SCHWARTZ INVESTMENT TRUST

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

Annual Report

2008

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

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)
Ave Maria Money Market Account

2008 was a bad year by almost any measure for investors. Fortunately, the Ave Maria Mutual Funds had better investment performance than most. In fact, each equity Fund beat its respective index, some quite handily. The year began with the credit problems that originated in the sub prime mortgage sector spreading to other parts of the debt markets. Ultimately, the problems grew to the point where financial institutions that were thought to be too big to fail, began to fail. This led to a full blown credit crisis prompting the U.S. Treasury and the Fed to inject unprecedented sums into the economy. The year was capped off by the Bernard Madoff Ponzi scheme, resulting in billions of dollars of additional losses for unsuspecting investors. It was a bad year.

My greatest regret was not having the foresight to anticipate the economic developments which are now so evident. In retrospect, it now seems so obvious that a financial meltdown was brewing. With residential housing prices dropping from what are now recognized as ridiculously inflated levels, the financial underpinnings of the economy were wobbly. Added to that were the structural distortions caused by badly skewed incentives within the Financials sector. Wall Street executives were being rewarded with massive bonuses for essentially gambling with 30 to 1 leveraged balance sheets. Mortgage bankers loaned with reckless abandon to borrowers that were unqualified because they knew they were going to sell the loans to Wall Street. Wall Street financial engineers in turn sliced and diced those suspect loans into mortgage-backed securities, gussied them up with investment grade credit ratings and re-sold them to unsuspecting institutional investors around the world. It was a scheme that ran on greed, complexity and financial leverage. It all worked as long as housing prices continued to rise. When home prices rolled over, everything collapsed.

Responding to the ensuing debacle, the Federal Reserve and the U.S. Treasury have taken unprecedented measures pouring billions of dollars into the economy to stimulate consumer spending, and bail out financial institutions not to mention GM and Chrysler. The rest of the country has embarked upon a massive process of de-leveraging which will have the effect of shrinking personal and corporate balance sheets. This painful process will ultimately result in greater financial stability and a healthier economic environment, but in the interim, economic activity will be negatively impacted.

Understandably, investor confidence has been very badly shaken by all of this and the fate of the financial markets rests in many respects on improving sentiment. At market bottoms, by definition, investor confidence is always at its lowest. It is very possible that the low point in the current cycle has already passed. In my 40 years of investment counsel, I have never seen pessimism and fear as widespread as the past few months. Panic-struck investors have sold stocks relentlessly at any price, just to get out. Under the weight of pessimism and fear, stock prices got crushed. The result was the worst year for equity returns since 1931.

This massive liquidation of equites has resulted in an unprecedented level of cash parked on the sidelines. Currently, $4 trillion of investors' cash is sitting in money market funds yielding essentially zero. That represents roughly 40% of the market capitalization of all U.S. stocks. This is the highest ratio of cash-to-market value on record. That alone doesn't guarantee an immediate new bull market, but it does reduce the level of downside risk and create the potential for an explosive rally on the basis of almost any positive news.

The portfolio managers of the Ave Maria Mutual Funds have been working to capitalize on the opportunities that have been created. With virtually every asset class pounded, remarkable bargains appear almost everywhere. (This is especially so in the case of investment grade bonds of short and intermediate maturities, which are well represented in the Ave Maria Bond Fund.) In the Ave Maria equity Funds, additional cash reserves have been committed, focusing on the highest quality issues.

Amid the present financial turmoil, it's worth remembering that U.S. style capitalism remains the best economic system ever created, and no doubt will continue to be an efficient wealth-producing machine. While the recent U.S. government "investments" in U.S. companies is troublesome to hard-core capitalists like us, it was probably necessary to forestall an even worse economic contraction. The test will be when the economy recovers. Will the Federal government reverse these socialistic actions? Importantly, will the Federal Reserve have the willpower and self-discipline to remove the excess liquidity currently being created? If not, the massive money supply growth of the last six months will make inflation untenable a few years out. It's our view that the currently depressed valuation levels more than adequately reflect these unknowns, and that long-term investors will be amply rewarded for their patience and faith.

With our portfolio managers keenly focused on quality, each Ave Maria Mutual Fund appears well-positioned to weather the storm and benefit in the recovery to follow. Your confidence and trust is greatly appreciated, as we continue to manage these Catholic Funds in accordance with morally responsible guidelines.

Sincerely,

George P. Schwartz

George P. Schwartz, CFA
President

January 31, 2009

P.S. Shareholders now have the ability to access their account balances and view transaction history online at www.avemariafunds.com. You may call shareholder services toll-free at 1-888-726-9331 for help in accessing your account information.

The Letter to Shareholders and the Portfolio Manager Commentaries that follow seek to describe some of the Adviser's current opinions and views of the financial markets. Although the Adviser believes it has a reasonable basis for any opinions or views expressed, actual results may differ, sometimes significantly so, from those expected or expressed. Keep in mind that the information and opinions cover the period through the date of this report.

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This report is for the information of shareholders of the Ave Maria Mutual Funds, but it may also be used as sales literature when preceded or accompanied by a current prospectus, which gives details about charges, expenses, investment objectives and operating policies of the Funds. To obtain a copy of the prospectus, please visit our website or call 1-888-726-9331 and a copy will be sent to you free of charge. Please read the prospectus carefully before you invest. The Ave Maria Mutual Funds are distributed by Ultimus Fund Distributors, LLC.

Past performance is not predictive of future performance. Investment results and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than the performance data quoted. Performance data, current to the most recent month end, are available at the Ave Maria Funds website at www.avemariafunds.com or by calling 1-888-726-9331.

AVE MARIA CATHOLIC VALUES FUND
PORTFOLIO MANAGER COMMENTARY

Dear Fellow Shareowner:

The Ave Maria Catholic Values Fund's (the "Fund") return for 2008 was -36.8% compared to -37.0% for the S&P 500 Index and -36.2% for the S&P 400 MidCap Index. Since inception on May 1, 2001, the Fund's return versus its benchmarks is:

	Since 5-01-01 Inception through 12-31-2008 Total Returns	
	Cumulative	Annualized
Ave Maria Catholic Values Fund (AVEMX)	13.2%	1.6%
S&P 500 Index	-17.9%	-2.5%
S&P 400 MidCap Index	14.9%	1.8%

History will record 2008 as the stock market's third worst year in over a century. Unlike the dot-com bear market early this decade, which devastated mostly technology and internet related stocks, there were few places to hide from last year's decline. All S&P market sectors suffered double-digit negative returns. Our philosophy of investing in high quality companies with solid balance sheets at attractive prices proved less than effective because valuations declined across the board as the financial crisis unfolded and fearful investors dumped shares of virtually all companies.

In spite of the breadth of last year's decline, the Fund held a number of stocks which produced positive returns. Most significant were Dollar Tree, Inc., Ross Stores, Inc. and Sherwin Williams Company, as well as Southwestern Energy Company and XTO Energy, Inc. Pulte Homes, Inc. was also a positive contributor, perhaps surprisingly, given the weakness in housing.

Stocks negatively impacting performance included Ion Geophysical Corporation (Energy), Thor Industries, Inc. (RV's), Kinetic Concepts, Inc. (Medical Devices), Waters Corporation (Test & Measurement Instruments) and Zebra Technologies Corporation (Barcode Readers).

In the second half of 2008, the Fund eliminated a number of companies: Pulte Homes, Inc. and Ryland Group, Inc. (Homebuilders), Lifetime Brands, Inc. (Household Goods), Citizens Republic Bancorp, Inc., Legg Mason, Inc. (Asset Management), American Eagle Outfitters, Inc. (Retail) and XTO Energy, Inc. These sales were based on either deteriorating long-term business fundamentals or full valuations at the time of sale.

Concurrently, the Fund added a number of new companies to the portfolio, including Peabody Energy Corporation (Coal), Forest Oil Corporation (Oil and Gas Production), BE Aerospace, Inc. and General Cable Corporation (Capital Goods), Coach, Inc. (Retail), and two bank stocks: Comerica, Inc. and BB&T Corporation. All of these stocks were purchased at what we consider compelling valuations after substantial price declines. We are confident they will persevere during this recession and do very well as the economy recovers.

The fiscal and monetary response to the current crisis should stabilize the economy, setting the stage for a return to economic expansion. The stock market will likely anticipate better times long before they make the headlines. On average, the market bottoms about half way through recessions, and this recession is already more than a year old. Whether the market goes up or down in the short term, we can say with confidence that for long-term value investors, the market is currently offering an opportunity to own great companies at prices that should also make them great investments.

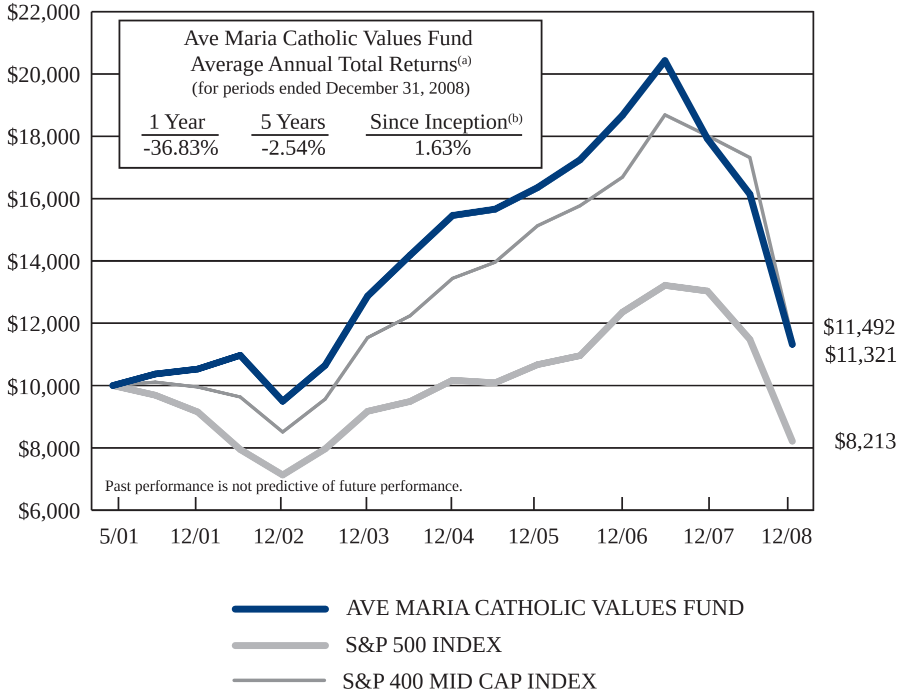
Thank you for being a shareholder.

George P. Schwartz, CFA
Co-Portfolio Manager

Gregory R. Heilman, CFA
Co-Portfolio Manager

AVE MARIA CATHOLIC VALUES FUND PERFORMANCE (Unaudited)

Comparison of the Change in Value of a $10,000 Investment in the Ave Maria Catholic Values Fund, the S&P 500 Index, and the S&P 400 Mid Cap Index



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

[b] Represents the period from the commencement of operations (May 1, 2001) through December 31, 2008.

AVE MARIA CATHOLIC VALUES FUND ANNUAL TOTAL RATES OF RETURN COMPARISON WITH MAJOR INDICES (Unaudited)

	AVE MARIA CATHOLIC VALUES FUND	S&P 500 INDEX	S&P 400 MID CAP INDEX	S&P 600 SMALL CAP INDEX	NASDAQ COMPOSITE [b]	VALUE LINE COMPOSITE[b]
2001 [a]	5.3%	-8.5%	-0.5%	5.0%	-10.1%	-7.3%
2002	-9.8%	-22.1%	-14.5%	-14.6%	-31.5%	-28.6%
2003	35.6%	28.7%	35.6%	38.8%	50.0%	37.4%
2004	20.1%	10.9%	16.5%	22.7%	8.6%	11.5%
2005	5.8%	4.9%	12.6%	7.7%	1.4%	2.0%
2006	14.2%	15.8%	10.3%	15.1%	9.5%	11.0%
2007	-4.0%	5.5%	8.0%	-0.3%	9.8%	-3.8%
2008	-36.8%	-37.0%	-36.2%	-31.1%	-40.5%	-48.7%

AVERAGE ANNUAL TOTAL RETURNS As of December 31, 2008 (Unaudited)

	AVE MARIA CATHOLIC VALUES FUND	S&P 500 INDEX	S&P 400 MID CAP INDEX	S&P 600 SMALL CAP INDEX	NASDAQ COMPOSITE [b]	VALUE LINE COMPOSITE [b]
3 Years	-11.5%	-8.4%	-8.8%	-7.5%	-10.6%	-18.2%
5 Years	-2.5%	-2.2%	-0.1%	0.9%	-4.7%	-9.0%
Since Inception	1.6%	-2.5%	1.8%	3.5%	-4.1%	-7.1%

[a] Represents the period from the commencement of operations (May 1, 2001) through December 31, 2001.

[b] Excluding dividends.

AVE MARIA CATHOLIC VALUES FUND
TEN LARGEST EQUITY HOLDINGS
December 31, 2008 (Unaudited)

Shares	Company	Market Value	% of Net Assets
1,000,000	Meadowbrook Insurance Group, Inc.	$6,440,000	4.8%
90,000	Sherwin-Williams Company (The)	5,377,500	4.0%
200,000	Zebra Technologies Corporation - Class A	4,052,000	3.1%
450,000	Gentex Corporation	3,973,500	3.0%
100,000	Genuine Parts Company	3,786,000	2.9%
50,000	Burlington Northern Santa Fe Corporation	3,785,500	2.9%
125,000	Graco, Inc.	2,966,250	2.2%
50,000	General Dynamics Corporation	2,879,500	2.2%
50,000	United Technologies Corporation	2,680,000	2.0%
185,000	Western Union Company (The)	2,652,900	2.0%

ASSET ALLOCATION (Unaudited)

Sector	% of Net Assets
Consumer Discretionary	23.4%
Energy	9.2%
Financials	16.5%
Health Care	6.4%
Industrials	26.4%
Information Technology	10.2%
Materials	3.4%
Cash Equivalents, Other Assets and Liabilities	4.5%
	100.0%

AVE MARIA CATHOLIC VALUES FUND
SCHEDULE OF INVESTMENTS
December 31, 2008

COMMON STOCKS — 95.5%	Shares	Market Value
Consumer Discretionary — 23.4%		
Auto Components — 4.0%		
Gentex Corporation	450,000	$ 3,973,500
Johnson Controls, Inc.	75,000	1,362,000
		5,335,500
Automobiles — 2.7%		
Harley-Davidson, Inc.	110,000	1,866,700
Thor Industries, Inc.	135,000	1,779,300
		3,646,000
Distributors — 2.9%		
Genuine Parts Company	100,000	3,786,000
Household Durables — 0.3%		
Craftmade International, Inc.	250,000	432,500
Leisure Equipment & Products — 1.0%		
Brunswick Corporation	300,000	1,263,000
Multi-Line Retail — 0.8%		
Dollar Tree, Inc. *	25,000	1,045,000
Specialty Retail — 8.3%		
Bed Bath & Beyond Inc. *	90,000	2,287,800
Chico's FAS, Inc. *	600,000	2,508,000
Ross Stores, Inc.	30,000	891,900
Sherwin-Williams Company (The)	90,000	5,377,500
		11,065,200
Textiles, Apparel & Luxury Goods — 3.4%		
Coach, Inc. *	125,000	2,596,250
VF Corporation	35,000	1,916,950
		4,513,200
Energy — 9.2%		
Energy Equipment & Services — 3.6%		
Halliburton Company	135,000	2,454,300
ION Geophysical Corporation *	325,000	1,114,750
Patterson-UTI Energy, Inc.	100,000	1,151,000
		4,720,050
Oil, Gas & Consumable Fuels — 5.6%		
Exxon Mobil Corporation	25,000	1,995,750
Forest Oil Corporation *	75,000	1,236,750
Frontier Oil Corporation	70,000	884,100
Peabody Energy Corporation	85,000	1,933,750
Southwestern Energy Company *	50,000	1,448,500
		7,498,850

