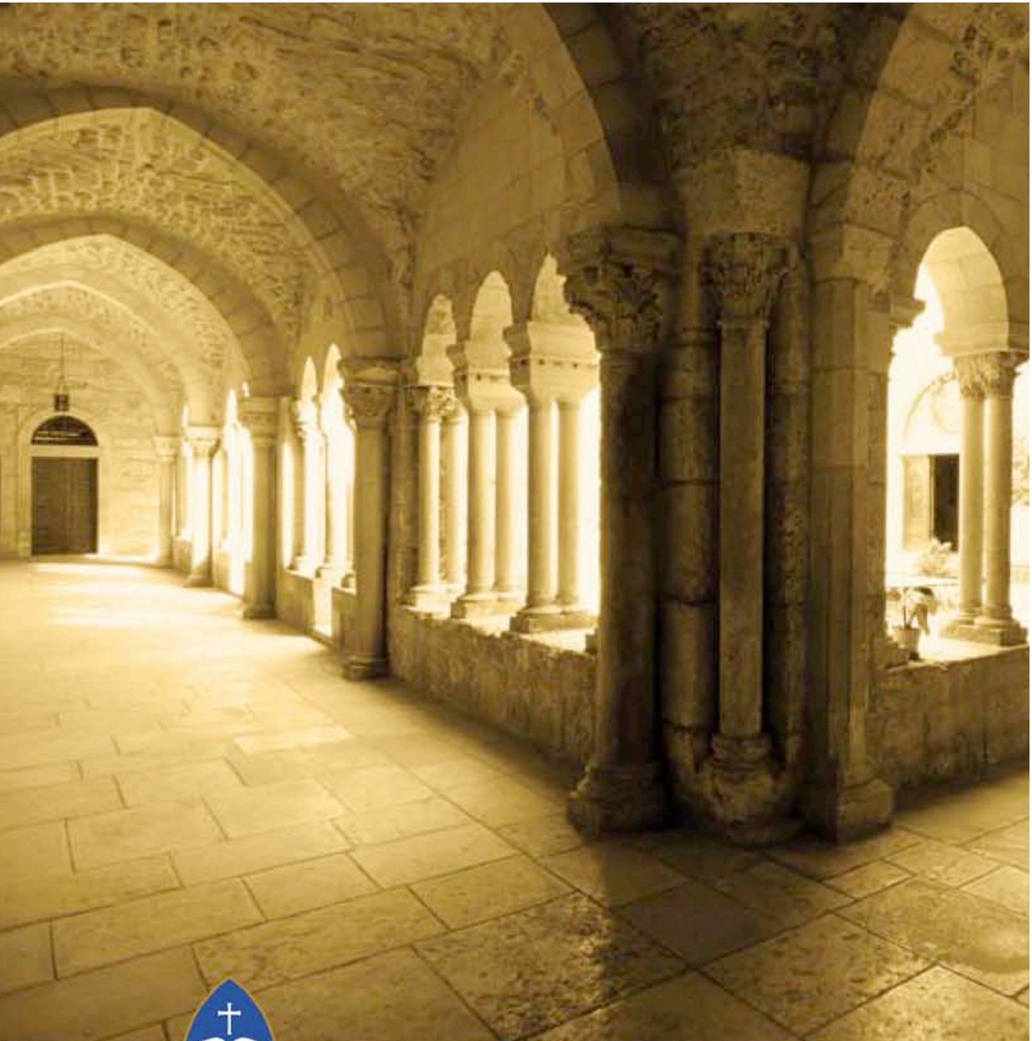

AVE MARIA MUTUAL FUNDS

SCHWARTZ INVESTMENT TRUST

Ave Maria Catholic Values Fund

Ave Maria Growth Fund

Ave Maria Rising Dividend Fund

Ave Maria Opportunity Fund

Ave Maria Bond Fund

UNAUDITED

Semi-Annual Report

JUNE 30, 2008

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

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

Over the past several years, there has been a general decline in credit standards used by lending institutions, which resulted in a significant increase in housing prices in many parts of the country. This housing bubble was the financial equivalent of building a very large structure on a weak foundation. When the foundation was shaken by the revelations in the sub-prime mortgage market, the entire financial system began to crack. From houses to stocks to commercial real estate to hedge fund portfolios, there were just too many assets for sale and not enough buyers. The resulting decline in share prices in the financial sector has been dramatic. The accompanying credit crunch has resulted in the biggest de-leveraging phenomenon of our lifetime. This de-leveraging process will have long-lasting consequences, but the result will be a stronger financial system. The market is clearing, which is by definition what happens with capitalism. With guarded optimism, we are looking for a long, saucer-shaped economic recovery. At current valuations, we believe opportunities are extraordinary for long-term investors. It's important to remember that the best investments are always made in the aftermath of sharp market corrections.

More than 25,000 people have invested in the Ave Maria Family of Funds. Many were attracted by our MORALLY RESPONSIBLE INVESTING approach. Besides searching for the best investment opportunities, our portfolio managers screen out companies based on moral guidelines established by our Catholic Advisory Board. These screens eliminate from consideration companies that support abortion, pornography, and companies with policies that disrespect the sanctity of marriage. During this political campaign season, we should pray that pro-growth economic policies don't get reversed, and that pro-life, pro-family politicians do get elected.

Due to our Board of Trustees' retirement policy, Fred A. Erb and Sidney F. McKenna recently attended their last board meetings, following many years of service. The business insights and wise counsel of these fine gentlemen will be missed.

Thanks for your confidence and support.

Sincerely,

George P. Schwartz, CFA
President

July 16, 2008

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 had a total return of -9.9% for the six months ending June 30, 2008. The return for the S&P 500 Index was -11.9% and the S&P 400 MidCap Index returned -3.9%.

Since inception on May 1, 2001 the cumulative and annualized returns of the Fund compared to its benchmarks were:

	Since 5-01-01 Inception through 6-30-08 Total Returns	
	Cumulative	Annualized
Ave Maria Catholic Values Fund (AVEMX)	61.4%	6.9%
S&P 500 Index	14.8%	2.0%
S&P 400 MidCap Index	73.2%	8.0%

The headwinds blowing against the U.S. economy and stock market strengthened over the last six months. Oil prices rose nearly 50% to $140 a barrel and housing prices continued to fall. The Case-Shiller housing price index for the twenty largest cities declined 15% in price year over year. Consumer sentiment is near its lowest point in over forty years (which historically has been a good time to buy stocks!). Loose lending practices have come home to roost for banks and investors involved with risky mortgages, real estate development and leveraged buyouts. The resulting financial turmoil is reverberating through the economy and the markets impacting not only those firms directly involved but also innocent bystanders who have suffered collateral damage. The pervasiveness of the distress is reflected in the stock market returns in the first half of the year. All economic sectors of the market (save energy and materials) experienced negative returns, most of them double digits. The S&P 400 MidCap Index, which was down (only) 3.9% year-to-date, benefited from an energy sector that was up 40%.

The Fund's financial and consumer stocks negatively impacted performance. A few financials, especially Citizens Republic Bancorp, Inc. and Legg Mason, Inc. (investment management) were directly exposed to the turmoil, while others, including Meadowbrook Insurance Group, Inc., were merely caught in the selloff of nearly all financial stocks. The Fund has increased its insurance stock holdings as many are trading at or below book value and remain financially strong. Other stocks that hurt performance were Thor Industries, Inc. (recreational vehicles) and Gentex Corporation (automotive parts). In our opinion, these two excellent companies are victims of high gasoline prices and tighter consumer lending conditions. Importantly, these companies have rock solid financials giving them staying power and the ability to gain market share from weaker competitors. While prospects for immediate upturns in their businesses are remote, their three to five year appreciation potential is substantial. Chico's FAS, Inc., (women's apparel), another poor performer, is still struggling to turn around sales in this tough environment.

