	—	—	22,523
Administration, accounting and transfer agent fees (Note 2)	187,411	50,883	24,000	8,000	28,786
Postage and supplies	47,827	23,814	12,635	736	15,127
Legal and audit fees	27,560	21,290	18,919	3,907	20,525
Registration fees - Common	15,665	10,300	13,575	1,686	3,814
Registration fees - Class I	—	—	—	—	588
Registration fees - Class R	—	—	—	—	5,208
Trustees' fees and expenses	11,456	11,456	11,456	—	11,456
Custodian fees	12,243	4,999	3,822	2,000	3,839
Insurance expense	10,749	3,260	1,369	—	3,564
Compliance service fees	10,512	2,963	1,292	221	2,520
Reports to shareholders	6,752	3,223	1,136	221	1,264
Advisory board fees and expenses	2,750	2,750	2,750	—	2,750
Other expenses	13,791	4,534	2,958	450	5,644
TOTAL EXPENSES	1,900,809	561,458	197,806	42,553	213,675
Less fees waived and/or expenses reimbursed by the Adviser (Note 2):					
Common	(35,898)	(55,075)	(24,650)	(10,888)	(99,573)
Class I					(588)
Class R					(419)
NET EXPENSES	1,864,911	506,383	173,156	31,665	113,095
NET INVESTMENT INCOME/(LOSS)	(439,138)	(108,468)	150,236	28,537	1,018,632
REALIZED AND UNREALIZED GAINS/ (LOSSES) ON INVESTMENTS					
Net realized gains from security transactions	12,356,273	350,100	498,568	167,775	173,242
Net realized gains from in-kind redemptions (Note 1)	13,444,552	2,014,638	600,539	—	—
Net change in unrealized appreciation/ (depreciation) on investments	(11,770,028)	4,200,528	376,023	(282,883)	(953,690)
NET REALIZED AND UNREALIZED GAINS/(LOSSES) ON INVESTMENTS	14,030,797	6,565,266	1,475,130	(115,108)	(780,448)
NET INCREASE/(DECREASE) IN NET ASSETS FROM OPERATIONS	$ 13,591,659	$ 6,456,798	$ 1,625,366	$ (86,571)	$ 238,184

[(a)] Except for the Ave Maria Opportunity Fund, which represents the period from the commencement of operations (May 1, 2006) through June 30, 2006.

See notes to financial statements.

AVE MARIA CATHOLIC VALUES FUND
STATEMENTS OF CHANGES IN NET ASSETS

	Six Months Ended June 30, 2006 (Unaudited)	Year Ended December 31, 2005
FROM OPERATIONS		
Net investment loss	$ (439,138)	$ (675,749)
Net realized gains from security transactions	12,356,273	6,419,904
Net realized gains from in-kind redemptions (Note 1)	13,444,552	25,684,514
Net change in unrealized appreciation/(depreciation) on investments	(11,770,028)	(18,517,281)
Net increase in net assets from operations	13,591,659	12,911,388
FROM DISTRIBUTIONS TO SHAREHOLDERS		
From net realized gains on investments	—	(6,556,047)
FROM CAPITAL SHARE TRANSACTIONS		
Proceeds from shares sold	28,277,901	71,427,677
Reinvestment of distributions to shareholders	—	4,811,260
Payments for shares redeemed	(49,859,808)	(84,289,471)
Net decrease in net assets from capital share transactions	(21,581,907)	(8,050,534)
TOTAL DECREASE IN NET ASSETS	(7,990,248)	(1,695,193)
NET ASSETS		
Beginning of period	246,375,112	248,070,305
End of period	$ 238,384,864	$ 246,375,112
ACCUMULATED NET INVESTMENT LOSS	$ (439,138)	$ —
SUMMARY OF CAPITAL SHARE ACTIVITY		
Shares sold	1,774,761	4,855,617
Shares issued in reinvestment of distributions to shareholders	—	316,942
Shares redeemed	(3,117,386)	(5,785,549)
Net decrease in shares outstanding	(1,342,625)	(612,990)
Shares outstanding, beginning of period	16,356,868	16,969,858
Shares outstanding, end of period	15,014,243	16,356,868

See notes to financial statements.