AVE MARIA CATHOLIC VALUES FUND
SCHEDULE OF INVESTMENTS (Continued)

COMMON STOCKS — 95.5% (Continued)	Shares	Market Value
Financials — 16.5%		
Commercial Banks — 2.3%		
BB&T Corporation	50,000	$ 1,373,000
Comerica, Inc.	20,000	397,000
Synovus Financial Corporation	150,000	1,245,000
		3,015,000
Insurance — 11.8%		
Alleghany Corporation *	5,000	1,410,000
American Safety Insurance Holdings Ltd. *	100,000	1,321,000
Everest Re Group Ltd.	25,000	1,903,500
Hanover Insurance Group, Inc. (The)	50,000	2,148,500
Meadowbrook Insurance Group, Inc.	1,000,000	6,440,000
Unico American Corporation *	282,945	2,492,745
		15,715,745
Real Estate Investment Trusts — 2.4%		
Annaly Capital Management, Inc.	50,000	793,500
Hatteras Financial Corporation	40,000	1,064,000
HCP, Inc.	50,000	1,388,500
		3,246,000
Health Care — 6.4%		
Health Care Equipment & Supplies — 4.9%		
Beckman Coulter, Inc.	25,000	1,098,500
Kinetic Concepts, Inc. *	130,000	2,493,400
Neogen Corporation *	50,000	1,249,000
Stryker Corporation	40,000	1,598,000
		6,438,900
Life Sciences Tools & Services — 1.5%		
Waters Corporation *	55,000	2,015,750
Industrials — 26.4%		
Aerospace & Defense — 5.3%		
BE Aerospace, Inc. *	200,000	1,538,000
General Dynamics Corporation	50,000	2,879,500
United Technologies Corporation	50,000	2,680,000
		7,097,500
Building Products — 1.9%		
Simpson Manufacturing Company, Inc.	90,000	2,498,400
Construction & Engineering — 1.9%		
Foster Wheeler, Ltd. *	105,000	2,454,900
Electrical Equipment — 3.6%		
Belden Inc.	125,000	2,610,000
General Cable Corporation *	125,000	2,211,250
		4,821,250

AVE MARIA CATHOLIC VALUES FUND
SCHEDULE OF INVESTMENTS (Continued)

COMMON STOCKS — 95.5% (Continued)	Shares	Market Value
Industrials — 26.4% (Continued)		
Machinery — 10.2%		
Caterpillar Inc.	45,000	$ 2,010,150
Graco, Inc.	125,000	2,966,250
Illinois Tool Works, Inc.	75,000	2,628,750
Lincoln Electric Holdings, Inc.	45,000	2,291,850
Toro Company (The)	50,000	1,650,000
Trinity Industries, Inc.	125,000	1,970,000
		13,517,000
Professional Services — 0.6%		
Manpower, Inc.	25,000	849,750
Road & Rail — 2.9%		
Burlington Northern Santa Fe Corporation	50,000	3,785,500
Information Technology — 10.2%		
Communications Equipment — 1.1%		
ADTRAN, Inc.	100,000	1,488,000
Computers & Peripherals — 2.4%		
Logitech International S.A. *	70,000	1,090,600
Stratasys, Inc. *	20,000	215,000
Teradata Corporation *	125,000	1,853,750
		3,159,350
Electronic Equipment, Instruments & Components — 1.6%		
Arrow Electronics, Inc. *	30,000	565,200
MTS Systems Corporation	45,000	1,198,800
Rofin-Sinar Technologies, Inc. *	20,000	411,600
		2,175,600
IT Services — 2.0%		
Western Union Company (The)	185,000	2,652,900
Office Electronics — 3.1%		
Zebra Technologies Corporation - Class A *	200,000	4,052,000
Materials — 3.4%		
Chemicals — 2.4%		
Balchem Corporation	73,600	1,833,376
RPM International Inc.	100,000	1,329,000
		3,162,376
Metals & Mining — 1.0%		
Alcoa, Inc.	125,000	1,407,500
Total Common Stocks (Cost $175,165,980)		$ 126,858,721

AVE MARIA CATHOLIC VALUES FUND
SCHEDULE OF INVESTMENTS (Continued)

MONEY MARKET FUNDS — 4.8%	Shares	Market Value
Federated Government Obligations Tax-Managed Fund - Institutional Shares, 1.13% [(a)]	4,678,187	$ 4,678,187
Federated U.S. Treasury Cash Reserve Fund - Institutional Shares, 0.38% [(a)]	1,728,862	1,728,862
Total Money Market Funds (Cost $6,407,049)		$ 6,407,049
Total Investments at Market Value — 100.3% (Cost $181,573,029)		$ 133,265,770
Liabilities in Excess of Other Assets — (0.3%)		(452,072)
Net Assets — 100.0%		$ 132,813,698

* Non-income producing security.

(a) Variable rate security. The rate shown is the 7-day effective yield as of December 31, 2008.

See notes to financial statements.

AVE MARIA GROWTH FUND
PORTFOLIO MANAGER COMMENTARY

Dear Fellow Shareholders:

For the year ended December 31, 2008, the Ave Maria Growth Fund (the "Fund") had a total return of -32.1% compared with -37.0% for the S&P 500 Index. For the three years ended December 31, 2008, the Fund's total return was -4.3% annualized compared with -8.4% annualized for the S&P 500 Index. Since inception (May 1, 2003), the Fund's total return was 5.0% annualized compared with 1.7% annualized for the S&P 500 Index. As you know, the investment environment in 2008, as covered elsewhere in this report, was uniquely difficult.

The top five performing issues in the Fund for 2008 were:

VCA Antech, Inc. (Veterinery Laboratories & Hospitals)	+13.2%
ITT Industries (Defense Electronics & Fluid Control Products)	+0.5%
Franklin Electric Company, Inc. (Submersible Pumps, Motors, Electronic Controls)	+0.3%
Ross Stores, Inc. (First-Quality Apparel, Shoes, Fragrances)	-1.0%
Alliant Techsystems, Inc. (Ammunition, Rocket Engines)	-4.7%

The bottom five performing issues were:

Frontier Oil Corporation (Crude Oil Refining & Marketing)	-69.1%
Harley-Davidson, Inc. (Motorcycle Manufacturer)	-62.0%
Amphenol Corporation (Connectors, Cable & Interconnect Systems)	-59.6%
Coach, Inc. (High-End Handbags, Outerwear, Footware, Business Cases)	-53.2%
Polaris Industries, Inc. (Snowmobiles, All-Terrain Vehicles, Motorcycles)	-52.0%

The Fund is diversified among eight out of eleven S&P 500 economic sectors as follows:

Consumer Staples	7.8%
Consumer Cyclicals	12.2%
Financials	8.6%
Transportation	5.1%
Energy	13.9%
Capital Goods	27.3%
Technology	9.9%
Health Care	15.2%

AVE MARIA GROWTH FUND
PORTFOLIO MANAGER COMMENTARY (Continued)

As of December 31, 2008, the Fund was 5-star rated by Morningstar*, placing the Fund's 3-year and 5-year investment performance within the top ten percent of Morningstar's mid-cap growth category.

Respectfully,

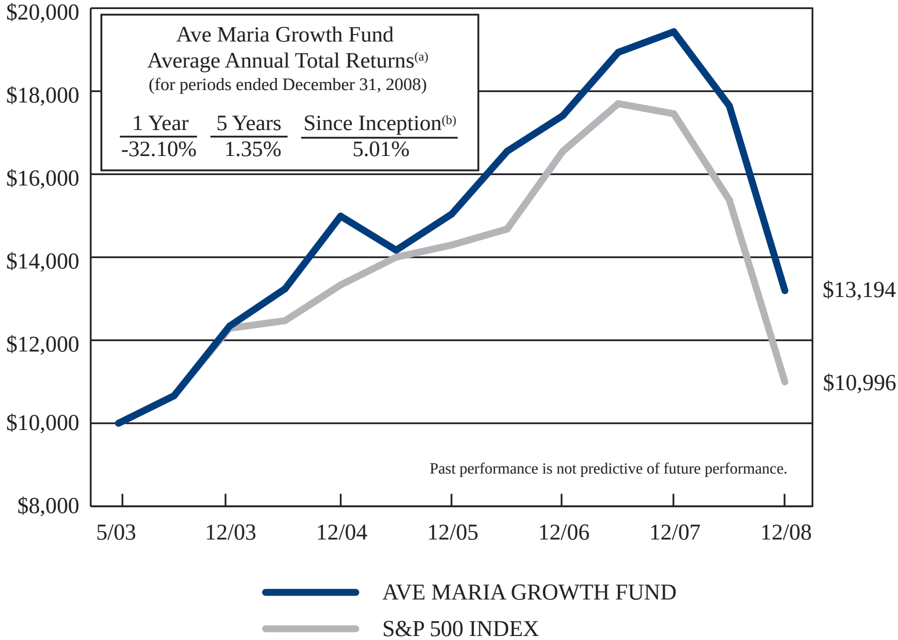
James L. Bashaw, CFA
Portfolio Manager

* Morningstar rated the Fund among 821, 821 and 674 Mid-Cap Growth funds for the overall, the 3-, and 5-year periods ended 12/31/2008, respectively. Morningstar Ratings™ are based on risk-adjusted returns. The Overall Morningstar Rating™ is derived from a weighted average of the performance figures associated with a fund's 3-, 5-, and 10-year (if applicable) Morningstar Rating™ metrics.

For funds with at least a 3-year history, a Morningstar Rating™ is based on a risk-adjusted return measure (including the effects of sales charges, loads, and redemption fees) with emphasis on downward variations and consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% 4 stars, the next 35% 3 stars, the next 22.5% 2 stars, and the bottom 10% 1 star.

AVE MARIA GROWTH FUND PERFORMANCE (Unaudited)

Comparison of the Change in Value of a $10,000 Investment in the Ave Maria Growth Fund and the S&P 500 Index



(a) The returns shown do not reflect the deduction of taxes a shareholder would pay on Fund distributions or the redemption of Fund shares.

(b) Represents the period from the commencement of operations (May 1, 2003) through December 31, 2008.

AVE MARIA GROWTH FUND
ANNUAL TOTAL RATES OF RETURN
COMPARISON WITH MAJOR INDICES (Unaudited)

	AVE MARIA GROWTH FUND	S&P 500 INDEX
2003 [(a)]	23.4%	22.8%
2004	21.5%	10.9%
2005	0.3%	4.9%
2006	15.8%	15.8%
2007	11.6%	5.5%
2008	-32.1%	-37.0%

AVERAGE ANNUAL TOTAL RETURNS
As of December 31, 2008 (Unaudited)

	AVE MARIA GROWTH FUND	S&P 500 INDEX
3 Years	-4.3%	-8.4%
5 Years	1.4%	-2.2%
Since Inception	5.0%	1.7%

[(a)] Represents the period from the commencement of operations (May 1, 2003) through December 31, 2003.

AVE MARIA GROWTH FUND
TEN LARGEST EQUITY HOLDINGS
December 31, 2008 (Unaudited)

Shares	Company	Market Value	% of Net Assets
47,800	C.R. Bard, Inc.	$4,027,628	4.8%
196,200	Rollins, Inc.	3,547,296	4.2%
76,600	Kellogg Company	3,358,910	4.0%
160,200	Brown & Brown, Inc.	3,348,180	4.0%
41,400	Exxon Mobil Corporation	3,304,962	3.9%
53,800	Occidental Petroleum Corporation	3,227,462	3.8%
98,300	McCormick & Company, Inc.	3,131,838	3.7%
55,000	Danaher Corporation	3,113,550	3.7%
93,600	Accenture Ltd. - Class A	3,069,144	3.7%
88,900	Toro Company (The)	2,933,700	3.5%

ASSET ALLOCATION (Unaudited)

Sector	% of Net Assets
Consumer Discretionary	11.7%
Consumer Staples	7.7%
Energy	13.0%
Financials	8.6%
Health Care	18.3%
Industrials	29.3%
Information Technology	8.9%
Cash Equivalents, Other Assets and Liabilities	2.5%
	100.0%

AVE MARIA GROWTH FUND
SCHEDULE OF INVESTMENTS
December 31, 2008

COMMON STOCKS — 97.5%	Shares	Market Value
Consumer Discretionary — 11.7%		
Auto Components — 1.8%		
Johnson Controls, Inc.	81,900	$ 1,487,304
Automobiles — 0.9%		
Harley-Davidson, Inc.	47,300	802,681
Leisure Equipment & Products — 2.7%		
Polaris Industries, Inc.	78,500	2,249,025
Specialty Retail — 4.3%		
Bed Bath & Beyond Inc. *	60,100	1,527,742
Ross Stores, Inc.	69,300	2,060,289
		3,588,031
Textiles, Apparel & Luxury Goods — 2.0%		
Coach, Inc. *	81,000	1,682,370
Consumer Staples — 7.7%		
Food Products — 7.7%		
Kellogg Company	76,600	3,358,910
McCormick & Company, Inc.	98,300	3,131,838
		6,490,748
Energy — 13.0%		
Oil, Gas & Consumable Fuels — 13.0%		
Exxon Mobil Corporation	41,400	3,304,962
Frontier Oil Corporation	115,900	1,463,817
Occidental Petroleum Corporation	53,800	3,227,462
XTO Energy, Inc.	83,125	2,931,819
		10,928,060
Financials — 8.6%		
Capital Markets — 4.6%		
Eaton Vance Corporation	59,000	1,239,590
SEI Investments Company	163,900	2,574,869
		3,814,459
Insurance — 4.0%		
Brown & Brown, Inc.	160,200	3,348,180
Health Care — 18.3%		
Health Care Equipment & Supplies — 11.5%		
Beckman Coulter, Inc.	23,300	1,023,802
C.R. Bard, Inc.	47,800	4,027,628
Stryker Corporation	56,800	2,269,160
Varian Medical Systems, Inc. *	65,800	2,305,632
		9,626,222

AVE MARIA GROWTH FUND
SCHEDULE OF INVESTMENTS (Continued)

COMMON STOCKS — 97.5% (Continued)	Shares	Market Value
Health Care — 18.3% (Continued)		
Health Care Providers & Services — 3.6%		
Patterson Companies, Inc. *	55,500	$ 1,040,625
VCA Antech, Inc. *	100,000	1,988,000
		3,028,625
Life Sciences Tools & Services — 3.2%		
Dionex Corporation *	59,900	2,686,515
Industrials — 29.3%		
Aerospace & Defense — 2.3%		
General Dynamics Corporation	34,200	1,969,578
Air Freight & Logistics — 1.9%		
Expeditors International of Washington, Inc.	49,100	1,633,557
Commercial Services & Supplies — 4.2%		
Rollins, Inc.	196,200	3,547,296
Electrical Equipment — 3.0%		
AMETEK, Inc.	82,200	2,483,262
Machinery — 14.8%		
CLARCOR, Inc.	56,800	1,884,624
Danaher Corporation	55,000	3,113,550
Donaldson Company, Inc.	61,400	2,066,110
Graco, Inc.	100,200	2,377,746
Toro Company (The)	88,900	2,933,700
		12,375,730
Road & Rail — 3.1%		
Landstar System, Inc.	67,500	2,594,025
Information Technology — 8.9%		
Electronic Equipment, Instruments & Components — 5.2%		
Amphenol Corporation - Class A	94,200	2,258,916
Mettler-Toledo International Inc. *	31,900	2,150,060
		4,408,976
IT Services — 3.7%		
Accenture Ltd. - Class A	93,600	3,069,144
Total Common Stocks (Cost $98,482,908)		$ 81,813,788

AVE MARIA GROWTH FUND
SCHEDULE OF INVESTMENTS (Continued)

MONEY MARKET FUNDS — 2.6%	Shares	Market Value
Federated Government Obligations Tax-Managed Fund - Institutional Shares, 1.13% [(a)] (Cost $2,152,982)	2,152,982	$ 2,152,982
Total Investments at Market Value — 100.1% (Cost $100,635,890)		$ 83,966,770
Liabilities in Excess of Other Assets — (0.1%)		(55,755)
Net Assets — 100.0%		$ 83,911,015

* Non-income producing security.