On the positive side of the ledger, the Fund's investments in energy stocks, notably Halliburton Company, Patterson-UTI Energy, Inc. and Southwestern Energy Company were each up 40% or more during the first half of 2008. Not all retail stocks faired poorly. Ross Stores, Inc. and Dollar Tree, Inc. were two of the Fund's biggest winners as consumers shopped for better value. Other positive contributions came from Burlington Northern Santa Fe Corporation (railroad) and Trinity Industries, Inc. (capital goods manufacturer).

A number of holdings were eliminated from the Fund this year to improve the quality of the portfolio. First Marblehead Corporation, La-Z-Boy Incorporated and RC2 Corporation were sold due to deteriorating fundamentals. TXCO Resources, Inc., Apollo Group, Inc. and American Science and Engineering, Inc. were sold in favor of new positions with better valuations and growth prospects. Rockwell Collins, Inc. was sold because the company began offering non-marital partner benefits to their employees in violation of the Ave Maria Funds' moral screens.

Significant new purchases in the Fund this year are The Toro Company (landscape equipment), American Eagle Outfitters, Inc. (apparel retail), Alcoa, Inc. (aluminum), Illinois Tool Works, Inc. (industrial manufacturer) and Teradata Corporation (data storage systems). None of these high quality companies violate the Catholic moral screens of the Fund established by the Catholic Advisory Board.

Thanks for your continued commitment to the Fund.

Sincerely,

George P. Schwartz, CFA
Co-Portfolio Manager

Gregory R. Heilman, CFA
Co-Portfolio Manager

AVE MARIA CATHOLIC VALUES FUND
TEN LARGEST EQUITY HOLDINGS
June 30, 2008 (Unaudited)

Shares	Company	Market Value	% of Net Assets
250,000	Zebra Technologies Corporation - Class A	$8,160,000	4.0%
450,000	Gentex Corporation	6,498,000	3.2%
150,000	Graco, Inc.	5,710,500	2.8%
65,000	General Dynamics Corporation	5,473,000	2.7%
100,000	Halliburton Company	5,307,000	2.6%
80,000	ITT Corporation	5,066,400	2.5%
50,000	Burlington Northern Santa Fe Corporation	4,994,500	2.4%
200,000	Western Union Company (The)	4,944,000	2.4%
75,000	Waters Corporation	4,837,500	2.3%
60,000	Lincoln Electric Holdings, Inc.	4,722,000	2.3%

ASSET ALLOCATION (Unaudited)

Sector	% of Net Assets
Consumer Discretionary	23.2%
Energy	9.6%
Financials..	10.4%
Health Care	8.0%
Industrials	24.7%
Information Technology	13.1%
Materials	3.0%
Cash Equivalents, Other Assets and Liabilities...................................	8.0%
	100.0%

AVE MARIA CATHOLIC VALUES FUND
SCHEDULE OF INVESTMENTS
June 30, 2008 (Unaudited)

Shares	COMMON STOCKS — 92.0%	Market Value
	AEROSPACE & DEFENSE — 4.7%	
65,000	General Dynamics Corporation	$ 5,473,000
70,000	United Technologies Corporation	4,319,000
		9,792,000
	AUTO COMPONENTS — 4.5%	
450,000	Gentex Corporation	6,498,000
100,000	Johnson Controls, Inc.	2,868,000
		9,366,000
	AUTOMOBILES — 3.7%	
100,000	Harley-Davidson, Inc.	3,626,000
185,000	Thor Industries, Inc.	3,933,100
		7,559,100
	BUILDING PRODUCTS — 0.8%	
65,000	Simpson Manufacturing Company, Inc.	1,543,100
	CAPITAL MARKETS — 1.7%	
80,000	Legg Mason, Inc.	3,485,600
	CHEMICALS — 2.0%	
90,000	Balchem Corporation	2,081,700
100,000	RPM International Inc.	2,060,000
		4,141,700
	COMMERCIAL BANKS — 0.8%	
125,000	Citizens Republic Bancorp, Inc.	352,500
150,000	Synovus Financial Corporation	1,309,500
		1,662,000
	COMMERCIAL SERVICES & SUPPLIES — 0.5%	
10,000	Manpower, Inc.	582,400
10,000	Stericycle, Inc. *	517,000
		1,099,400
	COMMUNICATIONS EQUIPMENT — 1.8%	
155,000	ADTRAN, Inc.	3,695,200
	COMPUTERS & PERIPHERALS — 2.9%	
70,000	Logitech International S.A. *	1,876,000
50,000	Stratasys, Inc. *	923,000
135,000	Teradata Corporation *	3,123,900
		5,922,900

AVE MARIA CATHOLIC VALUES FUND
SCHEDULE OF INVESTMENTS (Continued)

Shares	COMMON STOCKS — 92.0% (Continued)	Market Value
	CONSTRUCTION & ENGINEERING — 1.6%	
45,000	Foster Wheeler, Ltd. *	$ 3,291,750
	DISTRIBUTORS — 1.9%	
100,000	Genuine Parts Company	3,968,000
	ELECTRICAL EQUIPMENT — 2.0%	
120,000	Belden Inc.	4,065,600
	ELECTRONIC EQUIPMENT & INSTRUMENTS — 2.1%	
45,000	Arrow Electronics, Inc. *	1,382,400
10,000	Mettler-Toledo International Inc. *	948,600
20,000	MTS Systems Corporation	717,600
40,000	Rofin-Sinar Technologies, Inc. *	1,208,000
		4,256,600
	ENERGY EQUIPMENT & SERVICES — 6.6%	
100,000	Halliburton Company	5,307,000
270,000	ION Geophysical Corporation *	4,711,500
100,000	Patterson-UTI Energy, Inc.	3,604,000
		13,622,500
	HEALTH CARE EQUIPMENT & SUPPLIES — 5.7%	
30,000	Beckman Coulter, Inc.	2,025,900
100,000	Kinetic Concepts, Inc. *	3,991,000
110,000	Neogen Corporation *	2,517,900
50,000	Stryker Corporation	3,144,000
		11,678,800
	HOUSEHOLD DURABLES — 2.8%	
75,000	Champion Enterprises, Inc. *	438,750
250,000	Craftmade International, Inc.	1,627,500
125,000	Lifetime Brands, Inc.	1,018,750
130,000	Pulte Homes, Inc.	1,251,900
70,000	Ryland Group, Inc. (The)	1,526,700
		5,863,600
	INSURANCE — 7.1%	
2,500	Alleghany Corporation *	830,125
101,800	American Safety Insurance Holdings, Ltd. *	1,463,884
40,000	Everest Re Group, Ltd.	3,188,400
50,000	Hanover Insurance Group, Inc. (The)	2,125,000
875,000	Meadowbrook Insurance Group, Inc.	4,637,500
282,945	Unico American Corporation *	2,461,622
		14,706,531

AVE MARIA CATHOLIC VALUES FUND
SCHEDULE OF INVESTMENTS (Continued)