AVE MARIA GROWTH FUND
STATEMENTS OF CHANGES IN NET ASSETS

	Six Months Ended June 30, 2006 (Unaudited)	Year Ended December 31, 2005
FROM OPERATIONS		
Net investment loss	$ (108,468)	$ (197,932)
Net realized gains from security transactions	350,100	195,655
Net realized gains from in-kind redemptions (Note 1)	2,014,638	5,019,059
Net change in unrealized appreciation/(depreciation) on investments	4,200,528	(4,911,979)
Net increase in net assets from operations	6,456,798	104,803
FROM DISTRIBUTIONS TO SHAREHOLDERS		
From net realized gains on investments	—	(170,748)
FROM CAPITAL SHARE TRANSACTIONS		
Proceeds from shares sold	13,264,704	33,341,319
Reinvestment of distributions to shareholders	—	145,383
Payments for shares redeemed	(10,884,479)	(21,433,585)
Net increase in net assets from capital share transactions	2,380,225	12,053,117
TOTAL INCREASE IN NET ASSETS	8,837,023	11,987,172
NET ASSETS		
Beginning of period	63,561,352	51,574,180
End of period	$ 72,398,375	$ 63,561,352
ACCUMULATED NET INVESTMENT LOSS	$ (108,468)	$ —
SUMMARY OF CAPITAL SHARE ACTIVITY		
Shares sold	826,012	2,275,713
Shares issued in reinvestment of distributions to shareholders	—	9,634
Shares redeemed	(677,239)	(1,488,490)
Net increase in shares outstanding	148,773	796,857
Shares outstanding, beginning of period	4,236,942	3,440,085
Shares outstanding, end of period	4,385,715	4,236,942

See notes to financial statements.

AVE MARIA RISING DIVIDEND FUND
STATEMENTS OF CHANGES IN NET ASSETS

	Six Months Ended June 30, 2006 (Unaudited)	Period Ended December 31, 2005[a]
FROM OPERATIONS		
Net investment income	$ 150,236	$ 154,951
Net realized gains from security transactions	498,568	5,878
Net realized gains from in-kind redemptions (Note 1)	600,539	—
Net change in unrealized appreciation/(depreciation) on investments	376,023	1,070,533
Net increase in net assets from operations	1,625,366	1,231,362
FROM DISTRIBUTIONS TO SHAREHOLDERS		
From net investment income	(129,904)	(155,062)
From net realized gains on investments	—	(5,912)
Net decrease in net assets from distributions to shareholders	(129,904)	(160,974)
FROM CAPITAL SHARE TRANSACTIONS		
Proceeds from shares sold	6,063,613	24,214,318
Reinvestment of distributions to shareholders	56,154	115,204
Payments for shares redeemed	(3,308,072)	(157,299)
Net increase in net assets from capital share transactions	2,811,695	24,172,223
TOTAL INCREASE IN NET ASSETS	4,307,157	25,242,611
NET ASSETS		
Beginning of period	25,242,611	—
End of period	$ 29,549,768	$ 25,242,611
ACCUMULATED NET INVESTMENT INCOME	$ 20,332	$ —
SUMMARY OF CAPITAL SHARE ACTIVITY		
Shares sold	540,823	2,387,085
Shares issued in reinvestment of distributions to shareholders	5,001	11,154
Shares redeemed	(291,813)	(14,962)
Net increase in shares outstanding	254,011	2,383,277
Shares outstanding, beginning of period	2,383,277	—
Shares outstanding, end of period	2,637,288	2,383,277

[a] Represents the period from the commencement of operations (May 2, 2005) through December 31, 2005.

See notes to financial statements.

AVE MARIA OPPORTUNITY FUND
STATEMENT OF CHANGES IN NET ASSETS

	Period Ended June 30, 2006 [(a)] (Unaudited)
FROM OPERATIONS	
Net investment income	$ 28,537
Net realized gains from security transactions	167,775
Net change in unrealized appreciation/(depreciation) on investments	(282,883)
Net decrease in net assets from operations	(86,571)
FROM CAPITAL SHARE TRANSACTIONS	
Proceeds from shares sold	16,169,456
Payments for shares redeemed	(1,081)
Net increase in net assets from capital share transactions	16,168,375
TOTAL INCREASE IN NET ASSETS	16,081,804
NET ASSETS	
Beginning of period	—
End of period	$ 16,081,804
ACCUMULATED NET INVESTMENT INCOME	$ 28,537
SUMMARY OF CAPITAL SHARE ACTIVITY	
Shares sold	1,617,617
Shares redeemed	(109)
Net increase in shares outstanding	1,617,508
Shares outstanding, beginning of period	—
Shares outstanding, end of period	1,617,508

[(a)] Represents the period from the commencement of operations (May 1, 2006) through June 30, 2006.

See notes to financial statements.