(a) Variable rate security. The rate shown is the 7-day effective yield as of December 31, 2008.

See notes to financial statements.

AVE MARIA RISING DIVIDEND FUND PORTFOLIO MANAGER COMMENTARY

Dear Fellow Shareholders:

For 2008, the total return of the Ave Maria Rising Dividend Fund (the "Fund") was a negative 22.8%, better than the S&P 500, which was down 37.0%. The Fund more closely approximates the performance of the S&P Dividend Aristocrat Index, which was down 21.6%.

The strongest positive contributions to performance came from Ross Stores, Inc. (off-price retail stores), CSX Corporation (rail transport), Diebold, Inc. (ATMs), and Family Dollar Stores, Inc. (discount retailer). Performance was hindered by the Fund's holdings in R.R. Donnelley & Sons Company (commercial printer), Harley-Davidson, Inc. (motorcycles), Halliburton Company (oil services), and Legg Mason, Inc. (asset management).

Reflecting the broad market decline, the prices of most of the stocks in the portfolio declined during the year, but the financial viability of the companies was never in question. In a year when investors wanted stability and quality, the companies in the portfolio provided that. Of the 43 companies in the portfolio at year-end, 32 raised their dividend during 2008, and only one reduced its dividend. Several of the companies have increased their dividends annually for 25 years or more. Only exceptional companies with superior business characteristics can do that.

In managing the Fund, dividends figure prominently in our selection process. But the focus doesn't fall on simple dividend yield. This isn't an income fund, nor a high-yield equity fund. The focus is on total return, with the greater portion of the total return expected from capital appreciation. Regular dividend increases are what we are looking for, because they serve as reliable indicators of the underlying business characteristics, just like high profit margins and consistently high ROI with low debt levels. The vast majority of companies don't have the business characteristics which can produce consistent dividend increases. It was these underlying features, and not the dividend yield itself, that caused our portfolio to outperform the broad market indices in 2008.

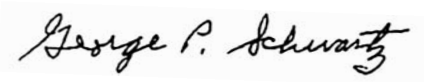
At some point, the economy will find bottom and aggregate corporate earnings will resume growing, probably sooner than most pundits are predicting. In the meantime, it is in challenging times such as these, that distinctions are most easily made between the best companies and the also rans. In a recession, the weak companies play defense, because they have to. Great companies, such as those in the portfolio, have the resources and staying power to keep their focus on offense. Over time, their stock prices will reflect those inherent strengths.

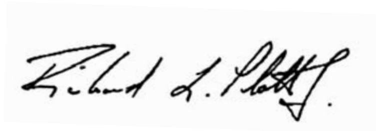
AVE MARIA RISING DIVIDEND FUND
PORTFOLIO MANAGER COMMENTARY (Continued)

As of December 31, 2008, the Fund was 5-star rated by Morningstar*, placing the Fund's 3-year investment performance within the top ten percent of Morningstar's mid-cap value category.

Your participation in the Fund is appreciated.

With best regards,





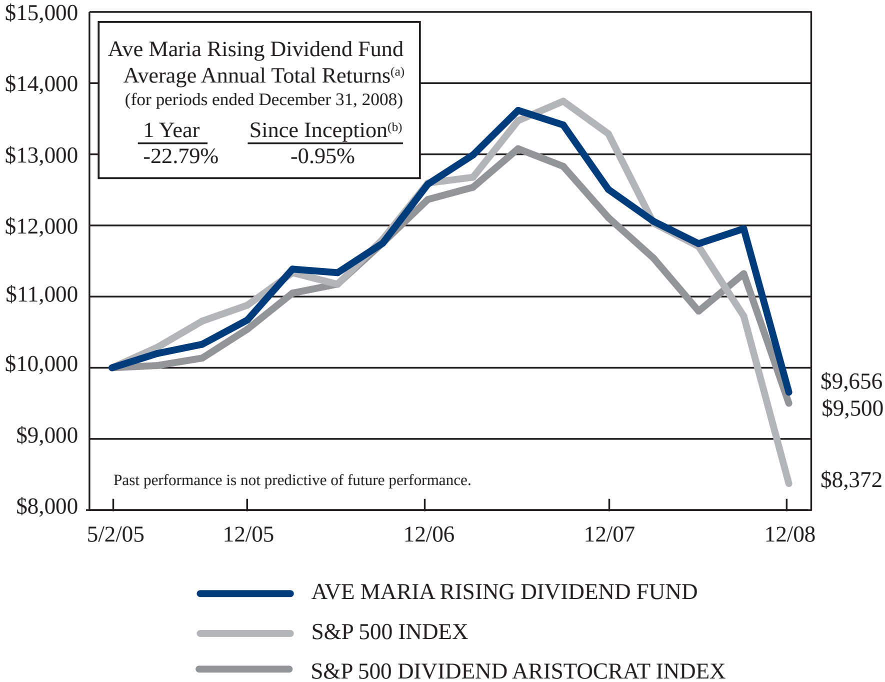
George P. Schwartz, CFA	Richard L. Platte, Jr., CFA
Co-Portfolio Manager	Co-Portfolio Manager

* Morningstar rated the Fund among 338 mid-cap value funds for the overall and 3-year periods ended 12/31/2008, respectively. Morningstar Ratings™ are based on risk-adjusted returns. The Overall Morningstar Rating™ is derived from a weighted average of the performance figures associated with a fund's 3-, 5-, and 10-year (if applicable) Morningstar Rating™ metrics.

For funds with at least a 3-year history, a Morningstar Rating™ is based on a risk adjusted return measure (including the effects of sales charges, loads, and redemption fees) with emphasis on downward variations and consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% 4 stars, the next 35% 3 stars, the next 22.5% 2 stars, and the bottom 10% 1 star.

AVE MARIA RISING DIVIDEND FUND PERFORMANCE (Unaudited)

Comparison of the Change in Value of a $10,000 Investment in the Ave Maria Rising Dividend Fund, the S&P 500 Index, and the S&P 500 Dividend Aristocrat Index



(a) The returns shown do not reflect the deduction of taxes a shareholder would pay on Fund distributions or the redemption of Fund shares.

(b) Represents the period from the commencement of operations (May 2, 2005) through December 31, 2008.

AVE MARIA RISING DIVIDEND FUND ANNUAL TOTAL RATES OF RETURN COMPARISON WITH MAJOR INDICES (Unaudited)

	AVE MARIA RISING DIVIDEND FUND	S&P 500 INDEX
2005 [a]	6.7%	8.8%
2006	17.9%	15.8%
2007	-0.6%	5.5%
2008	-22.8%	-37.0%

AVERAGE ANNUAL TOTAL RETURNS As of December 31, 2008 (Unaudited)

	AVE MARIA RISING DIVIDEND FUND	S&P 500 INDEX
3 Years	-3.3%	-8.4%
Since Inception	-1.0%	-4.7%

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

AVE MARIA RISING DIVIDEND FUND
TEN LARGEST EQUITY HOLDINGS
December 31, 2008 (Unaudited)

Shares	Company	Market Value	% of Net Assets
38,000	Sherwin-Williams Company (The)	$2,270,500	3.4%
35,000	Laboratory Corporation of America Holdings	2,254,350	3.3%
75,000	Ross Stores, Inc.	2,229,750	3.3%
85,000	Graco, Inc.	2,017,050	3.0%
45,000	Caterpillar Inc.	2,010,150	3.0%
62,500	Hormel Foods Corporation	1,942,500	2.9%
50,000	Genuine Parts Company	1,893,000	2.8%
25,000	Burlington Northern Santa Fe Corporation	1,892,750	2.8%
140,000	RPM International Inc.	1,860,600	2.8%
25,000	PartnerRe Ltd.	1,781,750	2.7%

ASSET ALLOCATION (Unaudited)

Sector	% of Net Assets
Consumer Discretionary	21.8%
Consumer Staples	8.1%
Energy	8.6%
Financials	12.0%
Health Care	9.2%
Industrials	25.2%
Information Technology	2.6%
Materials	4.5%
Cash Equivalents, Other Assets and Liabilities	8.0%
	100.0%

AVE MARIA RISING DIVIDEND FUND
SCHEDULE OF INVESTMENTS
December 31, 2008

COMMON STOCKS — 92.0%	Shares	Market Value
Consumer Discretionary — 21.8%		
Automobiles — 1.8%		
Harley-Davidson, Inc.	70,000	$ 1,187,900
Distributors — 2.8%		
Genuine Parts Company	50,000	1,893,000
Household Durables — 3.8%		
Leggett & Platt, Inc.	80,000	1,215,200
Stanley Works (The)	40,000	1,364,000
		2,579,200
Multi-Line Retail — 2.5%		
Family Dollar Stores, Inc.	65,000	1,694,550
Specialty Retail — 8.4%		
Cato Corporation (The) - Class A	75,000	1,132,500
Ross Stores, Inc.	75,000	2,229,750
Sherwin-Williams Company (The)	38,000	2,270,500
		5,632,750
Textiles, Apparel & Luxury Goods — 2.5%		
VF Corporation	30,000	1,643,100
Consumer Staples — 8.1%		
Food & Staples Retailing — 2.6%		
Sysco Corporation	75,000	1,720,500
Food Products — 5.5%		
Hormel Foods Corporation	62,500	1,942,500
Kellogg Company	40,000	1,754,000
		3,696,500
Energy — 8.6%		
Energy Equipment & Services — 4.8%		
Halliburton Company	90,000	1,636,200
Schlumberger Limited	37,500	1,587,375
		3,223,575
Oil, Gas & Consumable Fuels — 3.8%		
Exxon Mobil Corporation	18,000	1,436,940
Peabody Energy Corporation	47,500	1,080,625
		2,517,565
Financials — 12.0%		
Commercial Banks — 5.1%		
BB&T Corporation	50,000	1,373,000
Synovus Financial Corporation	125,000	1,037,500
United Bankshares, Inc.	30,000	996,600
		3,407,100

COMMON STOCKS — 92.0% (Continued)	Shares	Market Value
Financials — 12.0% (Continued)		
Insurance — 6.9%		
HCC Insurance Holdings, Inc.	55,000	$ 1,471,250
Mercury General Corporation	30,000	1,379,700
PartnerRe Ltd.	25,000	1,781,750
		4,632,700
Health Care — 9.2%		
Health Care Equipment & Supplies — 5.9%		
Beckman Coulter, Inc.	10,000	439,400
Becton, Dickinson & Company	15,000	1,025,850
DENTSPLY International, Inc.	45,000	1,270,800
Stryker Corporation	30,000	1,198,500
		3,934,550
Health Care Providers & Services — 3.3%		
Laboratory Corporation of America Holdings *	35,000	2,254,350
Industrials — 25.2%		
Aerospace & Defense — 3.7%		
General Dynamics Corporation	15,000	863,850
United Technologies Corporation	30,000	1,608,000
		2,471,850
Commercial Services & Supplies — 3.5%		
HNI Corporation	70,000	1,108,800
R.R. Donnelley & Sons Company	90,000	1,222,200
		2,331,000
Industrial Conglomerates — 1.4%		
Raven Industries, Inc.	40,000	964,000
Machinery — 9.5%		
Caterpillar Inc.	45,000	2,010,150
Graco, Inc.	85,000	2,017,050
PACCAR, Inc.	52,500	1,501,500
Toro Company (The)	25,000	825,000
		6,353,700
Road & Rail — 4.0%		
Burlington Northern Santa Fe Corporation	25,000	1,892,750
Norfolk Southern Corporation	17,500	823,375
		2,716,125
Trading Companies & Distributors — 3.1%		
Fastenal Company	15,000	522,750
W.W. Grainger, Inc.	20,000	1,576,800
		2,099,550
Information Technology — 2.6%		
IT Services — 2.6%		
Paychex, Inc.	65,000	1,708,200

AVE MARIA RISING DIVIDEND FUND
SCHEDULE OF INVESTMENTS (Continued)

COMMON STOCKS — 92.0% (Continued)	Shares	Market Value
Materials — 4.5%		
Chemicals — 4.5%		
RPM International Inc.	140,000	$ 1,860,600
Scotts Miracle-Gro Company (The) - Class A	40,000	1,188,800
		3,049,400
Total Common Stocks (Cost $76,251,389)		$ 61,711,165

MONEY MARKET FUNDS — 7.7%	Shares	Market Value
Federated Government Obligations Tax-Managed Fund - Institutional Shares, 1.13% [a]	2,986,138	$ 2,986,138
Federated U.S. Treasury Cash Reserve Fund - Institutional Shares, 0.38% [a]	2,170,306	2,170,306
Total Money Market Funds (Cost $5,156,444)		$ 5,156,444
Total Investments at Market Value — 99.7% (Cost $81,407,833)		$ 66,867,609
Other Assets in Excess of Liabilities — 0.3%		234,434
Net Assets — 100.0%		$ 67,102,043

* Non-income producing security.

[a] Variable rate security. The rate shown is the 7-day effective yield as of December 31, 2008.

See notes to financial statements.

AVE MARIA OPPORTUNITY FUND
PORTFOLIO MANAGER COMMENTARY

Dear Fellow Shareowner:

For 2008 the Ave Maria Opportunity Fund (the "Fund") had a total return of -32.2% compared to -33.8% for the Russell 2000 Index and -31.1% for the S&P 600 SmallCap Index. Stocks which contributed positively to performance during the year included ADTRAN, Inc. (telecommunications equipment), ScanSource, Inc. (technology distribution), Rockwell Collins, Inc. (aerospace & defense manufacturing), and Dollar Tree, Inc. (discount retailing). Stocks which had the biggest negative impact on performance included Kinetic Concepts, Inc. (medical technology & equipment), Holly Corporation (oil refining), Signet Jewelers Ltd. (retailing), and Rimage Corporation (digital storage and publishing systems).