Shares	COMMON STOCKS — 92.0% (Continued)	Market Value
	IT SERVICES — 2.4%	
200,000	Western Union Company (The)	$ 4,944,000
	LEISURE EQUIPMENT & PRODUCTS — 0.8%	
160,000	Brunswick Corporation	1,696,000
	LIFE SCIENCES TOOLS & SERVICES — 2.3%	
75,000	Waters Corporation *	4,837,500
	MACHINERY — 12.7%	
40,000	Caterpillar Inc.	2,952,800
150,000	Graco, Inc.	5,710,500
50,000	Illinois Tool Works, Inc.	2,375,500
80,000	ITT Corporation	5,066,400
60,000	Lincoln Electric Holdings, Inc.	4,722,000
55,000	Toro Company (The)	1,829,850
100,000	Trinity Industries, Inc.	3,469,000
		26,126,050
	METALS & MINING — 1.0%	
60,000	Alcoa, Inc.	2,137,200
	MULTI-LINE RETAIL — 1.1%	
70,000	Dollar Tree, Inc. *	2,288,300
	OFFICE ELECTRONICS — 4.0%	
250,000	Zebra Technologies Corporation - Class A *	8,160,000
	OIL, GAS & CONSUMABLE FUELS — 3.0%	
5,000	ConocoPhillips	471,950
20,000	Exxon Mobil Corporation	1,762,600
75,000	Frontier Oil Corporation	1,793,250
30,000	Southwestern Energy Company *	1,428,300
10,000	XTO Energy Inc.	685,100
		6,141,200
	REAL ESTATE INVESTMENT TRUSTS (REITs) — 0.8%	
50,000	HCP, Inc.	1,590,500
	ROAD & RAIL — 2.4%	
50,000	Burlington Northern Santa Fe Corporation	4,994,500

AVE MARIA CATHOLIC VALUES FUND
SCHEDULE OF INVESTMENTS (Continued)

Shares	COMMON STOCKS — 92.0% (Continued)	Market Value
	SPECIALTY RETAIL — 7.1%	
135,000	American Eagle Outfitters, Inc.	$ 1,840,050
105,000	Bed Bath & Beyond Inc. *	2,950,500
600,000	Chico's FAS, Inc. *	3,222,000
90,000	Ross Stores, Inc.	3,196,800
75,000	Sherwin-Williams Company (The)	3,444,750
		14,654,100
	TEXTILES, APPAREL & LUXURY GOODS — 1.2%	
35,000	VF Corporation	2,491,300
	TOTAL COMMON STOCKS (Cost $188,249,067)	$ 189,781,031

Shares	CASH EQUIVALENTS — 8.7%	Market Value
9,913,267	Federated Government Obligations Tax-Managed Fund - Institutional Shares, 2.156%[a]	$ 9,913,267
8,017,605	Federated Treasury Obligations Fund - Institutional Shares, 1.920%[a]	8,017,605
	TOTAL CASH EQUIVALENTS (Cost $17,930,872)	$ 17,930,872
	TOTAL INVESTMENTS AT MARKET VALUE — 100.7% (Cost $206,179,939)	$ 207,711,903
	LIABILITIES IN EXCESS OF OTHER ASSETS — (0.7%)	(1,450,494)
	NET ASSETS — 100.0%	$ 206,261,409

* Non-income producing security.

[a] Variable rate security. The rate shown is the 7-day effective yield as of June 30, 2008.

See notes to financial statements.

AVE MARIA GROWTH FUND
PORTFOLIO MANAGER COMMENTARY

Dear Fellow Shareholders:

For the first six months of 2008, the Ave Maria Growth Fund had a total return of -9.2% compared with -11.9% for S&P 500 Index (the "Index"). For the three years ended June 30, 2008, the Fund's total return was 7.6% annualized compared with 4.4% for the Index; and, for the five years then ended, the Fund returned 10.6% annualized compared with 7.6% for the Index. Since inception (May 1, 2003), the Fund's total return was 11.6% annualized compared with 8.7% annualized for the Index.

The top five performing securities in the Ave Maria Growth Fund for the first six months of 2008 were:

Ross Stores, Inc. (Apparel Retail)	+39.8%
XTO Energy, Inc. (Oil & Gas Exploration & Marketing)	+35.8%
Landstar System, Inc. (Trucking)	+31.2%
Occidental Petroleum Corporation (Integrated Oil & Gas)	+17.4%
Accenture Ltd. (IT Consulting & Other Services)	+16.8%

The bottom five performing securities were:

Frontier Oil Corporation (Oil Refining & Marketing)	-41.6%
Toro Company (The) (Turf Maintenance Equipment & Services)	-38.4%
Waters Corporation (Analytical Instruments) (sold during the period)	-32.0%
SEI Investments Company (Asset Management Services)	-25.6%
Brown & Brown, Inc. (Insurance Brokerage)	-25.4%

Your Fund is well diversified among eight out of eleven economic sectors: Consumer Staples 6.5%, Consumer Cyclicals 11.9%, Financial 7.2%, Transportation 5.3%, Energy 13.9%, Capital Goods 32.3%, Technology 8.4%, and Health Care 14.5%.

Respectfully,

James L. Bashaw

James L. Bashaw, CFA
Portfolio Manager

AVE MARIA GROWTH FUND
TEN LARGEST EQUITY HOLDINGS
June 30, 2008 (Unaudited)

Shares	Company	Market Value	% of Net Assets
67,625	XTO Energy, Inc.	$4,632,989	4.2%
88,800	Varian Medical Systems, Inc.	4,604,280	4.2%
48,800	Occidental Petroleum Corporation	4,385,168	4.0%
67,700	ITT Corporation	4,287,441	3.9%
55,000	Danaher Corporation	4,251,500	3.8%
47,800	C.R. Bard, Inc.	4,204,010	3.8%
102,900	Accenture Ltd. - Class A	4,190,088	3.8%
38,100	Alliant Techsystems, Inc.	3,874,008	3.5%
100,200	Graco, Inc.	3,814,614	3.4%
79,900	AMETEK, Inc.	3,772,878	3.4%

ASSET ALLOCATION (Unaudited)

Sector	% of Net Assets
Consumer Discretionary	11.8%
Consumer Staples	6.5%
Energy	13.8%
Financials	5.9%
Health Care	17.8%
Industrials	34.8%
Information Technology	9.0%
Cash Equivalents, Other Assets and Liabilities	0.4%
	100.0%

AVE MARIA GROWTH FUND
SCHEDULE OF INVESTMENTS
June 30, 2008 (Unaudited)

Shares	COMMON STOCKS — 99.6%	Market Value
	AEROSPACE & DEFENSE — 5.7%	
38,100	Alliant Techsystems, Inc. *	$ 3,874,008
29,200	General Dynamics Corporation	2,458,640
		6,332,648
	AIR FREIGHT & LOGISTICS — 1.9%	
49,100	Expeditors International of Washington, Inc.	2,111,300
	AUTO COMPONENTS — 2.1%	
81,900	Johnson Controls, Inc.	2,348,892
	AUTOMOBILES — 1.7%	
51,300	Harley-Davidson, Inc.	1,860,138
	CAPITAL MARKETS — 3.3%	
157,900	SEI Investments Company	3,713,808
	COMMERCIAL SERVICES & SUPPLIES — 2.7%	
201,000	Rollins, Inc.	2,978,820
	ELECTRICAL EQUIPMENT — 3.4%	
79,900	AMETEK, Inc.	3,772,878
	ELECTRONIC EQUIPMENT & INSTRUMENTS — 3.9%	
30,000	Amphenol Corporation	1,346,400
31,900	Mettler-Toledo International Inc. *	3,026,034
		4,372,434
	FOOD PRODUCTS — 6.5%	
76,600	Kellogg Company	3,678,332
98,300	McCormick & Company, Inc.	3,505,378
		7,183,710
	HEALTH CARE EQUIPMENT & SUPPLIES — 12.9%	
29,300	Beckman Coulter, Inc.	1,978,629
47,800	C. R. Bard, Inc.	4,204,010
56,800	Stryker Corporation	3,571,584
88,800	Varian Medical Systems, Inc. *	4,604,280
		14,358,503
	HEALTH CARE PROVIDERS & SERVICES — 1.5%	
55,500	Patterson Companies, Inc. *	1,631,145