AVE MARIA BOND FUND
STATEMENTS OF CHANGES IN NET ASSETS

	Six Months Ended June 30, 2006 (Unaudited)	Year Ended December 31, 2005
FROM OPERATIONS		
Net investment income	$ 1,018,632	$ 1,792,490
Net realized gains from security transactions	173,242	277,837
Net change in unrealized appreciation/(depreciation) on investments	(953,690)	(954,305)
Net increase in net assets from operations	238,184	1,116,022
FROM DISTRIBUTIONS TO SHAREHOLDERS		
From net investment income, Class I	(705,645)	(1,391,917)
From net investment income, Class R	(314,564)	(401,832)
From net realized gains on investments, Class I	—	(206,354)
From net realized gains on investments, Class R	—	(71,805)
Net decrease in net assets from distributions to shareholders	(1,020,209)	(2,071,908)
FROM CAPITAL SHARE TRANSACTIONS		
CLASS I		
Proceeds from shares sold	135,000	15,155,714
Reinvestment of distributions to shareholders	12,310	1,255,136
Payments for shares redeemed	(17,000,000)	(128)
Net increase/(decrease) in net assets from Class I capital share transactions	(16,852,690)	16,410,722
CLASS R		
Proceeds from shares sold	4,208,805	12,343,959
Reinvestment of distributions to shareholders	284,582	437,119
Payments for shares redeemed	(1,440,640)	(2,230,831)
Net increase in net assets from Class R capital share transactions	3,052,747	10,550,247
TOTAL INCREASE/(DECREASE) IN NET ASSETS	(14,581,968)	26,005,083
NET ASSETS		
Beginning of period	64,953,671	38,948,588
End of period	$ 50,371,703	$ 64,953,671
UNDISTRIBUTED NET INVESTMENT INCOME	$ 239	$ 1,957
SUMMARY OF CAPITAL SHARE ACTIVITY		
CLASS I		
Shares sold	13,478	1,487,398
Shares issued in reinvestment of distributions to shareholders	1,229	123,286
Shares redeemed	(1,693,517)	(13)
Net increase/(decrease) in shares outstanding	(1,678,810)	1,610,671
Shares outstanding, beginning of period	4,766,155	3,155,484
Shares outstanding, end of period	3,087,345	4,766,155
CLASS R		
Shares sold	420,192	1,215,210
Shares issued in reinvestment of distributions to shareholders	28,455	43,058
Shares redeemed	(143,758)	(219,911)
Net increase in shares outstanding	304,889	1,038,357
Shares outstanding, beginning of period	1,670,034	631,677
Shares outstanding, end of period	1,974,923	1,670,034

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, 2006 (Unaudited)	Year Ended December 31, 2005	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	$ 15.06	$ 14.62	$ 12.75	$ 9.47	$ 10.50	$ 10.00
Income/(loss) from investment operations:						
Net investment income/(loss)	(0.03)	(0.04)	(0.05)	(0.03)	(0.01)	0.02
Net realized and unrealized gains/(losses) on investments	0.85	0.89	2.61	3.40	(1.02)	0.51
Total from investment operations	0.82	0.85	2.56	3.37	(1.03)	0.53
Less distributions:						
From net investment income	—	—	—	—	—	(0.02)
From net realized gains on investments	—	(0.41)	(0.69)	(0.09)	—	(0.01)
In excess of net realized gains on investments	—	—	—	—	—	(0.00)[b]
Total distributions	—	(0.41)	(0.69)	(0.09)	—	(0.03)
Net asset value at end of period	$ 15.88	$ 15.06	$ 14.62	$ 12.75	$ 9.47	$ 10.50
Total return [c]	5.4% [d]	5.8%	20.1%	35.6%	(9.8)%	5.3% [d]
Ratios/Supplementary Data:						
Net assets at end of period (000's)	$ 238,385	$ 246,375	$ 248,070	$ 144,956	$ 61,802	$ 23,953
Ratio of net expenses to average net assets [e]	1.50% [f]	1.50%	1.50%	1.50%	1.50%	1.50% [f]
Ratio of net investment income/(loss) to average net assets	(0.35)% [f]	(0.28)%	(0.44)%	(0.28)%	(0.14)%	0.39% [f]
Portfolio turnover rate	70% [f]	61%	34%	58%	86%	44% [f]

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

[b] Amount rounds to less than $0.01 per share.

[c] Total return is a measure of the change in value of an investment in the Fund over the periods covered, which assumes any dividends or capital gains distributions are reinvested in shares of the Fund. Returns shown do not reflect any reduction for sales charges, nor do they reflect the deduction of taxes a shareholder would pay on Fund distributions or the redemption of Fund shares.

[d] Not annualized.

[e] Absent investment advisory fees waived by the Adviser, the ratio of expenses to average net assets would have been 1.53%[f], 1.51%, 1.52%, 1.56%, 1.69%, and 2.09%[f] for the periods ended June 30, 2006 and December 31, 2005, 2004, 2003, 2002, and 2001, respectively.