There was virtually no place to hide for U.S. equity investors in 2008. Nearly every market sector and investment strategy experienced sharp declines. Consumer, energy, financial, technology, value, growth, small-cap, large-cap, you name it – it got hammered. The Fund was unable to escape the carnage. We avoided the major blowups in the financials and housing stocks by having very little exposure to these sectors. But we severely underestimated the collateral damage our holdings would endure as a result of the credit crisis. Further, our sizeable energy related holdings suffered, as the price of crude oil, and most other commodities, tumbled during the last 5 months of the year.

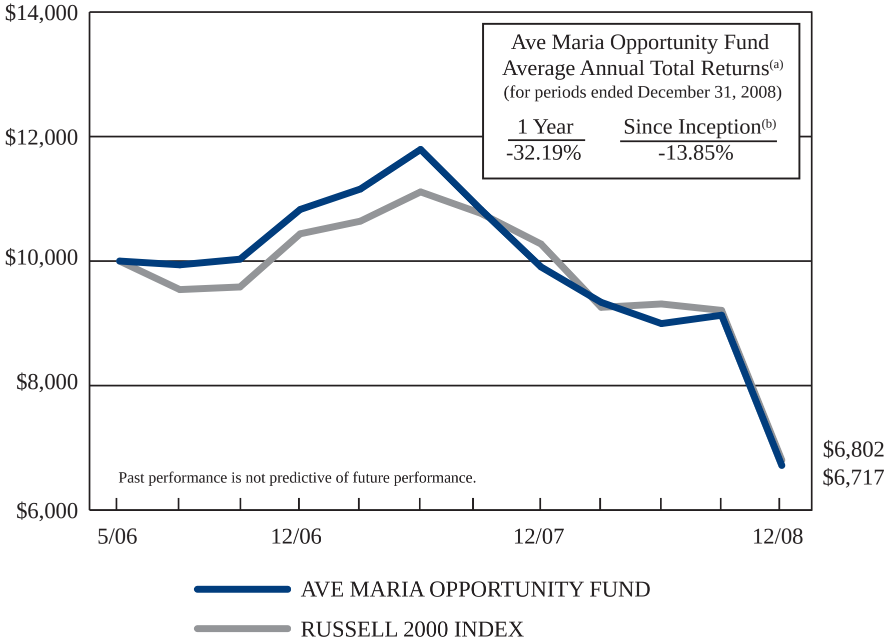
The current recession and bear market has afforded us the opportunity to purchase some very high quality companies at compelling prices. In December, we initiated positions in 3M Company (diversified manufacturing), Federated Investors, Inc. (investment management), and Forward Air Corporation (freight transportation). We also re-established a position in Rockwell Collins, Inc. These fine companies have fortress balance sheets, with little or no debt, which allows them flexibility and the ability to control their own destiny. During economic downturns they can take market share from weaker competitors struggling under debt burdens. The aforementioned companies possess strong brand names, have high margin businesses, generate high returns on capital, and produce excess free cash flow each year. With fear and pessimism widespread, even these truly exceptional companies can be found in the bargain bin. From currently depressed share prices, patient, long-term investors should be richly rewarded.

With best regards,

Timothy S. Schwartz, CFA
Portfolio Manager

AVE MARIA OPPORTUNITY FUND PERFORMANCE (Unaudited)

Comparison of the Change in Value of a $10,000 Investment in the Ave Maria Opportunity Fund and the Russell 2000 Index



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

[b] Represents the period from the commencement of operations (May 2, 2005) through December 31, 2008.

AVE MARIA OPPORTUNITY FUND
TEN LARGEST EQUITY HOLDINGS
December 31, 2008 (Unaudited)

Shares	Company	Market Value	% of Net Assets
60,000	Rosetta Resources, Inc.	$424,800	4.3%
22,500	Sun Hydraulics Corporation	423,900	4.3%
20,000	Terex Corporation	346,400	3.5%
15,000	Kinetic Concepts, Inc.	287,700	2.9%
1,000	White Mountains Insurance Group Ltd.	267,110	2.7%
30,000	Gentex Corporation	264,900	2.7%
3,000	SPDR Gold Trust	259,650	2.6%
15,000	Forest Oil Corporation	247,350	2.5%
10,000	Forward Air Corporation	242,700	2.4%
20,000	Nabors Industries Ltd.	239,400	2.4%

ASSET ALLOCATION (Unaudited)

Sector	% of Net Assets
Consumer Discretionary	6.9%
Energy	21.5%
Financials	8.8%
Health Care	4.5%
Industrials	21.8%
Information Technology	17.9%
Materials	1.7%
Exchange-Traded Funds	2.6%
Cash Equivalents, Other Assets and Liabilities	14.2%
	100.0%

AVE MARIA OPPORTUNITY FUND
SCHEDULE OF INVESTMENTS
December 31, 2008

COMMON STOCKS — 83.1%	Shares	Market Value
Consumer Discretionary — 6.9%		
Auto Components — 2.7%		
Gentex Corporation	30,000	$ 264,900
Specialty Retail — 3.2%		
American Eagle Outfitters, Inc.	4,000	37,440
Ross Stores, Inc.	3,500	104,055
Signet Jewelers Ltd.	20,000	173,400
		314,895
Textiles, Apparel & Luxury Goods — 1.0%		
Coach, Inc. *	5,000	103,850
Energy — 21.5%		
Energy Equipment & Services — 10.9%		
Atwood Oceanics, Inc. *	10,000	152,800
ENSCO International, Inc.	4,000	113,560
Nabors Industries Ltd. *	20,000	239,400
National Oilwell Varco, Inc. *	5,000	122,200
Patterson-UTI Energy, Inc.	20,000	230,200
Rowan Companies, Inc.	7,500	119,250
Superior Well Services, Inc. *	10,000	100,000
		1,077,410
Oil, Gas & Consumable Fuels — 10.6%		
Cimarex Energy Company	4,000	107,120
Forest Oil Corporation *	15,000	247,350
Holly Corporation	5,000	91,150
Rosetta Resources, Inc. *	60,000	424,800
St. Mary Land & Exploration Company	6,000	121,860
XTO Energy, Inc.	1,500	52,905
		1,045,185
Financials — 8.8%		
Capital Markets — 0.5%		
Federated Investors, Inc. - Class B	3,000	50,880
Diversified Financial Services — 1.0%		
Leucadia National Corporation *	5,000	99,000
Insurance — 7.3%		
Alleghany Corporation *	600	169,200
Markel Corporation *	500	149,500
Meadowbrook Insurance Group, Inc.	20,000	128,800
White Mountains Insurance Group Ltd.	1,000	267,110
		714,610
Health Care — 4.5%		
Health Care Equipment & Supplies — 2.9%		
Kinetic Concepts, Inc. *	15,000	287,700

AVE MARIA OPPORTUNITY FUND
SCHEDULE OF INVESTMENTS (Continued)

COMMON STOCKS — 83.1% (Continued)	Shares	Market Value
Health Care — 4.5% (Continued)		
Pharmaceuticals — 1.6%		
Endo Pharmaceuticals Holdings, Inc. *	6,000	$ 155,280
Industrials — 21.8%		
Aerospace & Defense — 3.2%		
Precision Castparts Corporation	2,000	118,960
Rockwell Collins, Inc.	5,000	195,450
		314,410
Air Freight & Logistics — 2.4%		
Forward Air Corporation	10,000	242,700
Electrical Equipment — 2.0%		
AZZ, Inc. *	3,000	75,300
Thomas & Betts Corporation *	5,000	119,550
		194,850
Industrial Conglomerates — 1.8%		
3M Company	1,000	57,540
Raven Industries, Inc.	5,000	120,500
		178,040
Machinery — 10.5%		
Graco, Inc.	2,500	59,325
Hurco Companies, Inc. *	4,000	48,000
Sun Hydraulics Corporation	22,500	423,900
Terex Corporation *	20,000	346,400
Trinity Industries, Inc.	10,000	157,600
		1,035,225
Professional Services — 1.9%		
Manpower, Inc.	1,000	33,990
Sparton Corporation *	90,550	150,313
		184,303
Information Technology — 17.9%		
Communications Equipment — 3.2%		
ADTRAN, Inc.	15,000	223,200
Harris Corporation	2,500	95,125
		318,325
Computers & Peripherals — 3.9%		
Logitech International S.A. *	6,000	93,480
Seagate Technology	40,000	177,200
Teradata Corporation *	7,500	111,225
		381,905
Electronic Equipment, Instruments & Components — 6.3%		
Arrow Electronics, Inc. *	5,000	94,200
Avnet, Inc. *	5,000	91,050
Ingram Micro, Inc. - Class A *	10,000	133,900
MTS Systems Corporation	4,000	106,560
ScanSource, Inc. *	10,000	192,700
		618,410

AVE MARIA OPPORTUNITY FUND
SCHEDULE OF INVESTMENTS (Continued)

COMMON STOCKS — 83.1% (Continued)	Shares	Market Value
Information Technology — 17.9% (Continued)		
Office Electronics — 2.1%		
Zebra Technologies Corporation - Class A *	10,000	$ 202,600
Software — 2.4%		
Manhattan Associates, Inc. *	10,000	158,100
SPSS, Inc. *	3,000	80,880
		238,980
Materials — 1.7%		
Metals & Mining — 1.7%		
Haynes International, Inc. *	7,000	172,340
Total Common Stocks (Cost $8,837,772)		$ 8,195,798

REPURCHASE AGREEMENTS [a] — 0.7%	Face Amount	Market Value
U.S. Bank N.A., 0.01%, dated 12/31/08, due 01/02/09 repurchase proceeds: $66,789 (Cost $66,789)	$ 66,789	$ 66,789

EXCHANGE-TRADED FUNDS — 2.6%	Shares	Market Value
SPDR Gold Trust * (Cost $238,248)	3,000	$ 259,650

MONEY MARKET FUNDS — 14.1%	Shares	Market Value
Federated Government Obligations Tax-Managed Fund - Institutional Shares, 1.13% [b]	461,570	$ 461,570
Federated Treasury Obligations Fund - Institutional Shares, 0.17% [b]	461,570	461,570
Federated U.S. Treasury Cash Reserve Fund - Institutional Shares, 0.38% [b]	461,570	461,570
Total Money Market Funds (Cost $1,384,710)		$ 1,384,710
Total Investments at Market Value — 100.5% (Cost $10,527,519)		$ 9,906,947
Liabilities in Excess of Other Assets — (0.5%)		(47,793)
Net Assets — 100.0%		$ 9,859,154

* Non-income producing security.

[a] Repurchase agreement is fully collateralized by $66,789 FNCI Pool #555745, 4.50%, due 09/01/18. The aggregate market value of the collateral at December 31, 2008 was $68,407.

[b] Variable rate security. The rate shown is the 7-day effective yield as of December 31, 2008.

See notes to financial statements.

AVE MARIA BOND FUND
PORTFOLIO MANAGER COMMENTARY

Dear Fellow Shareholders:

It was a tough year for investors in 2008. The Ave Maria Bond Fund (the "Fund") had a total return of +0.30% (Class R) compared to the Lehman Brothers Intermediate U.S. Government/Credit Index of 5.08%, and provided stability in a year when most asset classes saw double-digit negative returns. The Fund compared favorably with the average return on intermediate bond funds, -5.1%, as compiled by Morningstar.

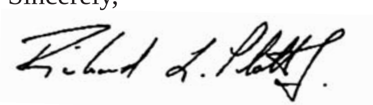
2008 saw a meltdown in the financial markets. With the exception of U.S. Treasuries, there was no place to hide. What started as a flight to quality, ended as a stampede out of everything but Treasuries. The spread between the yield on Treasuries and virtually every other fixed-income asset class blew out to unprecedented levels. In that context, our investment-grade corporate bonds negatively impacted performance, as well as equity positions in RPM International, Inc. and Newell Rubbermaid Inc. The single greatest contributor to positive performance came from Diebold Incorporated common stock. Also positively contributing to performance were U.S. Treasuries and Agencies.

U.S. Treasuries were clearly the place to be in 2008, particularly in the fourth quarter. By year-end, the prices of Treasuries were bid up to a point where the yield on the ten-year was a paltry 2.3%. It appears that Treasuries have become the latest financial bubble, and the risk in Treasuries is under-recognized, while the risk in everything else is over-estimated. As we see it, stocks and high quality corporate bonds, with their prices down significantly, represent much better values than Treasuries. Therefore, the Treasury position in the portfolio has been sharply reduced, with the proceeds added to corporate bonds and carefully-selected stocks.

With the prices down dramatically, discounting investors' fears, the stage has been set for favorable long-term performance. The portfolio is configured to weather this storm and participate in the recovery to follow.

Your participation in the Fund is appreciated.

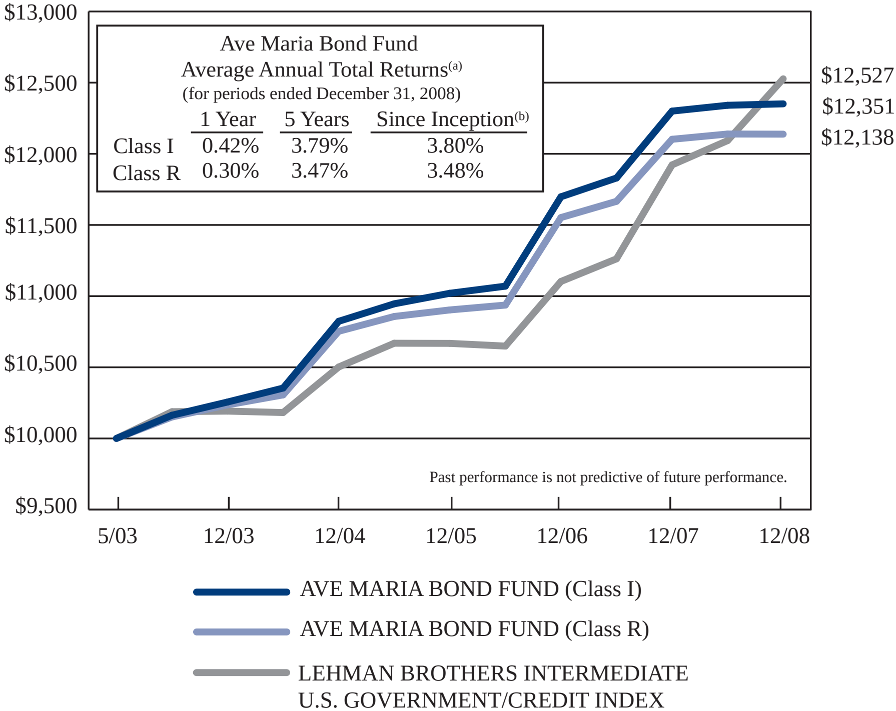
Sincerely,



Richard L. Platte, Jr., CFA
Portfolio Manager

AVE MARIA BOND FUND PERFORMANCE (Unaudited)

Comparison of the Change in Value of a $10,000 Investment in the Ave Maria Bond Fund and the Lehman Brothers Intermediate U.S. Government/Credit Index



(a) The returns shown do not reflect the deduction of taxes a shareholder would pay on Fund distributions or the redemption of Fund shares.

(b) Represents the period from the commencement of operations (May 1, 2003) through December 31, 2008.