AVE MARIA GROWTH FUND
SCHEDULE OF INVESTMENTS (Continued)

Shares	COMMON STOCKS — 99.6% (Continued)	Market Value
	HOUSEHOLD DURABLES — 1.8%	
34,000	Black & Decker Corporation (The)	$ 1,955,340
	INSURANCE — 2.5%	
160,200	Brown & Brown, Inc.	2,785,878
	IT SERVICES — 3.8%	
102,900	Accenture Ltd. - Class A	4,190,088
	LEISURE EQUIPMENT & PRODUCTS — 1.4%	
38,200	Polaris Industries, Inc.	1,542,516
	LIFE SCIENCES TOOLS & SERVICES — 3.3%	
55,700	Dionex Corporation *	3,696,809
	MACHINERY — 17.8%	
61,800	CLARCOR, Inc.	2,169,180
55,000	Danaher Corporation	4,251,500
61,400	Donaldson Company, Inc.	2,740,896
100,200	Graco, Inc.	3,814,614
67,700	ITT Corporation	4,287,441
72,900	Toro Company (The)	2,425,383
		19,689,014
	OIL, GAS & CONSUMABLE FUELS — 13.8%	
40,000	Exxon Mobil Corporation	3,525,200
115,900	Frontier Oil Corporation	2,771,169
48,800	Occidental Petroleum Corporation	4,385,168
67,625	XTO Energy, Inc.	4,632,989
		15,314,526
	ROAD & RAIL — 3.4%	
67,500	Landstar System, Inc.	3,727,350
	SOFTWARE — 1.3%	
25,950	FactSet Research Systems, Inc.	1,462,542
	SPECIALTY RETAIL — 3.0%	
60,100	Bed Bath & Beyond Inc. *	1,688,810
46,300	Ross Stores, Inc.	1,644,576
		3,333,386
	TEXTILES, APPAREL & LUXURY GOODS — 1.9%	
72,000	Coach, Inc. *	2,079,360
	TOTAL COMMON STOCKS (Cost $100,228,705)	$ 110,441,085

AVE MARIA GROWTH FUND
SCHEDULE OF INVESTMENTS (Continued)

Shares	CASH EQUIVALENTS — 0.5%	Market Value
586,782	Federated Government Obligations Tax-Managed Fund - Institutional Shares, 2.156%[a] (Cost $586,782)...............	$ 586,782
	TOTAL INVESTMENTS AT MARKET VALUE — 100.1% (Cost $100,815,487)...	$ 111,027,867
	LIABILITIES IN EXCESS OF OTHER ASSETS — (0.1%)....	(136,442)
	NET ASSETS — 100.0%	$ 110,891,425

* Non-income producing security.

[a] Variable rate security. The rate shown is the 7-day effective yield as of June 30, 2008.

See notes to financial statements.

AVE MARIA RISING DIVIDEND FUND
PORTFOLIO MANAGER COMMENTARY

Dear Fellow Shareholders:

For the six months ended June 30, 2008, the Ave Maria Rising Dividend Fund had a total return of -6.1%. That compared favorably with those of the Standard & Poors Dividend Aristocrat Index, -10.8%, and the Standard & Poors 500 Index, -11.9%.

The equity markets so far in 2008 have been dominated by growing evidence of recession and continuing asset write-downs within the financial sector. Stock price declines have been widespread, with only two economic sectors, energy and materials, showing gains. All other sectors were down significantly, with many showing double-digit declines.

Within the Ave Maria Rising Dividend portfolio, companies making the greatest positive contributions to performance were CSX Corporation up +42.8%, Halliburton Company +40.0%, Ross Stores, Inc. +38.9%, Diebold, Incorporated +29.8%, and Burlington Northern Santa Fe Corporation +20.0%. The greatest negatives came from The Scotts Miracle-Gro Company down -53.0%, HNI Corporation -49.6%, Legg Mason, Inc. -40.4%, Harley-Davidson, Inc. -22.4%, and R.R. Donnelley & Sons Company -21.3%.

While the economic news has been predominantly negative in recent months, it is encouraging to note that of the 45 companies represented in the portfolio as of June 30th, 20 raised their dividend during the first six months of the year. We expect many others will increase their dividend during the second half of the year. Given all of the economic turmoil, this is remarkable. Then again, these companies were selected in part for their record of having raised dividends during both good and bad economic periods. Their individual decisions to continue raising dividends in the face of general economic weakness reflects their sound financial footings and a confidence in their future. We share that confidence.

Sincerely,

George P. Schwartz, CFA
Co-Portfolio Manager

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

AVE MARIA RISING DIVIDEND FUND
TEN LARGEST EQUITY HOLDINGS
June 30, 2008 (Unaudited)

Shares	Company	Market Value	% of Net Assets
65,000	Halliburton Company	$3,449,550	4.6%
97,000	Ross Stores, Inc.	3,445,440	4.6%
75,000	Waste Management, Inc.	2,828,250	3.8%
130,000	RPM International Inc.	2,678,000	3.6%
37,000	Laboratory Corporation of America Holdings	2,576,310	3.4%
65,000	Graco, Inc.	2,474,550	3.3%
22,500	Burlington Northern Santa Fe Corporation	2,247,525	3.0%
70,000	R.R. Donnelley & Sons Company	2,078,300	2.8%
60,000	Hormel Foods Corporation	2,076,600	2.8%
33,000	Stryker Corporation	2,075,040	2.8%

ASSET ALLOCATION (Unaudited)

Sector	% of Net Assets
Consumer Discretionary	22.6%
Consumer Staples	7.6%
Energy	8.9%
Financials	11.1%
Health Care	9.1%
Industrials	27.1%
Information Technology	2.1%
Materials	4.7%
Cash Equivalents, Other Assets and Liabilities	6.8%
	100.0%

AVE MARIA RISING DIVIDEND FUND
SCHEDULE OF INVESTMENTS
June 30, 2008 (Unaudited)

Shares	COMMON STOCKS — 93.2%	Market Value
	AEROSPACE & DEFENSE — 4.5%	
18,000	General Dynamics Corporation	$ 1,515,600
30,000	United Technologies Corporation	1,851,000
		3,366,600
	AUTO COMPONENTS — 3.9%	
100,000	Gentex Corporation	1,444,000
50,000	Johnson Controls, Inc.	1,434,000
		2,878,000
	AUTOMOBILES — 2.4%	
50,000	Harley-Davidson, Inc.	1,813,000
	CAPITAL MARKETS — 2.0%	
35,000	Legg Mason, Inc.	1,524,950
	CHEMICALS — 4.8%	
2,000	Ecolab, Inc.	85,980
130,000	RPM International Inc.	2,678,000
45,000	Scotts Miracle-Gro Company - Class A (The)	790,650
		3,554,630
	COMMERCIAL BANKS — 4.4%	
50,000	BB&T Corporation	1,138,500
130,000	Synovus Financial Corporation	1,134,900
25,000	TCF Financial Corporation	300,750
30,000	United Bankshares, Inc.	688,500
		3,262,650
	COMMERICAL SERVICES & SUPPLIES — 7.9%	
55,000	HNI Corporation	971,300
70,000	R.R. Donnelley & Sons Company	2,078,300
75,000	Waste Management, Inc.	2,828,250
		5,877,850
	DISTRIBUTORS — 1.6%	
30,000	Genuine Parts Company	1,190,400
	ENERGY EQUIPMENT & SERVICES — 6.8%	
65,000	Halliburton Company	3,449,550
15,000	Schlumberger Limited	1,611,450
		5,061,000
	FOOD & STAPLES RETAILING — 2.2%	
60,000	Sysco Corporation	1,650,600