[f] 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, 2006 (Unaudited)	Year Ended December 31, 2005	Year Ended December 31, 2004	Period Ended December 31, 2003[a]
Net asset value at beginning of period	$ 15.00	$ 14.99	$ 12.34	$ 10.00
Income/(loss) from investment operations:				
Net investment loss	(0.02)	(0.05)	(0.03)	(0.02)
Net realized and unrealized gains on investments	1.53	0.10	2.68	2.36
Total from investment operations	1.51	0.05	2.65	2.34
Less distributions:				
From net investment income	—	—	—	—
From net realized gains on investments	—	(0.04)	—	—
Total distributions	—	(0.04)	—	—
Net asset value at end of period	$ 16.51	$ 15.00	$ 14.99	$ 12.34
Total return [b]	10.1% [c]	0.3%	21.5%	23.4% [c]
Ratios/Supplementary Data:				
Net assets at end of period (000's)	$ 72,398	$ 63,561	$ 51,574	$ 15,105
Ratio of net expenses to average net assets [d]	1.50% [e]	1.50%	1.50%	1.49% [e]
Ratio of net investment loss to average net assets	(0.32)% [e]	(0.34)%	(0.29)%	(0.36)% [e]
Portfolio turnover rate	18% [e]	29%	3%	0%

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

[b] 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 any reduction for sales charges, nor do they reflect the deduction of taxes a shareholder would pay on Fund distributions or the redemption of Fund shares.

[c] Not annualized.

[d] Absent fee waivers and expense reimbursements by the Adviser, the ratio of expenses to average net assets would have been 1.66%[e], 1.64%, 1.79% and 2.61%[e] for the periods ended June 30, 2006 and December 31, 2005, 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 Each Period

	Six Months Ended June 30, 2006 (Unaudited)	Period Ended December 31, 2005[a]
Net asset value at beginning of period	$ 10.59	$ 10.00
Income from investment operations:		
Net investment income	0.06	0.08
Net realized and unrealized gains on investments	0.60	0.59
Total from investment operations	0.66	0.67
Less distributions:		
From net investment income	(0.05)	(0.08)
From net realized gains on investments	—	(0.00)[b]
Total distributions	(0.05)	(0.08)
Net asset value at end of period	$ 11.20	$ 10.59
Total return [c]	6.2% [d]	6.7% [d]
Ratios/Supplementary Data:		
Net assets at end of period (000's)	$ 29,550	$ 25,243
Ratio of net expenses to average net assets [e]	1.25% [f]	1.24% [f]
Ratio of net investment income to average net assets	1.08% [f]	1.19% [f]
Portfolio turnover rate	62% [f]	21% [f]

(a) Represents the period from the initial public offering (May 2, 2005) through December 31, 2005.

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

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

(d) Not annualized.

(e) Absent investment advisory fees waived by the Adviser, the ratio of expenses to average net assets would have been 1.43%[f] for each of the periods ended June 30, 2006 and December 31, 2005.

(f) Annualized.

See notes to financial statements.

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

	Period Ended June 30, 2006 [a] (Unaudited)
Net asset value at beginning of period	$ 10.00
Income/(loss) from investment operations:	
Net investment income	0.02
Net realized and unrealized losses on investments	(0.08)
Total from investment operations	(0.06)
Less distributions:	
From net investment income	—
From net realized gains on investments	—
Total distributions	—
Net asset value at end of period	$ 9.94
Total return [b]	(0.6)% [c]
Ratios/Supplementary Data:	
Net assets at end of period (000's)	$ 16,082
Ratio of net expenses to average net assets [d]	1.23% [e]
Ratio of net investment income to average net assets	1.11% [e]
Portfolio turnover rate	36% [e]

[a] Represents the period from the initial public offering (May 1, 2006) through June 30, 2006.

[b] 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. The return shown does not reflect the deduction of taxes a shareholder would pay on Fund distributions or the redemption of Fund shares.

[c] Not annualized.

[d] Absent investment advisory fees waived by the Adviser, the ratio of expenses to average net assets would have been 1.65%[e] for the period ended June 30, 2006.

[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, 2006 (Unaudited)	Year Ended December 31, 2005	Year Ended December 31, 2004	Period Ended December 31, 2003[a]
Net asset value at beginning of period	$ 10.10	$ 10.29	$ 10.09	$ 10.00
Income/(loss) from investment operations:				
Net investment income	0.19	0.33	0.28	0.16
Net realized and unrealized gains/ (losses) on investments	(0.14)	(0.15)	0.27	0.10
Total from investment operations	0.05	0.18	0.55	0.26
Less distributions:				
From net investment income	(0.19)	(0.33)	(0.28)	(0.16)
From net realized gains on investments	—	(0.04)	(0.07)	(0.01)
Total distributions	(0.19)	(0.37)	(0.35)	(0.17)
Net asset value at end of period	$ 9.96	$ 10.10	$ 10.29	$ 10.09
Total return [b]	0.5% [c]	1.8%	5.5%	2.6% [c]
Ratios/Supplementary Data:				
Net assets at end of period (000's)	$ 30,735	$ 48,115	$ 32,458	$ 30,773
Ratio of net expenses to average net assets [d]	0.30% [e]	0.30%	0.30%	0.30% [e]
Ratio of net investment income to average net assets	3.65% [e]	3.32%	2.77%	2.36% [e]
Portfolio turnover rate	15% [e]	22%	47%	50% [e]

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

(b) 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.