AVE MARIA BOND FUND
ANNUAL TOTAL RATES OF RETURN
COMPARISON WITH MAJOR INDICES (Unaudited)

	AVE MARIA BOND FUND CLASS I	AVE MARIA BOND FUND CLASS R	LEHMAN BROTHERS INTERMEDIATE U.S. GOVERNMENT/ CREDIT INDEX
2003 [(a)]	2.6%	2.4%	1.9%
2004	5.5%	5.1%	3.0%
2005	1.8%	1.4%	1.6%
2006	6.2%	6.0%	4.1%
2007	5.1%	4.8%	7.4%
2008	0.4%	0.3%	5.1%

AVERAGE ANNUAL TOTAL RETURNS
As of December 31, 2008 (Unaudited)

	AVE MARIA BOND FUND CLASS I	AVE MARIA BOND FUND CLASS R	LEHMAN BROTHERS INTERMEDIATE U.S. GOVERNMENT/ CREDIT INDEX
3 Years	3.9%	3.6%	5.5%
5 Years	3.8%	3.5%	4.2%
Since Inception	3.8%	3.5%	4.1%

[(a)] Represents the period from the commencement of operations (May 1, 2003) through December 31, 2003.

AVE MARIA BOND FUND
TEN LARGEST HOLDINGS*
December 31, 2008 (Unaudited)

Par Value	Holding	Market Value	% of Net Assets
$2,145,500	U.S. Treasury Inflation-Protection Note, 2.500%, due 07/15/16	$2,128,570	4.9%
1,500,000	Private Export Funding Corporation, 5.685%, due 05/15/12	1,682,507	3.9%
1,000,000	Federal Farm Credit Bank, 4.500%, due 01/22/15	1,104,453	2.5%
1,000,000	Federal Farm Credit Bank, 4.480%, due 08/24/12	1,082,292	2.5%
1,000,000	Federal Farm Credit Bank, 4.600%, due 12/27/12	1,081,193	2.5%
1,045,300	U.S. Treasury Inflation-Protection Note, 2.625%, due 07/15/17	1,071,188	2.5%
1,000,000	Federal Home Loan Bank, 5.000%, due 09/01/10	1,065,419	2.5%
1,000,000	United Technologies Corporation, 6.350%, due 03/01/11	1,057,348	2.4%
1,000,000	Praxair, Inc., 6.375%, due 04/01/12	1,049,041	2.4%
1,000,000	Kellogg Company, 6.600%, due 04/01/11	1,046,599	2.4%

* Excludes cash equivalents.

ASSET ALLOCATION (Unaudited)

	% of Net Assets
U.S. GOVERNMENT & AGENCY OBLIGATIONS	
U.S. Treasuries	9.7%
U.S. Government Agencies	15.0%
CORPORATE BONDS	
Sector	
Consumer Discretionary	2.3%
Consumer Staples	6.1%
Financials	6.4%
Health Care	2.3%
Industrials	22.6%
Utilities	6.8%
COMMON STOCKS	
Sector	
Consumer Discretionary	7.1%
Consumer Staples	1.4%
Financials	3.0%
Industrials	2.9%
Information Technology	0.9%
Materials	1.2%
Utilities	2.1%
Cash Equivalents, Other Assets and Liabilities	10.2%
	100.0%

AVE MARIA BOND FUND
SCHEDULE OF INVESTMENTS
December 31, 2008

U.S. GOVERNMENT & AGENCY OBLIGATIONS — 24.7%	Par Value	Market Value
U.S. Treasuries — 9.7%		
U.S. Treasury Note, 1.750%, due 11/15/11	$ 1,000,000	$ 1,022,810
U.S. Treasury Inflation-Protection Notes, 2.500%, due 07/15/16	2,145,500	2,128,570
U.S. Treasury Inflation-Protection Notes, 2.625%, due 07/15/17	1,045,300	1,071,188
		4,222,568
U.S. Government Agencies — 15.0%		
Federal Farm Credit Bank, 4.480%, due 08/24/12	1,000,000	1,082,292
Federal Farm Credit Bank, 4.600%, due 12/27/12	1,000,000	1,081,193
Federal Farm Credit Bank, 4.500%, due 01/22/15	1,000,000	1,104,453
Federal Home Loan Bank, 5.000%, due 09/01/10	1,000,000	1,065,419
Federal Home Loan Bank, 4.050%, due 11/26/13	500,000	513,899
Private Export Funding Corporation, 5.685%, due 05/15/12	1,500,000	1,682,507
		6,529,763
Total U.S. Government & Agency Obligations (Cost $10,418,271)		$ 10,752,331

CORPORATE BONDS — 46.5%	Par Value	Market Value
Consumer Discretionary — 2.3%		
Stanley Works (The), 5.000%, due 03/15/10	$ 1,000,000	$ 995,499
Consumer Staples — 6.1%		
Hormel Foods Corporation, 6.625%, due 06/01/11	600,000	620,018
Kellogg Company, 6.600%, due 04/01/11	1,000,000	1,046,599
Sysco Corporation, 4.200%, due 02/12/13	1,000,000	996,242
		2,662,859
Financials — 6.4%		
BB&T Corporation, 4.750%, due 10/01/12	1,000,000	951,879
Caterpillar Financial Services Corporation, 4.750%, due 02/17/15	1,000,000	921,997
Marshall & Ilsley Bank, 5.250%, due 09/04/12	1,000,000	898,994
		2,772,870
Health Care — 2.3%		
Becton, Dickinson & Company, 4.550%, due 04/15/13	1,000,000	973,431
Industrials — 22.6%		
Apache Corporation, 5.625%, due 01/15/17	1,000,000	1,006,716
Burlington Northern Santa Fe Corporation, 5.720%, due 01/15/24	1,047,081	1,020,181
Cooper U.S., Inc., 5.450%, due 04/01/15	1,000,000	1,010,849
Dover Corporation, 6.500%, due 02/15/11	1,000,000	1,022,220
Halliburton Company, 5.500%, due 10/15/10	1,000,000	1,021,381

CORPORATE BONDS — 46.5% (Continued)	Par Value	Market Value
Industrials — 22.6% (Continued)		
Johnson Controls, Inc., 5.500%, due 01/15/16	$ 500,000	$ 387,469
Masco Corporation, 5.875%, due 07/15/12	1,000,000	819,994
PPG Industries, Inc., 6.650%, due 03/15/18	1,000,000	985,056
Praxair, Inc., 6.375%, due 04/01/12	1,000,000	1,049,041
R.R. Donnelley & Sons Company, 4.950%, due 05/15/10	500,000	449,696
United Technologies Corporation, 6.350%, due 03/01/11	1,000,000	1,057,348
		9,829,951
Utilities — 6.8%		
FPL Group Capital, Inc., 5.625%, due 09/01/11	1,000,000	1,014,110
National Rural Utilities Cooperative Finance Corporation, 4.750%, due 03/01/14	1,000,000	928,581
Southern Power Company, 6.250%, due 07/15/12	1,000,000	1,022,210
		2,964,901
Total Corporate Bonds (Cost $21,096,279)		$ 20,199,511

COMMON STOCKS — 18.6%	Shares	Market Value
Consumer Discretionary — 7.1%		
Automobiles — 0.8%		
Harley-Davidson, Inc.	20,000	$ 339,400
Distributors — 1.3%		
Genuine Parts Company	15,000	567,900
Household Durables — 1.6%		
Leggett & Platt, Inc.	20,000	303,800
Newell Rubbermaid Inc.	12,500	122,250
Stanley Works (The)	8,000	272,800
		698,850
Specialty Retail — 2.1%		
Ross Stores, Inc.	15,000	445,950
Sherwin-Williams Company (The)	8,000	478,000
		923,950
Textiles, Apparel & Luxury Goods — 1.3%		
VF Corporation	10,000	547,700
Consumer Staples — 1.4%		
Food & Staples Retailing — 0.9%		
Sysco Corporation	17,000	389,980
Food Products — 0.5%		
Kellogg Company	5,000	219,250

AVE MARIA BOND FUND
SCHEDULE OF INVESTMENTS (Continued)

COMMON STOCKS — 18.6% (Continued)	Shares	Market Value
Financials — 3.0%		
Commercial Banks — 1.2%		
BB&T Corporation	12,500	$ 343,250
Synovus Financial Corporation	20,000	166,000
		509,250
Insurance — 1.8%		
Arthur J. Gallagher & Co.	12,000	310,920
Mercury General Corporation	10,000	459,900
		770,820
Industrials — 2.9%		
Commercial Services & Supplies — 0.6%		
R.R. Donnelley & Sons Company	20,000	271,600
Machinery — 1.6%		
Caterpillar Inc.	15,000	670,050
Trading Companies & Distributors — 0.7%		
W.W. Grainger, Inc.	4,000	315,360
Information Technology — 0.9%		
IT Services — 0.9%		
Paychex, Inc.	15,000	394,200
Materials — 1.2%		
Chemicals — 1.2%		
RPM International, Inc.	40,000	531,600
Utilities — 2.1%		
Electric Utilities — 0.8%		
Southern Company (The)	10,000	370,000
Multi-Utilities — 1.3%		
NSTAR	15,000	547,350
Total Common Stocks (Cost $9,230,344)		$ 8,067,260

AVE MARIA BOND FUND
SCHEDULE OF INVESTMENTS (Continued)

MONEY MARKET FUNDS — 9.3%	Shares	Market Value
Federated Government Obligations Tax-Managed Fund - Institutional Shares, 1.13% [(a)]	2,053,513	$ 2,053,513
Federated U.S. Treasury Cash Reserve Fund - Institutional Shares, 0.38% [(a)]	2,005,427	2,005,427
Total Money Market Funds (Cost $4,058,940)		$ 4,058,940
Total Investments at Market Value — 99.1% (Cost $44,803,834)		$ 43,078,042
Other Assets in Excess of Liabilities — 0.9%		378,275
Net Assets — 100.0%		$ 43,456,317

[(a)] Variable rate security. The rate shown is the 7-day effective yield as of December 31, 2008.

See notes to financial statements.

AVE MARIA MUTUAL FUNDS
STATEMENTS OF ASSETS AND LIABILITIES
December 31, 2008

	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	$ 181,573,029	$ 100,635,890	$ 81,407,833	$ 10,527,519	$ 44,803,834
At market value (Note 1)	$ 133,265,770	$ 83,966,770	$ 66,867,609	$ 9,906,947	$ 43,078,042
Receivable for capital shares sold	89,772	163,282	233,212	8,980	25,018
Receivable for investment securities sold	568,075	—	—	306,369	—
Receivable from Adviser (Note 2)	—	—	—	3,780	469
Dividends and interest receivable	228,505	116,248	161,000	5,438	505,986
Other assets	24,077	20,209	15,490	8,854	11,986
TOTAL ASSETS	134,176,199	84,266,509	67,277,311	10,240,368	43,621,501
LIABILITIES					
Payable for investment securities purchased	903,058	—	—	357,843	—
Payable for capital shares redeemed	85,984	140,595	22,804	7,457	93,340
Payable to Adviser (Note 2)	303,405	167,872	121,738	—	—
Payable to administrator (Note 2)	15,900	9,900	7,900	4,000	4,000
Accrued distribution fees (Note 2)	15,576	10,100	—	—	44,678
Other accrued expenses and liabilities	38,578	27,027	22,826	11,914	23,166
TOTAL LIABILITIES	1,362,501	355,494	175,268	381,214	165,184
NET ASSETS	$ 132,813,698	$ 83,911,015	$ 67,102,043	$ 9,859,154	$ 43,456,317
NET ASSETS CONSIST OF:					
Paid-in capital	$ 186,189,966	$ 100,773,995	$ 85,983,875	$ 15,661,386	$ 45,251,599
Undistributed net investment income	—	—	21,707	94	3,365
Accumulated net realized losses from security transactions	(5,069,009)	(193,860)	(4,363,315)	(5,181,754)	(72,855)
Net unrealized depreciation on investments	(48,307,259)	(16,669,120)	(14,540,224)	(620,572)	(1,725,792)
NET ASSETS	$ 132,813,698	$ 83,911,015	$ 67,102,043	$ 9,859,154	$ 43,456,317
Shares of beneficial interest outstanding (unlimited number of shares authorized, no par value)	13,407,584	6,525,329	7,693,770	1,524,931	
Net asset value, offering price and redemption price per share (Note 1)	$ 9.91	$ 12.86	$ 8.72	$ 6.47	
PRICING OF CLASS I SHARES					
Net assets applicable to Class I shares					$ 5,320,791
Shares of beneficial interest outstanding (unlimited number of shares authorized, no par value)					542,755
Net asset value, offering price and redemption price per share (Note 1)					$ 9.80
PRICING OF CLASS R SHARES					
Net assets applicable to Class R shares					$ 38,135,526
Shares of beneficial interest outstanding (unlimited number of shares authorized, no par value)					3,895,599
Net asset value, offering price and redemption price per share (Note 1)					$ 9.79

See notes to financial statements.

AVE MARIA MUTUAL FUNDS
STATEMENTS OF OPERATIONS
For the Year Ended December 31, 2008

	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	$ 2,898,154	$ 1,213,847	$ 1,907,999	$ 193,232 *	$ 418,341
Interest	—	—	360	12,997	1,604,918
TOTAL INCOME	2,898,154	1,213,847	1,908,359	206,229	2,023,259
EXPENSES					
Investment advisory fees (Note 2)	1,970,722	1,052,179	557,988	133,776	142,678
Shareholder servicing fees (Note 2)	492,681	263,045	—	—	—
Shareholder servicing fees - Class R (Note 2)	—	—	—	—	78,995
Administration, accounting and transfer agent fees (Note 2)	296,172	158,157	111,772	48,000	49,369
Postage and supplies	92,138	55,536	36,424	14,508	20,679
Legal and audit fees	52,836	37,533	36,843	23,202	30,237
Trustees' fees and expenses	28,506	28,506	28,506	28,506	28,506
Registration fees - Common	8,893	28,568	24,348	22,270	17,727
Registration fees - Class I	—	—	—	—	865
Registration fees - Class R	—	—	—	—	5,697
Custodian and bank service fees	21,881	15,199	8,878	11,561	7,272
Advisory board fees and expenses	8,723	8,723	8,723	8,723	8,723
Insurance expense	17,666	8,733	6,956	1,893	4,196
Compliance service fees and expenses (Note 2)	10,266	5,794	4,244	900	2,748
Other expenses	37,124	20,322	32,068	12,258	18,566
TOTAL EXPENSES	3,037,608	1,682,295	856,750	305,597	416,258
Less fees waived and/or expenses reimbursed by the Adviser (Note 2):					
Common	(81,529)	(104,027)	—	(138,377)	(138,241)
Class I	—	—	—	—	(865)
NET EXPENSES	2,956,079	1,578,268	856,750	167,220	277,152
NET INVESTMENT INCOME/(LOSS)	(57,925)	(364,421)	1,051,609	39,009	1,746,107
REALIZED AND UNREALIZED GAINS/(LOSSES) ON INVESTMENTS					
Net realized losses from security transactions	(4,633,168)	(193,860)	(4,231,278)	(4,387,342)	(72,855)
Net increase from payment by Adviser due to the disposal of investments in violation of investment restrictions (Note 2)	71,643	—	—	—	—
Net change in unrealized appreciation/ (depreciation) on investments	(79,456,983)	(38,479,379)	(15,273,537)	(458,586)	(1,831,706)
NET REALIZED AND UNREALIZED LOSSES ON INVESTMENTS	(84,018,508)	(38,673,239)	(19,504,815)	(4,845,928)	(1,904,561)
NET DECREASE IN NET ASSETS FROM OPERATIONS	$(84,076,433)	$(39,037,660)	$(18,453,206)	$ (4,806,919)	$ (158,454)

* Net of foreign tax of $4,140.