AVE MARIA RISING DIVIDEND FUND
SCHEDULE OF INVESTMENTS (Continued)

Shares	COMMON STOCKS — 93.2% (Continued)	Market Value
	FOOD PRODUCTS — 5.4%	
60,000	Hormel Foods Corporation	$ 2,076,600
40,000	Kellogg Company	1,920,800
		3,997,400
	HEALTH CARE EQUIPMENT & SUPPLIES — 5.6%	
13,500	Beckman Coulter, Inc.	911,655
15,000	Becton, Dickinson & Company	1,219,500
33,000	Stryker Corporation	2,075,040
		4,206,195
	HEALTH CARE PROVIDERS & SERVICES — 3.4%	
37,000	Laboratory Corporation of America Holdings *	2,576,310
	HOUSEHOLD DURABLES — 3.1%	
70,000	Leggett & Platt, Inc.	1,173,900
25,000	Stanley Works (The)	1,120,750
		2,294,650
	INDUSTRIAL CONGLOMERATES — 1.1%	
25,000	Raven Industries, Inc.	819,500
	INSURANCE — 4.7%	
30,000	Mercury General Corporation	1,401,600
30,000	PartnerRe Ltd.	2,073,900
		3,475,500
	IT SERVICES — 2.1%	
50,000	Paychex, Inc.	1,564,000
	MACHINERY — 5.8%	
25,000	Caterpillar Inc.	1,845,500
65,000	Graco, Inc.	2,474,550
		4,320,050
	MEDIA — 0.9%	
25,000	Meredith Corporation	707,250
	MULTI-LINE RETAIL — 1.6%	
60,000	Family Dollar Stores, Inc.	1,196,400
	OIL, GAS & CONSUMABLE FUELS — 2.1%	
18,000	Exxon Mobil Corporation	1,586,340
	ROAD & RAIL — 6.5%	
22,500	Burlington Northern Santa Fe Corporation	2,247,525
17,000	CSX Corporation	1,067,770
25,000	Norfolk Southern Corporation	1,566,750
		4,882,045

AVE MARIA RISING DIVIDEND FUND
SCHEDULE OF INVESTMENTS (Continued)

Shares	COMMON STOCKS — 93.2% (Continued)	Market Value
	SPECIALTY RETAIL — 7.7%	
50,000	Cato Corporation - Class A (The)	$ 712,000
97,000	Ross Stores, Inc.	3,445,440
35,000	Sherwin-Williams Company (The)	1,607,550
		5,764,990
	TEXTILES, APPAREL & LUXURY GOODS — 1.4%	
15,000	VF Corporation	1,067,700
	TRADING COMPANIES & DISTRIBUTORS — 1.3%	
12,000	W.W. Grainger, Inc.	981,600
	TOTAL COMMON STOCKS (Cost $73,895,332)	$ 69,619,610

Shares	CASH EQUIVALENTS — 7.0%	Market Value
3,624,165	Federated Government Obligations Tax-Managed Fund - Institutional Shares, 2.156%[a]	$ 3,624,165
1,599,207	Federated Treasury Obligations Fund - Institutional Shares, 1.920%[a]	1,599,207
	TOTAL CASH EQUIVALENTS (Cost $5,223,372)	$ 5,223,372
	TOTAL INVESTMENTS AT MARKET VALUE — 100.2% (Cost $79,118,704)	$ 74,842,982
	LIABILITIES IN EXCESS OF OTHER ASSETS — (0.2%)	(143,974)
	NET ASSETS — 100.0%	$ 74,699,008

* Non-income producing security.

(a) Variable rate security. The rate shown is the 7-day effective yield as of June 30, 2008.

See notes to financial statements.

AVE MARIA OPPORTUNITY FUND
PORTFOLIO MANAGER COMMENTARY

Dear Fellow Shareowner:

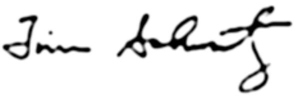
For the first six months of 2008, the Ave Maria Opportunity Fund had a total return of -9.2% compared to -9.4% for the Russell 2000 Index and -7.1% for the S&P 600 Index. Since the start of the year, the Fund's best performing stocks included Patterson-UTI Energy, Inc. (oil & gas drilling), Sun Hydraulics Corporation (hydraulic cartridge valves), Ross Stores, Inc. (discount retailing), and ADTRAN, Inc. (telecommunications equipment). Underperforming stocks included Rimage Corporation (optical storage equipment), Meadowbrook Insurance Group, Inc. (specialty insurance), HNI Corporation (office furniture), and Kinetic Concepts, Inc. (medical technology & equipment).

The Fund's performance continues to be negatively impacted by its exposure to consumer and financial related securities. These two sectors have been hammered by a perfect financial storm, stemming from consumers' rising food and energy costs, plummeting home prices, stagnant wages, and increasing joblessness. Several of our holdings which appeared undervalued as the year began, have become even more undervalued by our analysis. In a few cases, where the company's business has deteriorated (as opposed to the stock price merely going down), we've cut our losses and liquidated the position. In other cases, where the underlying business fundamentals remain intact, and the recovery potential great, we've increased our position. In the process, the Fund is being repositioned, with a greater emphasis on higher quality, lower risk, and somewhat larger capitalization companies.

While not much fun in the short term, the recent stock market decline has created the potential for out-sized long-term gains for patient investors with the necessary fortitude to ride out the storm. A stock's price can change a lot faster than the underlying business value. In a down market, the gap between a security's price and its intrinsic value may widen. This widened spread between price and value may result in a higher expected future rate of return. We've identified several companies where this phenomenon appears to be taking place. These new portfolio holdings include Arrow Electronics, Inc. (technology distribution), The Black & Decker Corporation (power tools & accessories), Manpower, Inc. (staffing & outsourcing services), The Scotts Miracle-Gro Company (agricultural chemicals), and Thomas & Betts Corporation (electrical equipment). In our opinion, these companies have wonderful businesses, are leaders in their respective industries, have solid balance sheets, excellent long-term track records, and capable managements. Most importantly, their stock prices have been pounded in recent months and currently represent what we believe to be an exceptional entrance point for value investors. These stocks, along with many others in the portfolio, should provide excellent long-term results for shareholders.

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

With best regards,



Timothy S. Schwartz, CFA
Portfolio Manager

AVE MARIA OPPORTUNITY FUND
TEN LARGEST EQUITY HOLDINGS
June 30, 2008 (Unaudited)

Shares	Company	Market Value	% of Net Assets
13,000	MTS Systems Corporation	$466,440	3.7%
10,000	Patterson-UTI Energy, Inc.	360,400	2.9%
11,700	Arrow Electronics, Inc.	359,424	2.9%
20,000	Scotts Miracle-Gro Company - Class A (The)	351,400	2.8%
65,000	Meadowbrook Insurance Group, Inc.	344,500	2.7%
14,000	Teradata Corporation	323,960	2.6%
7,000	Kinetic Concepts, Inc.	279,370	2.2%
15,000	ION Geophysical Corporation	261,750	2.1%
700	Markel Corporation	256,900	2.0%
6,000	Holly Corporation	221,520	1.8%

ASSET ALLOCATION (Unaudited)

Sector	% of Net Assets
Consumer Discretionary	12.9%
Energy	7.1%
Financials	9.0%
Health Care	2.8%
Industrials	16.0%
Information Technology	22.6%
Materials	3.4%
Cash Equivalents, Other Assets and Liabilities	26.2%
	100.0%

AVE MARIA OPPORTUNITY FUND
SCHEDULE OF INVESTMENTS
June 30, 2008 (Unaudited)