(c) Not annualized.

(d) Absent fee waivers and expense reimbursements by the Adviser, the ratio of expenses to average net assets would have been 0.65%[e], 0.61%, 0.72% and 0.71%[e] for the periods ended June 30, 2006 and December 31, 2005, 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, 2006 (Unaudited)	Year Ended December 31, 2005	Year Ended December 31, 2004	Period Ended December 31, 2003[a]
Net asset value at beginning of period	$ 10.08	$ 10.28	$ 10.09	$ 10.00
Income/(loss) from investment operations:				
Net investment income	0.17	0.30	0.24	0.14
Net realized and unrealized gains/ (losses) on investments	(0.14)	(0.16)	0.26	0.10
Total from investment operations	0.03	0.14	0.50	0.24
Less distributions:				
From net investment income	(0.17)	(0.30)	(0.24)	(0.14)
From net realized gains on investments	—	(0.04)	(0.07)	(0.01)
Total distributions	(0.17)	(0.34)	(0.31)	(0.15)
Net asset value at end of period	$ 9.94	$ 10.08	$ 10.28	$ 10.09
Total return[b]	0.3% [c]	1.4%	5.1%	2.4% [c]
Ratios/Supplementary Data:				
Net assets at end of period (000's)	$ 19,637	$ 16,839	$ 6,491	$ 1,502
Ratio of net expenses to average net assets[d]	0.60% [e]	0.61%	0.70%	0.69% [e]
Ratio of net investment income to average net assets	3.35% [e]	3.01%	2.37%	1.96% [e]
Portfolio turnover rate	15% [e]	22%	47%	50% [e]

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

[b] 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 any reduction for sales charges, nor do they reflect the deduction of taxes a shareholder would pay on Fund distributions or the redemption of Fund shares.

[c] Not annualized.

[d] Absent fee waivers and expense reimbursements by the Adviser, the ratio of expenses to average net assets would have been 0.95%[e], 0.92%, 1.31% and 2.49%[e] for the periods ended June 30, 2006 and December 31, 2005, 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, the Ave Maria Opportunity Fund (formerly the Ave Maria Small Cap Fund) and the Ave Maria Bond Fund (the "Funds") are each a diversified series of the Schwartz Investment Trust (the "Trust"), an 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 Ave Maria Opportunity Fund commenced the public offering of its shares on May 1, 2006. 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 to provide 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 Opportunity Fund is 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 Bond Fund is to seek preservation of principal with a reasonable level of current income. See the Funds' Prospectus for 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 contingent deferred sales charge (CDSC) of 1.00% and 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 CDSC 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 the Ave Maria Catholic Values Fund, the Ave Maria Growth Fund and Class R shares of the Ave Maria Bond Fund may be subject to a 1% CDSC if redeemed within one year of their purchase. Shares 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 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 a Fund so qualifies and distributes at least 90% of its taxable income, such 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, 2006 was as follows:

	Ave Maria Catholic Values Fund	Ave Maria Growth Fund	Ave Maria Rising Dividend Fund	Ave Maria Opportunity Fund	Ave Maria Bond Fund
Accumulated ordinary income/(loss)	$ (439,138)	$ (108,468)	$ 395,608	$ 196,312	$ 7,778
Accumulated long-term gains	12,347,170	350,100	123,292	—	173,242
Net unrealized appreciation/ (depreciation)	27,144,059	8,331,329	1,446,556	(282,883)	(991,458)
Total distributable earnings/(deficit)	$ 39,052,091	$ 8,572,961	$ 1,965,456	$ (86,571)	$ (810,438)

The following information is based upon the federal income tax cost of the investment securities as of June 30, 2006:

	Ave Maria Catholic Values Fund	Ave Maria Growth Fund	Ave Maria Rising Dividend Fund	Ave Maria Opportunity Fund	Ave Maria Bond Fund
Gross unrealized appreciation	$ 34,541,479	$ 10,620,302	$ 2,233,193	$ 316,076	$ 667,307
Gross unrealized depreciation	(7,397,420)	(2,288,973)	(786,637)	(598,959)	(1,658,765)
Net unrealized appreciation/(depreciation)	$ 27,144,059	$ 8,331,329	$ 1,446,556	$ (282,883)	$ (991,458)
Federal income tax cost	$ 208,400,075	$ 64,817,868	$ 27,758,303	$ 16,402,854	$ 50,991,998

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. These "book/tax" differences are temporary in nature and are due to the tax deferral of losses on wash sales. The difference between the federal income tax cost of portfolio investments and the financial statement cost for the Ave Maria Bond Fund is due to certain timing differences in the recognition of the amortization of organizational costs. These "book/tax" differences are also temporary in nature.