See notes to financial statements.

AVE MARIA CATHOLIC VALUES FUND
STATEMENTS OF CHANGES IN NET ASSETS

	Year Ended December 31, 2008	Year Ended December 31, 2007
FROM OPERATIONS		
Net investment income/(loss)	$ (57,925)	$ 45,199
Net realized gains/(losses) from security transactions	(4,633,168)	2,169,395
Net increase from payment by Adviser due to the disposal of investments in violation of investment restrictions (Note 2)	71,643	176,249
Net change in unrealized appreciation/(depreciation) on investments	(79,456,983)	(13,218,975)
Net decrease in net assets from operations	(84,076,433)	(10,828,132)
FROM DISTRIBUTIONS TO SHAREHOLDERS		
From net investment income	—	(53,179)
From net realized gains on investments	(153,313)	(2,073,963)
Decrease in net assets from distributions to shareholders	(153,313)	(2,127,142)
FROM CAPITAL SHARE TRANSACTIONS		
Proceeds from shares sold	18,369,650	51,156,753
Reinvestment of distributions to shareholders	142,924	1,945,841
Payments for shares redeemed	(48,664,576)	(50,963,533)
Net increase/(decrease) in net assets from capital share transactions	(30,152,002)	2,139,061
TOTAL DECREASE IN NET ASSETS	(114,381,748)	(10,816,213)
NET ASSETS		
Beginning of year	247,195,446	258,011,659
End of year	$ 132,813,698	$ 247,195,446
UNDISTRIBUTED NET INVESTMENT INCOME	$ —	$ —
SUMMARY OF CAPITAL SHARE ACTIVITY		
Shares sold	1,362,273	2,963,771
Shares issued in reinvestment of distributions to shareholders	10,115	123,155
Shares redeemed	(3,706,955)	(2,985,874)
Net increase/(decrease) in shares outstanding	(2,334,567)	101,052
Shares outstanding, beginning of year	15,742,151	15,641,099
Shares outstanding, end of year	13,407,584	15,742,151

See notes to financial statements.

AVE MARIA GROWTH FUND
STATEMENTS OF CHANGES IN NET ASSETS

	Year Ended December 31, 2008	Year Ended December 31, 2007
FROM OPERATIONS		
Net investment loss	$ (364,421)	$ (579,287)
Net realized gains/(losses) from security transactions	(193,860)	1,884,422
Net change in unrealized appreciation/(depreciation) on investments	(38,479,379)	9,682,834
Net increase/(decrease) in net assets from operations	(39,037,660)	10,987,969
FROM DISTRIBUTIONS TO SHAREHOLDERS		
From net realized gains on investments	—	(1,717,378)
FROM CAPITAL SHARE TRANSACTIONS		
Proceeds from shares sold	33,334,414	37,125,655
Reinvestment of distributions to shareholders	—	1,588,147
Payments for shares redeemed	(27,123,013)	(16,457,823)
Net increase in net assets from capital share transactions	6,211,401	22,255,979
TOTAL INCREASE/(DECREASE) IN NET ASSETS	(32,826,259)	31,526,570
NET ASSETS		
Beginning of year	116,737,274	85,210,704
End of year	$ 83,911,015	$ 116,737,274
UNDISTRIBUTED NET INVESTMENT INCOME	$ —	$ —
SUMMARY OF CAPITAL SHARE ACTIVITY		
Shares sold	2,116,103	2,016,293
Shares issued in reinvestment of distributions to shareholders	—	83,105
Shares redeemed	(1,753,216)	(886,636)
Net increase in shares outstanding	362,887	1,212,762
Shares outstanding, beginning of year	6,162,442	4,949,680
Shares outstanding, end of year	6,525,329	6,162,442

See notes to financial statements.

AVE MARIA RISING DIVIDEND FUND
STATEMENTS OF CHANGES IN NET ASSETS

	Year Ended December 31, 2008	Year Ended December 31, 2007
FROM OPERATIONS		
Net investment income	$ 1,051,609	$ 1,003,761
Net realized gains/(losses) from security transactions	(4,231,278)	2,240,936
Net change in unrealized appreciation/(depreciation) on investments	(15,273,537)	(2,669,327)
Net increase/(decrease) in net assets from operations	(18,453,206)	575,370
FROM DISTRIBUTIONS TO SHAREHOLDERS		
From net investment income	(1,048,615)	(1,003,175)
From net realized gains on investments	(528,113)	(2,241,008)
Decrease in net assets from distributions to shareholders	(1,576,728)	(3,244,183)
FROM CAPITAL SHARE TRANSACTIONS		
Net assets received in conjunction with fund merger (Note 1)	—	46,890,726
Proceeds from shares sold	22,389,244	19,866,356
Reinvestment of distributions to shareholders	1,171,143	2,409,951
Payments for shares redeemed	(19,170,935)	(18,806,800)
Net increase in net assets from capital share transactions	4,389,452	50,360,233
TOTAL INCREASE/(DECREASE) IN NET ASSETS	(15,640,482)	47,691,420
NET ASSETS		
Beginning of year	82,742,525	35,051,105
End of year	$ 67,102,043	$ 82,742,525
UNDISTRIBUTED NET INVESTMENT INCOME	$ 21,707	$ 586
SUMMARY OF CAPITAL SHARE ACTIVITY		
Shares issued in conjunction with fund merger (Note 1)	—	3,770,256
Shares sold	2,208,872	1,809,315
Shares issued in reinvestment of distributions to shareholders	114,033	204,522
Shares redeemed	(1,796,967)	(1,518,764)
Net increase in shares outstanding	525,938	4,265,329
Shares outstanding, beginning of year	7,167,832	2,902,503
Shares outstanding, end of year	7,693,770	7,167,832

See notes to financial statements.

AVE MARIA OPPORTUNITY FUND
STATEMENT OF CHANGES IN NET ASSETS

	Year Ended December 31, 2008	Year Ended December 31, 2007
FROM OPERATIONS		
Net investment income	$ 39,009	$ 134,119
Net realized losses from security transactions	(4,387,342)	(763,976)
Net change in unrealized appreciation/(depreciation) on investments	(458,586)	(1,185,767)
Net decrease in net assets from operations	(4,806,919)	(1,815,624)
FROM DISTRIBUTIONS TO SHAREHOLDERS		
From net investment income	(38,915)	(134,519)
FROM CAPITAL SHARE TRANSACTIONS		
Proceeds from shares sold	4,469,008	8,423,798
Reinvestment of distributions to shareholders	28,483	60,986
Payments for shares redeemed	(7,955,976)	(6,085,594)
Net increase/(decrease) in net assets from capital share transactions	(3,458,485)	2,399,190
TOTAL INCREASE/(DECREASE) IN NET ASSETS	(8,304,319)	449,047
NET ASSETS		
Beginning of year	18,163,473	17,714,426
End of year	$ 9,859,154	$ 18,163,473
UNDISTRIBUTED NET INVESTMENT INCOME	$ 94	$ —
SUMMARY OF CAPITAL SHARE ACTIVITY		
Shares sold	533,134	778,095
Shares issued in reinvestment of distributions to shareholders	4,501	6,346
Shares redeemed	(909,010)	(567,589)
Net increase/(decrease) in shares outstanding	(371,375)	216,852
Shares outstanding, beginning of year	1,896,306	1,679,454
Shares outstanding, end of year	1,524,931	1,896,306

See notes to financial statements.

AVE MARIA BOND FUND
STATEMENTS OF CHANGES IN NET ASSETS

	Year Ended December 31, 2008	Year Ended December 31, 2007
FROM OPERATIONS		
Net investment income	$ 1,746,107	$ 1,623,495
Net realized gains/(losses) from security transactions	(72,855)	967,612
Net change in unrealized appreciation/(depreciation) on investments	(1,831,706)	(568,779)
Net increase/(decrease) in net assets from operations	(158,454)	2,022,328
FROM DISTRIBUTIONS TO SHAREHOLDERS		
From net investment income, Class I	(299,506)	(571,441)
From net investment income, Class R	(1,442,217)	(1,061,024)
From net realized gains on investments, Class I	(8)	(221,533)
From net realized gains on investments, Class R	(56)	(746,173)
Decrease in net assets from distributions to shareholders	(1,741,787)	(2,600,171)
FROM CAPITAL SHARE TRANSACTIONS		
CLASS I		
Proceeds from shares sold	285,969	164,508
Payments for shares redeemed	(4,674,138)	(8,035,904)
Net decrease in net assets from Class I capital share transactions	(4,388,169)	(7,871,396)
CLASS R		
Proceeds from shares sold	17,577,292	15,304,038
Reinvestment of distributions to shareholders	1,180,871	1,548,186
Payments for shares redeemed	(13,110,054)	(5,568,193)
Net increase in net assets from Class R capital share transactions	5,648,109	11,284,031
TOTAL INCREASE/(DECREASE) IN NET ASSETS	(640,301)	2,834,792
NET ASSETS		
Beginning of year	44,096,618	41,261,826
End of year	$ 43,456,317	$ 44,096,618
UNDISTRIBUTED/(DISTRIBUTIONS IN EXCESS OF) NET INVESTMENT INCOME	$ 3,365	$ (1,019)
SUMMARY OF CAPITAL SHARE ACTIVITY		
CLASS I		
Shares sold	29,479	16,013
Shares redeemed	(465,227)	(779,366)
Net decrease in shares outstanding	(435,748)	(763,353)
Shares outstanding, beginning of year	978,503	1,741,856
Shares outstanding, end of year	542,755	978,503
CLASS R		
Shares sold	1,741,662	1,483,843
Shares issued in reinvestment of distributions to shareholders	118,040	151,631
Shares redeemed	(1,340,176)	(540,087)
Net increase in shares outstanding	519,526	1,095,387
Shares outstanding, beginning of year	3,376,073	2,280,686
Shares outstanding, end of year	3,895,599	3,376,073

See notes to financial statements.

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

	Year Ended December 31, 2008	Year Ended December 31, 2007	Year Ended December 31, 2006	Year Ended December 31, 2005	Year Ended December 31, 2004
Net asset value at beginning of year	$ 15.70	$ 16.50	$ 15.06	$ 14.62	$ 12.75
Income/(loss) from investment operations:					
Net investment income/(loss)	(0.00)[a]	0.00 [a]	(0.04)	(0.04)	(0.05)
Net realized and unrealized gains/(losses) on investments	(5.78)	(0.67)	2.18	0.89	2.61
Total from investment operations	(5.78)	(0.67)	2.14	0.85	2.56
Less distributions:					
From net investment income	—	(0.00)[a]	—	—	—
From net realized gains on investments	(0.01)	(0.13)	(0.70)	(0.41)	(0.69)
Total distributions	(0.01)	(0.13)	(0.70)	(0.41)	(0.69)
Net asset value at end of year	$ 9.91	$ 15.70	$ 16.50	$ 15.06	$ 14.62
Total return [b]	(36.8%)[c]	(4.0%)[c]	14.2%	5.8%	20.1%
Ratios/Supplementary Data:					
Net assets at end of year (000's)	$ 132,814	$ 247,195	$ 258,012	$ 246,375	$ 248,070
Ratio of net expenses to average net assets [d]	1.50%	1.50%	1.50%	1.50%	1.50%
Ratio of net investment income/(loss) to average net assets	(0.03%)	0.03%	(0.23%)	(0.28%)	(0.44%)
Portfolio turnover rate	53%	52%	59%	61%	34%

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

[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. The returns shown do not reflect the deduction of taxes a shareholder would pay on Fund distributions or the redemption of Fund shares.

[c] During the years ended December 31, 2008 and 2007, the Fund received payments from the Adviser of $71,643 and $176,249, respectively, for losses realized on the disposal of investments purchased in violation of investment restrictions, which otherwise would have reduced the total return by 0.03% and 0.06%, respectively (Note 2).

[d] Absent investment advisory fees waived by the Adviser, the ratio of expenses to average net assets would have been 1.54%, 1.52%, 1.51% and 1.52% for the years ended December 31, 2008, 2006, 2005 and 2004, respectively.

See notes to financial statements.

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

	Year Ended December 31, 2008	Year Ended December 31, 2007	Year Ended December 31, 2006	Year Ended December 31, 2005	Year Ended December 31, 2004
Net asset value at beginning of year	$ 18.94	$ 17.22	$ 15.00	$ 14.99	$ 12.34
Income/(loss) from investment operations:					
Net investment loss	(0.06)	(0.09)	(0.04)	(0.05)	(0.03)
Net realized and unrealized gains/(losses) on investments	(6.02)	2.09	2.40	0.10	2.68
Total from investment operations	(6.08)	2.00	2.36	0.05	2.65
Less distributions:					
From net realized gains on investments	—	(0.28)	(0.14)	(0.04)	—
Net asset value at end of year	$ 12.86	$ 18.94	$ 17.22	$ 15.00	$ 14.99
Total return [(a)]	(32.1%)	11.6%	15.8%	0.3%	21.5%
Ratios/Supplementary Data:					
Net assets at end of year (000's)	$ 83,911	$ 116,737	$ 85,211	$ 63,561	$ 51,574
Ratio of net expenses to average net assets [(b)]	1.50%	1.50%	1.50%	1.50%	1.50%
Ratio of net investment loss to average net assets	(0.35%)	(0.55%)	(0.30%)	(0.34%)	(0.29%)
Portfolio turnover rate	22%	9%	13%	29%	3%

[(a)] 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.

[(b)] Absent investment advisory fees waived by the Adviser, the ratio of expenses to average net assets would have been 1.60%, 1.56%, 1.62%, 1.64% and 1.79% for the years ended December 31, 2008, 2007, 2006, 2005 and 2004, respectively.

See notes to financial statements.

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

	Year Ended December 31, 2008	Year Ended December 31, 2007	Year Ended December 31, 2006	Period Ended December 31, 2005[a]
Net asset value at beginning of period	$ 11.54	$ 12.08	$ 10.59	$ 10.00
Income/(loss) from investment operations:				
Net investment income	0.15	0.16	0.14	0.08
Net realized and unrealized gains/(losses) on investments	(2.74)	(0.22)	1.75	0.59
Total from investment operations	(2.59)	(0.06)	1.89	0.67
Less distributions:				
From net investment income	(0.15)	(0.16)	(0.14)	(0.08)
From net realized gains on investments	(0.08)	(0.32)	(0.26)	(0.00)[b]
Total distributions	(0.23)	(0.48)	(0.40)	(0.08)
Net asset value at end of period	$ 8.72	$ 11.54	$ 12.08	$ 10.59
Total return [c]	(22.8%)	(0.6%)	17.9%	6.7% [d]
Ratios/Supplementary Data:				
Net assets at end of period (000's)	$ 67,102	$ 82,743	$ 35,051	$ 25,243
Ratio of net expenses to average net assets [e]	1.15%	1.14%	1.25%	1.24% [f]
Ratio of net investment income to average net assets	1.41%	1.26%	1.23%	1.19% [f]
Portfolio turnover rate	39%	41%	65%	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 1.31% and 1.43%[f] for the periods ended December 31, 2006 and 2005, respectively.