Shares	COMMON STOCKS — 73.8%	Market Value
	AUTO COMPONENTS — 1.2%	
10,000	Gentex Corporation	$ 144,400
	AUTOMOBILES — 3.7%	
6,000	Harley-Davidson, Inc.	217,560
5,000	Thor Industries, Inc.	106,300
13,500	Winnebago Industries, Inc.	137,565
		461,425
	CHEMICALS — 3.4%	
4,000	RPM International Inc.	82,400
20,000	Scotts Miracle-Gro Company - Class A (The)	351,400
		433,800
	COMMERCIAL SERVICES & SUPPLIES — 5.9%	
10,000	Courier Corporation	200,800
10,000	HNI Corporation	176,600
3,000	Manpower, Inc.	174,720
44,350	Sparton Corporation *	186,270
		738,390
	COMMUNICATIONS EQUIPMENT — 1.7%	
1,000	ADTRAN, Inc.	23,840
3,700	Harris Corporation	186,813
		210,653
	COMPUTERS & PERIPHERALS — 5.2%	
4,000	Logitech International S.A. *	107,200
17,800	Rimage Corporation *	220,542
14,000	Teradata Corporation *	323,960
		651,702
	ELECTRICAL EQUIPMENT — 2.7%	
4,200	AZZ, Inc. *	167,580
3,000	Belden, Inc.	101,640
2,000	Thomas & Betts Corporation *	75,700
		344,920
	ELECTRONIC EQUIPMENT & INSTRUMENTS — 10.6%	
11,700	Arrow Electronics, Inc. *	359,424
8,800	Ingram Micro Inc. *	156,200
13,000	MTS Systems Corporation	466,440
5,500	Rofin-Sinar Technologies, Inc. *	166,100
7,000	ScanSource, Inc. *	187,320
		1,335,484
	ENERGY EQUIPMENT & SERVICES — 4.9%	
15,000	ION Geophysical Corporation *	261,750
10,000	Patterson-UTI Energy, Inc.	360,400
		622,150

Shares	COMMON STOCKS — 73.8% (Continued)	Market Value
	HEALTH CARE EQUIPMENT & SUPPLIES — 2.2%	
7,000	Kinetic Concepts, Inc. *	$ 279,370
	HOUSEHOLD DURABLES — 0.9%	
2,000	Black & Decker Corporation (The)	115,020
	INDUSTRIAL CONGLOMERATES — 1.0%	
4,000	Raven Industries, Inc.	131,120
	INSURANCE — 8.2%	
492	Alleghany Corporation *	163,369
10,200	Brown & Brown, Inc.	177,378
700	Markel Corporation *	256,900
65,000	Meadowbrook Insurance Group, Inc.	344,500
200	White Mountains Insurance Group Ltd.	85,800
		1,027,947
	INTERNET SOFTWARE & SERVICES — 1.1%	
23,200	RADVision Ltd. *	141,288
	IT SERVICES — 1.0%	
6,000	Broadridge Financial Solutions, Inc.	126,300
	MACHINERY — 5.1%	
2,000	American Railcar Industries, Inc.	33,560
1,900	Lincoln Electric Holdings, Inc.	149,530
5,000	Sun Hydraulics Corporation	161,350
4,500	Toro Company (The)	149,715
4,400	Trinity Industries, Inc.	152,636
		646,791
	MARINE — 0.4%	
1,200	Alexander & Baldwin, Inc.	54,660
	MEDIA — 1.8%	
10,000	Harte-Hanks, Inc.	114,500
4,000	Meredith Corporation	113,160
		227,660
	MULTI-LINE RETAIL — 1.1%	
4,200	Dollar Tree, Inc. *	137,298
	OFFICE ELECTRONICS — 1.3%	
5,000	Zebra Technologies Corporation - Class A *	163,200

AVE MARIA OPPORTUNITY FUND
SCHEDULE OF INVESTMENTS (Continued)

Shares	COMMON STOCKS — 73.8% (Continued)	Market Value
	OIL, GAS & CONSUMABLE FUELS — 2.1%	
2,000	Frontier Oil Corporation	$ 47,820
6,000	Holly Corporation	221,520
		269,340
	PHARMACEUTICALS — 0.6%	
3,000	Endo Pharmaceuticals Holdings, Inc. *	72,570
	SEMICONDUCTORS & SEMICONDUCTOR EQUIPMENT — 1.7%	
3,000	Analog Devices, Inc.	95,310
6,000	National Semiconductor Corporation	123,240
		218,550
	SPECIALTY RETAIL — 2.7%	
15,000	Chico's FAS, Inc. *	80,550
6,000	Foot Locker, Inc.	74,700
3,500	Ross Stores, Inc.	124,320
1,300	Sherwin-Williams Company (The)	59,709
		339,279
	TEXTILES, APPAREL & LUXURY GOODS — 1.6%	
2,300	Columbia Sportswear Company	84,525
4,200	Hanesbrands, Inc. *	113,988
		198,513
	THRIFTS & MORTGAGE FINANCE — 0.9%	
12,400	Westfield Financial, Inc.	112,220
	TRADING COMPANIES & DISTRIBUTORS — 0.8%	
4,000	Applied Industrial Technologies, Inc.	96,680
	TOTAL COMMON STOCKS (Cost $9,484,106)	$ 9,300,730

Shares	CASH EQUIVALENTS — 14.3%	Market Value
602,149	Federated Government Obligations Tax-Managed Fund - Institutional Shares, 2.156%[a]	$ 602,149
602,149	Federated Treasury Obligations Fund - Institutional Shares, 1.920%[a]	602,149
602,149	Federated U.S. Treasury Cash Reserve Fund - Institutional Shares, 1.465%[a]	602,149
	TOTAL CASH EQUIVALENTS (Cost $1,806,447)	$ 1,806,447

AVE MARIA OPPORTUNITY FUND
SCHEDULE OF INVESTMENTS (Continued)

Face Amount	REPURCHASE AGREEMENTS [b] — 14.7%	Market Value
$ 1,850,003	U.S. Bank N.A., 1.250%, dated 06/30/08, due 07/01/08 repurchase proceeds: $1,850,067 (Cost $1,850,003)	$ 1,850,003
	TOTAL INVESTMENTS AT MARKET VALUE — 102.8% (Cost $13,140,556)	$ 12,957,180
	LIABILITIES IN EXCESS OF OTHER ASSETS — (2.8%)	(350,199)
	NET ASSETS — 100.0%	$ 12,606,981

* Non-income producing security.

[a] Variable rate security. The rate shown is the 7-day effective yield as of June 30, 2008.

[b] Repurchase agreement is fully collateralized by $1,850,003 FGCI Pool # 99430, 4.50%, due 09/01/2018. The aggregate market value of the collateral at June 30, 2008 was $1,887,237.

See notes to financial statements.

AVE MARIA BOND FUND
PORTFOLIO MANAGER COMMENTARY

Dear Fellow Shareholders:

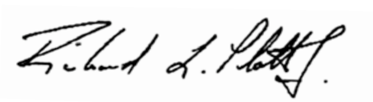
For the six months ended June 30, 2008, the Ave Maria Bond Fund (Class R) had a total return of +0.3% compared with a return of +1.4% for the Lehman Brothers Intermediate U.S. Government/Credit Index.

U.S. credit markets continue to be roiled by fallout from the sub-prime mortgage and housing collapse. Virtually all sectors of the credit market have been affected to one degree or another. Credit spreads, the premium investors receive for assuming higher levels of credit risk, have widened out significantly in response to these difficulties. With economic growth continuing to slow, the Fed has continued its accommodative monetary policy. The result has been lower short-term interest rates.