During the six months ended June 30, 2006, the Ave Maria Catholic Values Fund, the Ave Maria Growth Fund and the Ave Maria Rising Dividend Fund realized $13,444,552, $2,014,638 and $600,539, respectively, of net capital gains resulting from in-kind redemptions – in which shareholders who redeemed Fund shares received securities held by the Fund rather than cash. The Funds recognize a gain on in-kind redemptions to the extent that the value of the distributed securities on the date of redemption exceeds the cost of those securities. Such gains are not taxable to the Funds and are not required to be distributed to shareholders.

For the six months ended June 30, 2006, the Ave Maria Catholic Values Fund, the Ave Maria Growth Fund, and the Ave Maria Rising Dividend Fund reclassified its net capital gains resulting from in-kind redemptions of $13,444,552, $2,014,638 and $600,539, respectively, against paid-in capital These reclassifications are reflected on the Statement of Assets and Liabilities. Such reclassifications, the result of permanent differences between the financial statement and income tax reporting requirements, have no effect on each Fund's net assets or net asset value per share.

(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 securities sold are determined on a specific identification 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, the Ave Maria Growth Fund and the Ave Maria Opportunity 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, 2006 and December 31, 2005 was as follows:

Period Ended	Ordinary Income	Long-Term Capital Gains	Total Distributions
Ave Maria Catholic Values Fund:			
June 30, 2006	$ —	$ —	$ —
December 31, 2005	$ —	$ 6,556,047	$ 6,556,047
Ave Maria Growth Fund:			
June 30, 2006	$ —	$ —	$ —
December 31, 2005	$ —	$ 170,748	$ 170,748
Ave Maria Rising Dividend Fund:			
June 30, 2006	$ 129,904	$ —	$ 129,904
December 31, 2005	$ 160,974	$ —	$ 160,974
Ave Maria Bond Fund - Class I:			
June 30, 2006	$ 705,645	$ —	$ 705,645
December 31, 2005	$ 1,391,917	$ 206,354	$ 1,598,271
Ave Maria Bond Fund - Class R:			
June 30, 2006	$ 314,564	$ —	$ 314,564
December 31, 2005	$ 401,832	$ 71,805	$ 473,637

There were no distributions for the Ave Maria Opportunity Fund for the period ended June 30, 2006.

(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 registered 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 obligations issued or guaranteed by the U.S. Government or its agencies of instrumentalities 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 generally accepted accounting principles in the United States of America 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 Agreements and Transactions with Related Parties

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

Pursuant to Investment Advisory Agreements between the Trust 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, the Ave Maria Growth Fund and the Ave Maria Opportunity Fund a quarterly fee at 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 at the annual rate of 0.75% and 0.30%, respectively, of 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 and the Ave Maria Opportunity Fund do not exceed 1.50% and 1.25%, respectively, until at least May 1, 2009. 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 period ended June 30, 2006, the Adviser waived investment advisory fees of $35,898 with respect to the Ave Maria Catholic Values Fund; waived investment advisory fees of $55,075 with respect to the Ave Maria Growth Fund; waived investment advisory fees of $24,650 with respect to the Ave Maria Rising Dividend Fund; waived investment advisory fees of $10,888 with respect to the Ave Maria Opportunity Fund; and waived all of its investment advisory fees of $86,067 and reimbursed $14,513 of other operating expenses (including $13,506 of common expenses, $588 of Class I expenses and $419 of Class R 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 any undertaking by the Adviser to limit expenses of the Funds. As of

June 30, 2006, the amount of fee waivers and expense reimbursements available for reimbursement to the Adviser are as follows:

Ave Maria Catholic Values Fund	$	108,773
Ave Maria Growth Fund	$	285,240
Ave Maria Rising Dividend Fund	$	49,292
Ave Maria Opportunity Fund	$	10,888
Ave Maria Bond Fund	$	498,253

As of June 30, 2006, the Adviser may recapture a portion of the above amounts no later than the dates as stated below:

	December 31, 2006	December 31, 2007	December 31, 2008	December 31, 2009
Ave Maria Catholic Values Fund	$ 2,781	$ 36,934	$ 33,160	$ 35,898
Ave Maria Growth Fund	$ 56,386	$ 93,231	$ 80,548	$ 55,075
Ave Maria Rising Dividend Fund	$ —	$ —	$ 24,642	$ 24,650
Ave Maria Opportunity Fund	$ —	$ —	$ —	$ 10,888
Ave Maria Bond Fund	$ 72,586	$ 154,274	$ 170,813	$ 100,580

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, the Ave Maria Rising Dividend Fund and the Ave Maria Opportunity 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 period ended June 30, 2006, the Ave Maria Catholic Values Fund, the Ave Maria Growth Fund, the Ave Maria Rising Dividend Fund, the Ave Maria Opportunity Fund and the Ave Maria Bond Fund paid $187,411, $50,883, $24,000, $8,000 and $28,786, respectively, to Ultimus for mutual fund services.