[f] Annualized.

See notes to financial statements.

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

	Year Ended December 31, 2008	Year Ended December 31, 2007	Period Ended December 31, 2006 [(a)]
Net asset value at beginning of period	$ 9.58	$ 10.55	$ 10.00
Income/(loss) from investment operations:			
Net investment income	0.03	0.07	0.06
Net realized and unrealized gains/(losses) on investments	(3.11)	(0.97)	0.77
Total from investment operations	(3.08)	(0.90)	0.83
Less distributions:			
From net investment income	(0.03)	(0.07)	(0.06)
From net realized gains on investments	—	—	(0.22)
Total distributions	(0.03)	(0.07)	(0.28)
Net asset value at end of period	$ 6.47	$ 9.58	$ 10.55
Total return [(b)]	(32.2%)	(8.5%)	8.3% [(c)]
Ratios/Supplementary Data:			
Net assets at end of period (000's)	$ 9,859	$ 18,163	$ 17,714
Ratio of net expenses to average net assets [(d)]	1.25%	1.25%	1.24% [(e)]
Ratio of net investment income to average net assets	0.29%	0.66%	0.84% [(e)]
Portfolio turnover rate	276%	126%	102% [(e)]

(a) Represents the period from the initial public offering (May 1, 2006) through December 31, 2006.

(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. The 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 investment advisory fee waivers and expense reimbursements by the Adviser, the ratio of expenses to average net assets would have been 2.29%, 1.80% and 1.90%[(e)] for the periods ended December 31, 2008, 2007 and 2006, respectively.

(e) Annualized.

See notes to financial statements.

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

	Year Ended December 31, 2008	Year Ended December 31, 2007	Year Ended December 31, 2006	Year Ended December 31, 2005	Year Ended December 31, 2004
Net asset value at beginning of year	$ 10.14	$ 10.26	$ 10.10	$ 10.29	$ 10.09
Income/(loss) from investment operations:					
Net investment income	0.38	0.41	0.38	0.33	0.28
Net realized and unrealized gains/ (losses) on investments	(0.34)	0.11	0.23	(0.15)	0.27
Total from investment operations	0.04	0.52	0.61	0.18	0.55
Less distributions:					
From net investment income	(0.38)	(0.41)	(0.38)	(0.33)	(0.28)
From net realized gains on investments	(0.00)[a]	(0.23)	(0.07)	(0.04)	(0.07)
Total distributions	(0.38)	(0.64)	(0.45)	(0.37)	(0.35)
Net asset value at end of year	$ 9.80	$ 10.14	$ 10.26	$ 10.10	$ 10.29
Total return [b]	0.4%	5.1%	6.2%	1.8%	5.5%
Ratios/Supplementary Data:					
Net assets at end of year (000's)	$ 5,321	$ 9,919	$ 17,880	$ 48,115	$ 32,458
Ratio of net expenses to average net assets [c]	0.40%	0.37%	0.30%	0.30%	0.30%
Ratio of net investment income to average net assets	3.85%	3.96%	3.67%	3.32%	2.77%
Portfolio turnover rate	63%	45%	21%	22%	47%

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

[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. The returns shown do not reflect the deduction of taxes a shareholder would pay on Fund distributions or the redemption of Fund shares.

[c] Absent investment advisory fee waivers and expense reimbursements by the Adviser, the ratio of expenses to average net assets would have been 0.70%, 0.68%, 0.65%, 0.61% and 0.72% for the years ended December 31, 2008, 2007, 2006, 2005 and 2004, respectively.

See notes to financial statements.

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

	Year Ended December 31, 2008	Year Ended December 31, 2007	Year Ended December 31, 2006	Year Ended December 31, 2005	Year Ended December 31, 2004
Net asset value at beginning of year	$ 10.12	$ 10.25	$ 10.08	$ 10.28	$ 10.09
Income/(loss) from investment operations:					
Net investment income	0.36	0.38	0.35	0.30	0.24
Net realized and unrealized gains/ (losses) on investments	(0.33)	0.10	0.24	(0.16)	0.26
Total from investment operations	0.03	0.48	0.59	0.14	0.50
Less distributions:					
From net investment income	(0.36)	(0.38)	(0.35)	(0.30)	(0.24)
From net realized gains on investments	(0.00)[a]	(0.23)	(0.07)	(0.04)	(0.07)
Total distributions	(0.36)	(0.61)	(0.42)	(0.34)	(0.31)
Net asset value at end of year	$ 9.79	$ 10.12	$ 10.25	$ 10.08	$ 10.28
Total return[b]	0.3%	4.8%	6.0%	1.4%	5.1%
Ratios/Supplementary Data:					
Net assets at end of year (000's)	$ 38,136	$ 34,178	$ 23,382	$ 16,839	$ 6,491
Ratio of net expenses to average net assets[c]	0.62%	0.65%	0.60%	0.61%	0.70%
Ratio of net investment income to average net assets	3.63%	3.69%	3.37%	3.01%	2.37%
Portfolio turnover rate	63%	45%	21%	22%	47%

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

(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. The returns shown do not reflect the deduction of taxes a shareholder would pay on Fund distributions or the redemption of Fund shares.

(c) Absent investment advisory fee waivers and expense reimbursements by the Adviser, the ratio of expenses to average net assets would have been 0.91%, 0.96%, 0.94%, 0.92% and 1.31% for the years ended December 31, 2008, 2007, 2006, 2005 and 2004, respectively.

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 and the Ave Maria Bond Fund (collectively, 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 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 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 not violate 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 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 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) each class has exclusive voting rights with respect to matters relating to its own distribution arrangements; and (4) Class I shares require an initial investment of $10 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 for each Fund.

On March 30, 2007, the Ave Maria Rising Dividend Fund consummated a tax-free merger with the Catholic Equity Fund. Pursuant to the terms of the agreement governing the merger, each share of Class A, Class D and Class I shares of the Catholic Equity Fund was converted into an equivalent dollar amount of shares of the Ave Maria Rising Dividend Fund, based on the net asset value of the Ave Maria Rising Dividend Fund ($12.44) and the net asset values of Class A, Class D and Class I shares of the Catholic Equity Fund ($10.07, $9.44 and $10.07, respectively) as of March 30, 2007, resulting in conversion ratios of 0.809762, 0.758704 and 0.810035 shares of the Ave Maria Rising Dividend Fund for each share of Class A, Class D and Class I shares of the Catholic Equity Fund, respectively. The Ave Maria Rising Dividend Fund thus issued 3,770,256 shares to shareholders of the Catholic Equity Fund. Net assets of the Ave Maria Rising Dividend Fund and the Catholic Equity Fund as of the merger date were $41,688,158 and $46,890,726, including unrealized appreciation of $4,422,856 and $3,015,886, respectively. In addition, the Catholic Equity Fund's net assets included accumulated realized losses of $784,039. Total net assets immediately after the merger were $88,578,884.

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 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 last reported sales price or, if there is no reported sale on the valuation date, at the most recently quoted bid price. 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. Investments representing primarily capital stock of other open-end investment companies are valued at their net asset value as reported by such companies. 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.

The Financial Accounting Standards Board's ("FASB") Statement on Financial Accounting Standards No. 157 "Fair Value Measurements" establishes a single authoritative definition of fair value, sets out a framework for measuring fair value and requires additional disclosures about fair value measurements.

Various inputs are used in determining the value of each Fund's investments. These inputs are summarized in the three broad levels listed below:

- Level 1 – quoted prices in active markets for identical securities
- Level 2 – other significant observable inputs
- Level 3 – significant unobservable inputs

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

As of December 31, 2008, all of the inputs used to value the investments of the Ave Maria Catholic Values Fund, the Ave Maria Growth Fund, the Ave Maria Rising Dividend Fund and the Ave Maria Opportunity Fund were Level 1.

The following is a summary of the inputs used to value the Ave Maria Bond Fund's investments as of December 31, 2008:

Valuation Inputs	Ave Maria Bond Fund
Level 1 - Quoted Prices	$ 12,126,200
Level 2 - Other Significant Observable Inputs	30,951,842
Total	$ 43,078,042

(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 following information is computed on a tax basis for each item as of December 31, 2008:

	Ave Maria Catholic Values Fund	Ave Maria Growth Fund	Ave Maria Rising Dividend Fund	Ave Maria Opportunity Fund	Ave Maria Bond Fund
Undistributed ordinary income	$ —	$ —	$ 21,707	$ 94	$ 3,365
Capital loss carryforward	(1,636,432)	(16,221)	(4,336,109)	(5,147,914)	(45,002)
Net unrealized depreciation	(51,739,836)	(16,846,759)	(14,567,430)	(654,412)	(1,753,645)
Accumulated deficit	$(53,376,268)	$(16,862,980)	$(18,881,832)	$ (5,802,232)	$ (1,795,282)

As of December 31, 2008, the Ave Maria Rising Dividend Fund had a capital loss carryforward acquired in the merger with the Catholic Equity Fund of $114,291, of which $108,803 expires September 30, 2009 and $5,488 expires September 30, 2010. As of December 31, 2008, the Funds had the following additional capital loss carryforwards for federal income tax purposes:

Expires December 31,	Ave Maria Catholic Values Fund	Ave Maria Growth Fund	Ave Maria Rising Dividend Fund	Ave Maria Opportunity Fund	Ave Maria Bond Fund
2015	$ —	$ —	$ —	$ 777,264	$ —
2016	1,636,432	16,221	4,221,818	4,370,650	45,002
	$ 1,636,432	$ 16,221	$ 4,221,818	$ 5,147,914	$ 45,002

These capital loss carryforwards may be utilized in future years to offset net realized capital gains, if any, prior to distributing such gains to shareholders.

The following information is based upon the federal income tax cost of the investment securities as of December 31, 2008:

	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	$ 7,670,458	$ 5,235,496	$ 2,172,510	$ 460,059	$ 845,244
Gross unrealized depreciation	(59,410,294)	(22,082,255)	(16,739,940)	(1,114,471)	(2,598,889)
Net unrealized depreciation	$(51,739,836)	$(16,846,759)	$(14,567,430)	$ (654,412)	$ (1,753,645)
Federal income tax cost	$ 185,005,606	$ 100,813,529	$ 81,435,039	$ 10,561,359	$ 44,831,687

The difference between the federal income tax cost of portfolio investments and the financial statement cost for the Funds 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.

For the year ended December 31, 2008, the Ave Maria Catholic Values Fund and the Ave Maria Growth Fund reclassified $57,925 and 364,421, respectively, of net investment loss against paid-in capital. In addition, the Ave Maria Catholic Values Fund reclassified $451 of distributions in excess of net realized gains to paid-in capital. The Ave Maria Rising Dividend Fund reclassified $215,994 of accumulated net realized losses and $18,127 of net investment income against paid-in capital due to expenses that were non-deductible for tax purposes and the expiration of capital loss carryforwards, respectively. These reclassifications are reflected on the Statements of Assets and Liabilities. Such reclassifications, the result of permanent differences between the financial statement and the income tax reporting requirements, have no effect on each Fund's net assets or net asset value per share.

FASB's Interpretation No. 48 ("FIN 48") "Accounting for Uncertainty in Income Taxes" provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. FIN 48 requires the evaluation of tax positions taken in the course of preparing each Fund's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the "more-likely-than-not" threshold would be recorded as a tax benefit or expense in the current year. Based on management's analysis, the application of FIN 48 does not have a material impact on these financial statements. The statute of limitations on each Fund's tax returns remains open for the years ended December 31, 2005 through December 31, 2007.

(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 years ended December 31, 2008 and December 31, 2007 was as follows:

Year Ended	Ordinary Income	Long-Term Capital Gains	Total Distributions
Ave Maria Catholic Values Fund:			
December 31, 2008	$ —	$ 153,313	$ 153,313
December 31, 2007	$ 53,179	$ 2,073,963	$ 2,127,142
Ave Maria Growth Fund:			
December 31, 2008	$ —	$ —	$ —
December 31, 2007	$ —	$ 1,717,378	$ 1,717,378
Ave Maria Rising Dividend Fund:			
December 31, 2008	$ 1,559,096	$ 17,632	$ 1,576,728
December 31, 2007	$ 1,707,552	$ 1,536,631	$ 3,244,183
Ave Maria Opportunity Fund:			
December 31, 2008	$ 38,915	$ —	$ 38,915
December 31, 2007	$ 134,519	$ —	$ 134,519
Ave Maria Bond Fund - Class I:			
December 31, 2008	$ 299,506	$ 8	$ 299,514
December 31, 2007	$ 604,319	$ 188,655	$ 792,974
Ave Maria Bond Fund - Class R:			
December 31, 2008	$ 1,442,217	$ 56	$ 1,442,273
December 31, 2007	$ 1,171,763	$ 635,434	$ 1,807,197

(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 or 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. If the seller defaults, and the fair value of the collateral declines, realization of the collateral by the Funds may be delayed or limited.

(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 reduce advisory fees or reimburse a portion of operating expenses until at least May 1, 2010 so that: the net expenses of the Ave Maria Catholic Values Fund and the Ave Maria Growth Fund do not exceed 1.50% of average daily net assets; the net expenses of the Ave Maria Rising Dividend Fund and the Ave Maria Opportunity Fund do not exceed 1.25% of average daily net assets; and the net expenses of Class R and Class I shares of the Ave Maria Bond Fund do not exceed 0.70% and 0.40%, respectively, of average daily net assets. For the year ended December 31, 2008, the Adviser waived investment advisory fees of $81,529 with respect to the Ave Maria Catholic Values Fund; waived investment advisory fees of $104,027 with respect to the Ave Maria Growth Fund; waived investment advisory fees of $133,776 and reimbursed $4,601 of other operating expenses with respect to the Ave Maria Opportunity Fund; and waived investment advisory fees of $138,241 and reimbursed $865 of Class I expenses with respect to the Ave Maria Bond Fund.

Any fee reductions or expense reimbursements by the Adviser are subject to repayment by the Funds for a period of three years from the time such reductions 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 December 31, 2008, the amount of fee reductions and expense reimbursements available for reimbursement to the Adviser are as follows:

Ave Maria Catholic Values Fund	$	122,222
Ave Maria Growth Fund	$	259,990
Ave Maria Opportunity Fund	$	322,456
Ave Maria Bond Fund	$	450,855

The Adviser may recapture a portion of the above amounts no later than the dates as stated below:

	December 31, 2009	December 31, 2010	December 31, 2011
Ave Maria Catholic Values Fund	$ 40,693	$ —	$ 81,529
Ave Maria Growth Fund	$ 90,617	$ 65,346	$ 104,027
Ave Maria Opportunity Fund	$ 73,278	$ 110,801	$ 138,377
Ave Maria Bond Fund	$ 177,978	$ 133,771	$ 139,106

Additionally, during the years ended December 31, 2008 and 2007, the Adviser reimbursed $71,643 and $176,249, respectively, to the Ave Maria Catholic Values Fund for losses realized on the disposal of investments purchased in violation of investment restrictions.