Performance of the Fund during the six-month period was impacted by a number of factors. Overall, our equity holdings were a modest negative on performance. Nevertheless, the two greatest individual contributions to positive performance came from the common stocks of Diebold, Incorporated up 49.1% and Ross Stores, Inc. +38.9%. Beyond that, our commitment to high-quality Treasuries and Treasury Inflation Protected Securities (TIPS) made meaningful positive contributions. Our commitment to high quality fixed income securities has paid off.

Negatively impacting performance during the period were Newell Rubbermaid Inc. down 35.1%, Pinnacle West Capital Corporation -27.4%, and BB&T Corporation -25.8%. We continue to expect equities to be strongly additive to long-term returns.

Sincerely,



Richard L. Platte, Jr., CFA
Portfolio Manager

AVE MARIA BOND FUND
TEN LARGEST HOLDINGS*
June 30, 2008 (Unaudited)

Par Value	Holding	Market Value	% of Net Assets
$2,000,000	U.S. Treasury Note, 3.875%, due 05/15/18	$1,983,282	3.8%
1,500,000	Private Export Funding Corporation, 5.685%, due 05/15/12	1,591,286	3.1%
1,500,000	U.S. Treasury Note, 4.375%, due 08/15/12	1,571,367	3.0%
1,500,000	U.S. Treasury Note, 4.250%, due 10/15/10	1,553,086	3.0%
1,063,520	U.S. Treasury Inflation-Protection Note, 2.500%, due 07/15/16	1,162,062	2.3%
1,036,300	U.S. Treasury Inflation-Protection Note, 2.625%, due 07/15/17	1,144,625	2.2%
1,000,000	ConocoPhillips, 8.750%, due 05/25/10	1,088,250	2.1%
1,000,000	Praxair, Inc., 6.375%, due 04/01/12	1,058,364	2.1%
1,000,000	United Technologies Corporation, 6.350%, due 03/01/11	1,052,243	2.0%
1,000,000	Kellogg Company, 6.600%, due 04/01/11	1,052,098	2.0%

* Excludes cash equivalents.

ASSET ALLOCATION (Unaudited)

	% of Net Assets
U.S. GOVERNMENT AND AGENCY OBLIGATIONS	
U.S. Treasuries	16.4%
U.S. Government Agencies	13.9%
CORPORATE BONDS	
Sector	
Consumer Products	7.8%
Finance	5.6%
Food & Tobacco	3.3%
Industrials	22.8%
Utilities	5.9%
COMMON STOCKS	
Sector	
Consumer Discretionary	4.8%
Consumer Staples	1.4%
Financials	3.1%
Industrials	1.6%
Information Technology	0.7%
Materials	1.6%
Utilities	2.9%
Cash Equivalents, Other Assets and Liabilities	8.2%
	100.0%

AVE MARIA BOND FUND
SCHEDULE OF INVESTMENTS
June 30, 2008 (Unaudited)

Par Value	U.S. GOVERNMENT AND AGENCY OBLIGATIONS — 30.3%	Market Value
	U.S. TREASURIES — 16.4%	
$ 1,000,000	U.S. Treasury Note, 3.375%, due 10/15/09	$ 1,013,516
1,500,000	U.S. Treasury Note, 4.250%, due 10/15/10	1,553,086
1,500,000	U.S. Treasury Note, 4.375%, due 08/15/12	1,571,367
2,000,000	U.S. Treasury Note, 3.875%, due 05/15/18	1,983,282
1,063,520	U.S. Treasury Inflation-Protection Note, 2.500%, due 07/15/16	1,162,062
1,036,300	U.S. Treasury Inflation-Protection Note, 2.625%, due 07/15/17	1,144,625
		8,427,938
	U.S. GOVERNMENT AGENCIES — 13.9%	
1,000,000	Federal Farm Credit Bank, 4.480%, due 08/24/12	1,019,044
1,000,000	Federal Farm Credit Bank, 4.600%, due 12/27/12	1,022,023
1,000,000	Federal Farm Credit Bank, 4.500%, due 01/22/15	1,006,431
500,000	Federal Home Loan Bank, 3.375%, due 07/21/08	500,283
1,000,000	Federal Home Loan Bank, 5.000%, due 09/01/10	1,035,048
1,000,000	Federal Home Loan Bank, 5.815%, due 08/21/13	1,003,950
1,500,000	Private Export Funding Corporation, 5.685%, due 05/15/12	1,591,286
		7,178,065
	TOTAL U.S. GOVERNMENT AND AGENCY OBLIGATIONS (Cost $15,320,132)	$ 15,606,003

Par Value	CORPORATE BONDS — 45.4%	Market Value
	CONSUMER PRODUCTS — 7.8%	
$ 1,000,000	Black & Decker Corporation, 7.125%, due 06/01/11	$ 1,042,584
1,000,000	Harley-Davidson, Inc. - 144A[(a)], 3.625%, due 12/15/08	1,000,071
1,000,000	Stanley Works (The), 5.000%, due 03/15/10	1,005,705
1,000,000	Sysco Corporation, 4.200%, due 02/12/13	977,433
		4,025,793
	FINANCE — 5.6%	
1,000,000	BB&T Corporation, 4.750%, due 10/01/12	962,663
1,000,000	Caterpillar Financial Services Corporation, 4.750%, due 02/17/15	965,064
1,000,000	Marshall & Ilsley Bank, 5.250%, due 09/04/12	966,992
		2,894,719
	FOOD & TOBACCO — 3.3%	
600,000	Hormel Foods Corporation, 6.625%, due 06/01/11	631,405
1,000,000	Kellogg Company, 6.600%, due 04/01/11	1,052,098
		1,683,503

AVE MARIA BOND FUND
SCHEDULE OF INVESTMENTS (Continued)

Par Value	CORPORATE BONDS — 45.4% (Continued)	Market Value
	INDUSTRIALS — 22.8%	
$ 1,000,000	Apache Corporation, 5.625%, due 01/15/17	$ 1,011,792
1,000,000	ConocoPhillips, 8.750%, due 05/25/10	1,088,250
1,000,000	Cooper US, Inc., 5.450%, due 04/01/15	1,006,893
1,000,000	Dover Corporation, 6.500%, due 02/15/11	1,048,956
1,000,000	Halliburton Company, 5.500%, due 10/15/10	1,035,970
500,000	Johnson Controls, Inc., 5.250%, due 01/15/11	505,638
500,000	Johnson Controls, Inc., 5.500%, due 01/15/16	479,679
1,000,000	Masco Corporation, 5.875%, due 07/15/12	954,920
1,000,000	PPG Industries, Inc., 6.650%, due 03/15/18	1,019,188
1,000,000	Praxair, Inc., 6.375%, due 04/01/12	1,058,364
1,000,000	Rockwell Automation, Inc., 5.650%, due 12/01/17	983,497
500,000	R.R. Donnelly & Sons Company, 4.950%, due 05/15/10	489,565
1,000,000	United Technologies Corporation, 6.350%, due 03/01/11	1,052,243
		11,734,955
	UTILITIES — 5.9%	
1,000,000	FPL Group Capital, Inc., 5.625%, due 09/01/11	1,029,590
1,000,000	National Rural Utilities Cooperative Finance Corporation, 4.750%, due 03/01/14	967,262
1,000,000	Southern Power Company, 6.250%, due 07/15/12	1,041,942
		3,038,794
	TOTAL CORPORATE BONDS (Cost $23,766,590)	$ 23,377,764