Pursuant to a Distribution Agreement between the Funds and the Distributor, the Distributor serves as the Funds' exclusive agent for the distribution of its shares. During the period ended June 30, 2006, the Distributor received $1,178, $2,007, and $565 in CDSC's 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 period ended June 30, 2006, the total expenses incurred pursuant to the Plan were $310,818, $84,397, and $22,523 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 period ended June 30, 2006, 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 Opportunity Fund	Ave Maria Bond Fund
Purchases of investment securities	$ 84,270,150	$ 9,904,054	$ 10,219,337	$ 13,940,379	$ 2,929,302
Proceeds from sales of investment securities	$103,302,062	$ 5,988,267	$ 8,083,881	$ 699,630	$ 7,823,124

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. As a shareholder of the Funds, you incur two types of costs: (1) transaction costs, possibly including a CDSC; 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 mutual 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 most recent semi-annual period (January 1, 2006) and held until the end of the period (June 30, 2006).

The tables that follow 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 CDSC 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 MUTUAL FUNDS
ABOUT YOUR FUND'S EXPENSES (Unaudited) (Continued)

Ave Maria Catholic Values Fund

	Beginning Account Value January 1, 2006	Account Value June 30, 2006	Ending Expenses Paid During Period*
Based on Actual Fund Return	$1,000.00	$1,054.40	$7.64
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, 2006	Account Value June 30, 2006	Ending Expenses Paid During Period*
Based on Actual Fund Return	$1,000.00	$1,100.70	$7.81
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 January 1, 2006	Account Value June 30, 2006	Ending Expenses Paid During Period*
Based on Actual Fund Return	$1,000.00	$1,062.30	$6.39
Based on Hypothetical 5% Return (before expenses)	$1,000.00	$1,018.60	$6.26

* Expenses are equal to the Ave Maria Rising Dividend Fund's annualized expense ratio of 1.25% 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 Opportunity Fund

	Beginning Account Value May 1, 2006	Account Value June 30, 2006	Ending Expenses Paid During Period*
Based on Actual Fund Return	$1,000.00	$994.00	$2.05
Based on Hypothetical 5% Return (before expenses)	$1,000.00	$1,006.30	$2.06

* Expenses are equal to the Ave Maria Opportunity Fund's annualized expense ratio of 1.23% for the period, multiplied by the average account value over the period, multiplied by 61/365 (to reflect the two month period).

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

Ave Maria Bond Fund – Class I

	Beginning Account Value January 1, 2006	Account Value June 30, 2006	Ending Expenses Paid During Period*
Based on Actual Fund Return	$1,000.00	$1,004.60	$1.49
Based on Hypothetical 5% Return (before expenses)	$1,000.00	$1,023.31	$1.51

* Expenses are equal to the Ave Maria Bond Fund – 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, 2006	Account Value June 30, 2006	Ending Expenses Paid During Period*
Based on Actual Fund Return	$1,000.00	$1,003.10	$2.98
Based on Hypothetical 5% Return (before expenses)	$1,000.00	$1,021.82	$3.01

* Expenses are equal to the Ave Maria Bond Fund – Class R's annualized expense ratio of 0.60% 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 (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 (888) 726-9331, or on the SEC's website http://www.sec.gov.

The 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 are available free of charge, upon request, by calling (888) 726-9331. Furthermore, you may 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 (800) SEC-0330.

AVE MARIA MUTUAL FUNDS
APPROVAL OF ADVISORY AGREEMENTS
(Unaudited)

Ave Maria Catholic Values Fund, Ave Maria Growth Fund and Ave Maria Bond Fund

The Board of Trustees, including the Independent Trustees voting separately, have reviewed and approved the continuance of the Advisory Agreements with 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 27, 2006, at which all of the Trustees were present.

The Independent Trustees were advised by independent counsel of their fiduciary obligations in approving the Advisory Agreements and the Sub-Advisory Agreement (collectively, the "Agreements"). The Trustees also received and reviewed a considerable amount of information provided by the Adviser in response to requests of the Independent Trustees and their counsel to assist in their evaluation of 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 and supported by independent counsel experienced in securities matters throughout the process. Prior to voting, the Independent Trustees reviewed the proposed continuance of the Agreements with management and also met in a private session with independent counsel at which no representatives of the Adviser were present.