The Chief Compliance Officer of the Trust (the "CCO") is an employee of the Adviser. The Trust pays the Adviser $25,000 annually for providing CCO services, of which each Fund pays its proportionate share along with the other series of the Trust. In addition, the Trust reimburses the Adviser for any out-of-pocket expenses incurred for providing these services.

JLB & Associates, Inc. ("JLB") has been retained by the Adviser to manage the investments of the Ave Maria Growth Fund pursuant to the terms of a Sub-Advisory Agreement. The Adviser (not the Fund) pays JLB a fee at an annual rate of 0.30% of the average value of the Fund's daily net assets. JLB agreed to reduce its sub-advisory fee, by means of a voluntary waiver, during the period from September 1, 2007 through April 30, 2008, to the annual rate of 0.25% of average daily net assets. JLB cannot recover from the Fund any such fee reductions.

Pursuant to a Mutual Fund Services Agreement between the Trust 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.

Pursuant to a Distribution Agreement between the Trust and the Distributor, the Distributor serves as each Fund's exclusive agent for the distribution of its shares. The Distributor is an affiliate of Ultimus.

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") under Section 12(b) of the Investment Company Act of 1940 and Rule 12b-1 thereunder, 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 average 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 year ended December 31, 2008, the total expenses incurred pursuant to the Plan were $492,681, $263,045, and $78,995 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 year ended December 31, 2008, 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	$ 100,305,889	$ 27,134,356	$ 28,556,106	$ 30,711,382	$ 19,762,767
Proceeds from sales of investment securities	$ 127,136,002	$ 22,987,532	$ 27,170,366	$ 33,773,803	$ 7,079,424

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
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Trustees of
Ave Maria Catholic Values Fund, Ave Maria Growth Fund,
Ave Maria Rising Dividend Fund, Ave Maria Opportunity Fund,
and Ave Maria Bond Fund:

We have audited the accompanying statements of assets and liabilities of Ave Maria Catholic Values Fund, Ave Maria Growth Fund, Ave Maria Rising Dividend Fund, Ave Maria Opportunity Fund, and Ave Maria Bond Fund (the "Funds"), including the schedules of investments, as of December 31, 2008, and the related statements of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for the periods presented. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Funds are not required to have, nor were we engaged to perform, an audit of their internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2008, by correspondence with the custodian and brokers; where replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Ave Maria Catholic Values Fund, Ave Maria Growth Fund, Ave Maria Rising Dividend Fund, Ave Maria Opportunity Fund, and Ave Maria Bond Fund as of December 31, 2008, the results of their operations for the year then ended, the changes in their net assets for each of the two years in the period then ended, and the financial highlights for the respective stated periods, in conformity with accounting principles generally accepted in the United States of America.

DELOITTE & TOUCHE LLP

Chicago, Illinois
February 20, 2009

AVE MARIA MUTUAL FUNDS
BOARD OF TRUSTEES AND EXECUTIVE OFFICERS (Unaudited)

Overall responsibility for management of the Trust rests with the Board of Trustees. The Trustees serve during the lifetime of the Trust and until its termination, or until death, resignation, retirement or removal. The Trustees, in turn, elect the officers of the Trust to actively supervise its day-to-day operations. The officers have been elected for an annual term. The following are the Trustees and executive officers of the Trust:

Trustee/Officer	Address	Age	Position Held with the Trust	Length of Time Served
Interested Trustees:				
* Gregory J. Schwartz	3707 W. Maple Road, Bloomfield Hills, MI	67	Chairman of the Board/Trustee	Since 1992
* George P. Schwartz, CFA	3707 W. Maple Road, Bloomfield Hills, MI	64	President/Trustee	Since 1992
Independent Trustees:				
John E. Barnds	3707 W. Maple Road, Bloomfield Hills, MI	76	Trustee	Since 2005
Peter F. Barry	3707 W. Maple Road, Bloomfield Hills, MI	81	Trustee	Since 2004
Louis C. Bosco, Jr.	3707 W. Maple Road, Bloomfield Hills, MI	72	Trustee	Since 2008
Donald J. Dawson, Jr.	3707 W. Maple Road, Bloomfield Hills, MI	61	Trustee	Since 1993
Joseph M. Grace	3707 W. Maple Road, Bloomfield Hills, MI	72	Trustee	Since 2007
Executive Officers:				
* Richard L. Platte, Jr., CFA	3707 W. Maple Road, Bloomfield Hills, MI	57	Vice President and Secretary	Since 1993
* Timothy S. Schwartz, CFA	3707 W. Maple Road, Bloomfield Hills, MI	37	Treasurer	Since 2000
* Becky S. Renaud	3707 W. Maple Road, Bloomfield Hills, MI	36	Chief Compliance Officer	Since 2006

* Gregory J. Schwartz, George P. Schwartz, Richard L. Platte, Jr., Timothy S. Schwartz and Becky S. Renaud, as affiliated persons of Schwartz Investment Counsel, Inc., the Funds' investment adviser, are "interested persons" of the Trust within the meaning of Section 2(a)(19) of the Investment Company Act of 1940. Gregory J. Schwartz and George P. Schwartz are brothers and Timothy S. Schwartz is the son of George P. Schwartz and the nephew of Gregory J. Schwartz.

Each Trustee oversees six portfolios of the Trust: the Ave Maria Catholic Values Fund, the Ave Maria Growth Fund, the Ave Maria Rising Dividend Fund, the Ave Maria Opportunity Fund, the Ave Maria Bond Fund and the Schwartz Value Fund. The principal occupations of the Trustees and executive officers of the Trust during the past five years and public directorships held by the Trustees are set forth below:

Gregory J. Schwartz is Chairman of Gregory J. Schwartz & Co., Inc., a registered broker-dealer.

AVE MARIA MUTUAL FUNDS
BOARD OF TRUSTEES AND EXECUTIVE OFFICERS
(Unaudited) (Continued)

George P. Schwartz, CFA is President and Chief Investment Officer of Schwartz Investment Counsel, Inc. and the co-portfolio manager of the Ave Maria Catholic Values Fund and the Ave Maria Rising Dividend Fund.

John E. Barnds is retired First Vice President of National Bank of Detroit (JPMorgan Chase).

Peter F. Barry is retired President of Cadillac Rubber & Plastics Company (a manufacturer of rubber and plastics components).

Louis C. Bosco, Jr. is a partner in Bosco Development Company (a real estate firm).

Donald J. Dawson, Jr. is Chairman of Payroll 1, Inc. (a payroll processing company).

Joseph M. Grace is retired Senior Vice President of National Bank of Detroit (JPMorgan Chase).

Richard L. Platte, Jr., CFA is Executive Vice President and Secretary of Schwartz Investment Counsel, Inc. and is the portfolio manager of the Ave Maria Bond Fund and the co-portfolio manager of the Ave Maria Rising Dividend Fund.

Timothy S. Schwartz, CFA is Vice President and Treasurer of Schwartz Investment Counsel, Inc. and the portfolio manager of the Ave Maria Opportunity Fund.

Becky S. Renaud is Chief Financial Officer and Chief Compliance Officer of Schwartz Investment Counsel, Inc.

AVE MARIA MUTUAL FUNDS
CATHOLIC ADVISORY BOARD (Unaudited)

The Catholic Advisory Board reviews the companies selected by the Adviser to ensure that the companies operate in a way that is consistent with teachings and core values of the Roman Catholic Church. The Catholic Advisory Board evaluates companies using publicly available information, information from the Adviser, and information from shareholders and other sources in making its recommendations. The following are the members of the Catholic Advisory Board:

Member	Address	Age	Length of Time Served
Lou Holtz	5818 El Camino Real, Carlsbad, CA	72	Since 2007
Lawrence Kudlow	1375 Kings Hwy. East, Suite 260, Fairfield, CT	61	Since 2005
Thomas S. Monaghan	One Ave Maria Drive, Ann Arbor, MI	72	Since 2001
Michael Novak	1150 17th Street, NW, Suite 1100, Washington, DC	75	Since 2001
Paul R. Roney	One Ave Maria Drive, Ann Arbor, MI	51	Since 2001
Phyllis Schlafly	7800 Bonhomme, St. Louis, MO	84	Since 2001

Lou Holtz is the former football coach at University of Notre Dame among others, ESPN college football analyst, author and motivational speaker.

Lawrence Kudlow is the host of CNBC's "Kudlow & Company" and a nationally syndicated columnist.

Thomas S. Monaghan is Chairman of the Ave Maria Foundation (a non-profit foundation supporting Roman Catholic organizations) and Chancellor of Ave Maria University. Prior to December 1998, he was Chairman and Chief Executive Officer of Domino's Pizza, Inc.

Michael Novak is a theologian, author, columnist and former U.S. ambassador. He is Director of Social and Political Studies of the American Enterprise Institute.

Paul R. Roney is Executive Director of the Ave Maria Foundation and President of Domino's Farms Corporation. Prior to December 1998, he was Treasurer of Domino's Pizza, Inc.

Phyllis Schlafly is an author, columnist and radio commentator. She is President of Eagle Forum (an organization promoting conservative and pro-family values).

Additional information regarding the Funds' Trustees, executive officers and Catholic Advisory Board members may be found in the Funds' Statement of Additional Information and is available without charge upon request by calling (888) 726-9331.

AVE MARIA MUTUAL FUNDS
FEDERAL TAX INFORMATION (Unaudited)

In accordance with federal tax requirements, the following provides shareholders with information concerning distributions from net realized gains made by the Ave Maria Catholic Values Fund and the Ave Maria Rising Dividend Fund and certain ordinary income dividends paid by the Ave Maria Catholic Values Fund, the Ave Maria Rising Dividend Fund, the Ave Maria Opportunity Fund and the Ave Maria Bond Fund during the fiscal year end December 31, 2008. On June 30, 2008, the Ave Maria Catholic Values Fund declared and paid a long-term capital gain distribution of $0.0105 per share; the Ave Maria Rising Dividend Fund declared and paid a short term capital gain distribution of $0.0737 per share and declared and paid a long-term capital gain distribution of $0.0026 per share. On December 30, 2008, the Ave Maria Opportunity Fund declared and paid an ordinary income dividend of $0.0256 per share. Periodically throughout the year, the Ave Maria Rising Dividend Fund paid ordinary income dividends totaling $0.1462 per share. Periodically throughout the year, the Ave Maria Bond Fund paid ordinary income dividends totaling $0.3847 per share for Class I shares and $0.3630 per share for Class R shares. As provided by the Jobs and Growth Tax Relief Reconciliation Act of 2003, 100% of the long-term capital gain distribution of $0.0105 and $0.0026 per share for the Ave Maria Catholic Values Fund and the Ave Maria Rising Dividend Fund, respectively, 100% of the short-term capital gain distribution of $0.0737 per share for the Ave Maria Rising Dividend Fund and a percentage (100%, 100%, and 19.21%) of the ordinary income dividends paid for the Ave Maria Rising Dividend Fund, the Ave Maria Opportunity Fund and the Ave Maria Bond Fund, respectively, may be subject to a maximum tax rate of 15%. Early in 2009, as required by federal regulations, shareholders received notification of their portion of the Funds' taxable distribution, if any, paid during the 2008 calendar year.

AVE MARIA MUTUAL FUNDS
ABOUT YOUR FUNDS' 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 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 ongoing costs are expressed as a percentage of its average net assets. This figure is known as the expense ratio. The ongoing costs reflected in the tables below are based on an investment of $1,000 made at the beginning of the most recent semi-annual period (July 1, 2008) and held until the end of the period (December 31, 2008).

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

<u>Actual fund return</u> – 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."

<u>Hypothetical 5% return</u> – 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 sales loads or redemption fees.

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

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

Ave Maria Catholic Values Fund

	Beginning Account Value July 1, 2008	Ending Account Value December 31, 2008	Expenses Paid During Period*
Based on Actual Fund Return	$1,000.00	$ 701.30	$6.43
Based on Hypothetical 5% Return (before expenses)	$1,000.00	$1,017.64	$7.63

* 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 184/365 (to reflect the one-half year period).

Ave Maria Growth Fund

	Beginning Account Value July 1, 2008	Ending Account Value December 31, 2008	Expenses Paid During Period*
Based on Actual Fund Return	$1,000.00	$ 747.70	$6.61
Based on Hypothetical 5% Return (before expenses)	$1,000.00	$1,017.64	$7.63

* 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 184/365 (to reflect the one-half year period).

Ave Maria Rising Dividend Fund

	Beginning Account Value July 1, 2008	Ending Account Value December 31, 2008	Expenses Paid During Period*
Based on Actual Fund Return	$1,000.00	$ 822.20	$5.56
Based on Hypothetical 5% Return (before expenses)	$1,000.00	$1,019.11	$6.16

* Expenses are equal to the Ave Maria Rising Dividend Fund's annualized expense ratio of 1.21% for the period, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period).

Ave Maria Opportunity Fund

	Beginning Account Value July 1, 2008	Ending Account Value December 31, 2008	Expenses Paid During Period*
Based on Actual Fund Return	$1,000.00	$ 746.70	$5.50
Based on Hypothetical 5% Return (before expenses)	$1,000.00	$1,018.90	$6.36

* Expenses are equal to the Ave Maria Opportunity Fund's annualized expense ratio of 1.25% for the period, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period).

Ave Maria Bond Fund – Class I

	Beginning Account Value July 1, 2008	Ending Account Value December 31, 2008	Expenses Paid During Period*
Based on Actual Fund Return	$1,000.00	$1,000.80	$2.02
Based on Hypothetical 5% Return (before expenses)	$1,000.00	$1,023.19	$2.04

* Expenses are equal to the Ave Maria Bond Fund – Class I's annualized expense ratio of 0.40% for the period, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period).

Ave Maria Bond Fund – Class R

	Beginning Account Value July 1, 2008	Ending Account Value December 31, 2008	Expenses Paid During Period*
Based on Actual Fund Return	$1,000.00	$1,000.00	$2.87
Based on Hypothetical 5% Return (before expenses)	$1,000.00	$1,022.33	$2.91

* Expenses are equal to the Ave Maria Bond Fund – Class R's annualized expense ratio of 0.57% for the period, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period).

AVE MARIA MUTUAL FUNDS
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 at 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 filings 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
RESULTS OF SPECIAL MEETING OF SHAREHOLDERS
December 22, 2008 (Unaudited)

On December 22, 2008, a Special Meeting of Shareholders of the Trust was held to consider the election of seven Trustees for the Trust. The number of shares of the Trust present and voting at the Special Meeting, either in person or by proxy, represented 55.74% of the total shares entitled to vote at the meeting. Each of the seven nominees was elected by the shareholders of the Trust.

The results of the voting with respect to the election of the seven Trustees were as follows:

	Number of Shares	
Nominee/Trustee	Affirmative	Withhold
John E. Barnds	19,557,013.21	234,902.36
Peter F. Barry	19,554,786.33	237,129.24
Louis C. Bosco, Jr.	19,435,048.92	356,866.65
Donald J. Dawson, Jr.	19,650,885.59	141,029.98
Joseph M. Grace	19,632,841.42	159,074.15
George P. Schwartz	19,661,886.42	130,029.15
Gregory J. Schwartz	19,663,861.22	128,054.35

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
series of Schwartz Investment Trust
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Custodian
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Administrator
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