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 key 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 long-term investment performance of the Funds in their deliberations. The Trustees considered each Fund's historical performance over various periods ended December 31, 2005, as it compared to the returns of relevant indices and similarly managed mutual funds. Based upon their review, the Trustees observed that the Ave Maria Catholic Values Fund has consistently outperformed its benchmark index, which is the S&P 500 Index. The Trustees further observed that, although the Ave Maria Growth Fund and the Ave Maria Bond Fund each underperformed their respective benchmark index (the S&P 500 Index for the Ave Maria Growth Fund and the Lehman Brothers U.S. Government/Credit Intermediate

Index for the Ave Maria Bond Fund) during 2005, each of those Funds has outperformed its benchmark index over their lifetime.

The Trustees reviewed the Adviser's analysis of its profitability from each Fund's Advisory Agreement for the year ended December 31, 2005. 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 noted that the Sub-Adviser's fees are paid by the Adviser and are set as a result of arms-length negotiations by the Adviser. 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 it is sufficiently capitalized to remain economically viable to serve as adviser.

In reviewing the fees payable under the Agreements, the Trustees reviewed the advisory fees paid by each Fund under the Advisory Agreement 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 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 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 and has provided reasonable services to the Funds; (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 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, they believe that the quality of investment advisory services provided by the Adviser and Sub-Adviser have been appropriate 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, in some instances, through expense reimbursements has enabled the Funds to maintain a competitive overall expense ratio which has increased investment returns for shareholders. The Independent Trustees also reviewed and considered the "fallout benefits" to, and the profitability of, the Adviser with regards to its management of the Funds, concluding that the Adviser's profitability was not excessive, given the quality and scope of services provided by the Adviser and the investment performance of the Funds.

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.

Ave Maria Opportunity Fund

The Board of Trustees, including the Independent Trustees voting separately, reviewed and approved the Advisory Agreement with the Adviser on behalf of the Ave Maria Opportunity Fund at an in-person meeting held on April 27, 2006, at which all of the Trustees were present.

The Trustees were advised by independent counsel of their fiduciary obligations in approving the Advisory Agreement and the Trustees requested such information from the Adviser as they deemed reasonably necessary to evaluate the terms of the Advisory Agreement and whether the Agreement is in the best interest of the Ave Maria Opportunity Fund and its shareholders. The Trustees reviewed: (1) industry data comparing advisory fees and expense ratios of comparable investment companies; (2) comparative performance information of another mutual fund that is managed by the Adviser similarly to the Ave Maria Opportunity Fund; (3) the Adviser's anticipated revenues and costs of providing services to the Fund; and (4) information about the Adviser's personnel. The Trustees considered various factors, among them: (1) the nature and extent of the services proposed to be provided by the Adviser; (2) the fees proposed to be charged for those services and the Adviser's anticipated profitability with respect to the Fund; and (3) the Adviser's performance record for accounts that have similar investment strategies as the Fund. The Independent Trustees were advised and supported by independent counsel experienced in securities matters throughout the process.

The Trustees evaluated and discussed with the Adviser the responsibilities of the Adviser under the Advisory Agreement. The Trustees also reviewed the background, education and experience of the Adviser's key 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 did not consider economies of scale because the Fund is new and because of the Adviser's agreement to cap expenses.

In reviewing the fees payable under the Advisory Agreement, the Trustees reviewed the advisory fee rates proposed to be paid by the Ave Maria Opportunity Fund and compared such fees to the advisory fee ratios of similar mutual funds. The Trustees also compared the proposed total operating expense ratio of the Fund, after fee waivers, with expense ratios of representative funds with similar investment objectives considered to be in its peer group. The Trustees concluded that, based upon the investment strategies of the Fund and the quality of investment management services provided by the Adviser to other similar accounts, the proposed advisory fees to be paid by the Fund are reasonable.

In approving the Advisory Agreement, the Independent Trustees noted the qualifications of key personnel of the Adviser that would work with the Ave Maria Opportunity Fund and concluded the Adviser is qualified to manage the Fund's assets in accordance with its investment objective and policies. The Independent Trustees were of the belief that, while the proposed advisory fees to be paid by the Ave Maria Opportunity Fund are in the higher range of fees for comparably managed funds, the Adviser's commitment to cap overall operating expenses through fee waivers and expense reimbursements should enable the Fund to maintain a competitive overall expense ratio which will increase investment returns for shareholders. The Independent Trustees did not review and consider the anticipated profitability of the Adviser with regards to its management of the Fund because the Fund had not yet commenced operations.

No single factor was considered in isolation or to be determinative to the decision of the Trustees to approve the Advisory Agreement. Rather, the Trustees concluded, in light of a weighing and balancing of all factors considered, that approval of the Advisory Agreement would be in the best interests of the Ave Maria Opportunity Fund and its shareholders.

Ave Maria Catholic Values Fund

Ave Maria Growth Fund

Ave Maria Rising Dividend Fund

Ave Maria Opportunity Fund

Ave Maria Bond Fund

Ave Maria Mutual Funds
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