Shares	COMMON STOCKS — 16.1%	Market Value
	AUTOMOBILES — 0.5%	
7,000	Harley-Davidson, Inc.	$ 253,820
	CHEMICALS — 1.6%	
40,000	RPM International Inc.	824,000
	COMMERCIAL BANKS — 1.3%	
13,000	BB&T Corporation	296,010
20,000	Synovus Financial Corporation	174,600
16,000	TCF Financial Corporation	192,480
		663,090
	COMMERICAL SERVICES & SUPPLIES — 1.6%	
15,000	R.R. Donnelley & Sons Company	445,350
10,000	Waste Management, Inc	377,100
		822,450
	DISTRIBUTORS — 0.9%	
12,000	Genuine Parts Company	476,160

AVE MARIA BOND FUND
SCHEDULE OF INVESTMENTS (Continued)

Shares	COMMON STOCKS — 16.1% (Continued)	Market Value
	ELECTRIC UTILITIES — 1.9%	
9,000	Pinnacle West Capital Corporation	$ 276,930
20,000	Southern Company	698,400
		975,330
	FOOD & STAPLES RETAILING — 1.0%	
18,000	Sysco Corporation	495,180
	FOOD PRODUCTS — 0.4%	
4,500	Kellogg Company	216,090
	HOUSEHOLD DURABLES — 1.1%	
25,000	Leggett & Platt, Inc.	419,250
10,000	Newell Rubbermaid Inc.	167,900
		587,150
	INSURANCE — 1.8%	
20,000	Arthur J. Gallagher & Co.	482,000
10,000	Mercury General Corporation	467,200
		949,200
	IT SERVICES — 0.7%	
12,000	Paychex, Inc.	375,360
	MULTI-UTILITIES — 1.0%	
15,000	NSTAR	507,300
	SPECIALTY RETAIL — 1.7%	
15,000	Ross Stores, Inc.	532,800
8,000	Sherwin-Williams Company (The)	367,440
		900,240
	TEXTILES, APPAREL & LUXURY GOODS — 0.6%	
4,000	VF Corporation	284,720
	TOTAL COMMON STOCKS (Cost $9,159,433)	$ 8,330,090

AVE MARIA BOND FUND
SCHEDULE OF INVESTMENTS (Continued)

Shares	CASH EQUIVALENTS — 7.1%	Market Value
2,444,239	Federated Government Obligations Tax-Managed Fund - Institutional Shares, 2.156%[b]	$ 2,444,239
1,204,588	Federated Treasury Obligations Fund - Institutional Shares, 1.920%[b]	1,204,588
	TOTAL CASH EQUIVALENTS (Cost $3,648,827)	$ 3,648,827
	TOTAL INVESTMENTS AT MARKET VALUE — 98.9% (Cost $51,894,982)	$ 50,962,684
	OTHER ASSETS IN EXCESS OF LIABILITIES — 1.1%	581,022
	NET ASSETS — 100.0%	$ 51,543,706

(a) 144A - This is a restricted security that was sold in a transaction exempt from Rule 144A of the Securities Act of 1933. This security may be sold in transactions exempt from registration, normally to qualified institutional buyers.

(b) Variable rate security. The rate shown is the 7-day effective yield as of June 30, 2008.

See notes to financial statements.

AVE MARIA MUTUAL FUNDS
STATEMENTS OF ASSETS AND LIABILITIES
June 30, 2008 (Unaudited)

	Ave Maria Catholic Values Fund	Ave Maria Growth Fund	Ave Maria Rising Dividend Fund	Ave Maria Opportunity Fund	Ave Maria Bond Fund
ASSETS					
Investment securities:					
At amortized cost	$ 206,179,939	$ 100,815,487	$ 79,118,704	$ 13,140,556	$ 51,894,982
At market value (Note 1)	$ 207,711,903	$ 111,027,867	$ 74,842,982	$ 12,957,180	$ 50,962,684
Receivable for capital shares sold	90,346	206,724	33,748	17,390	104,252
Receivable for investment securities sold	—	479,087	—	—	145,807
Receivable from Adviser (Note 2)	—	—	—	2,464	—
Dividends and interest receivable	226,513	72,346	112,863	11,224	570,398
Other assets	12,285	22,056	30,927	16,833	16,601
TOTAL ASSETS	208,041,047	111,808,080	75,020,520	13,005,091	51,799,742
LIABILITIES					
Dividends payable	—	—	80,338	—	60,164
Capital gain distributions payable	10,389	—	67,988	—	—
Payable for investment securities purchased	847,362	454,011	—	384,206	85,178
Payable for capital shares redeemed	297,249	145,667	14,480	12	49,837
Payable to Adviser (Note 2)	540,199	262,230	148,806	—	2,606
Payable to administrator (Note 2)	27,600	14,600	9,900	4,000	4,300
Accrued distribution fees (Note 2)	31,887	24,469	—	—	40,024
Other accrued expenses	24,952	15,678	—	9,892	13,927
TOTAL LIABILITIES	1,779,638	916,655	321,512	398,110	256,036
NET ASSETS	$ 206,261,409	$ 110,891,425	$ 74,699,008	$ 12,606,981	$ 51,543,706
NET ASSETS CONSIST OF:					
Paid-in capital	$ 199,363,394	$ 99,993,770	$ 79,761,854	$ 14,980,139	$ 52,319,604
Accumulated undistributed net investment income/(loss)	(138,896)	(282,640)	294	42,742	332
Accumulated net realized gains/(losses) from security transactions	5,504,947	967,915	(787,418)	(2,232,524)	156,068
Net unrealized appreciation/(depreciation) on investments	1,531,964	10,212,380	(4,275,722)	(183,376)	(932,298)
NET ASSETS	$ 206,261,409	$ 110,891,425	$ 74,699,008	$ 12,606,981	$ 51,543,706
Shares of beneficial interest outstanding (unlimited number of shares authorized, no par value)	14,596,321	6,447,644	6,988,643	1,448,418	
Net asset value, offering price and redemption price per share (Note 1)	$ 14.13	$ 17.20	$ 10.69	$ 8.70	
PRICING OF CLASS I SHARES					
Net assets applicable to Class I shares					$ 9,765,362
Shares of beneficial interest outstanding (unlimited number of shares authorized, no par value)					978,242
Net asset value, offering price and redemption price per share (Note 1)					$ 9.98
PRICING OF CLASS R SHARES					
Net assets applicable to Class R shares					$ 41,778,344
Shares of beneficial interest outstanding (unlimited number of shares authorized, no par value)					4,190,577
Net asset value, offering price and redemption price per share (Note 1)					$ 9.97

See notes to financial statements.

AVE MARIA MUTUAL FUNDS
STATEMENTS OF OPERATIONS
For the Six Months Ended June 30, 2008 (Unaudited)

	Ave Maria Catholic Values Fund	Ave Maria Growth Fund	Ave Maria Rising Dividend Fund	Ave Maria Opportunity Fund	Ave Maria Bond Fund
INVESTMENT INCOME					
Dividend	$ 1,535,581	$ 560,892	$ 921,176	$ 128,298	$ 225,736
Interest	—	—	181	8,251	818,637
TOTAL INCOME	1,535,581	560,892	921,357	136,549	1,044,373
EXPENSES					
Investment advisory fees (Note 2)	1,116,318	562,355	290,477	75,046	72,365
Shareholder servicing fees (Note 2)	279,080	140,589	—	—	—
Shareholder servicing fees - Class R (Note 2)	—	—	—	—	47,873
Administration, accounting and transfer agent fees (Note 2)	168,931	85,157	58,622	24,000	24,856
Postage and supplies	42,902	25,795	16,637	6,657	9,740
Legal and audit fees	32,055	19,715	19,893	13,427	15,998
Trustees' fees and expenses	15,501	15,501	15,501	15,501	15,501
Registration fees - Common	4,809	14,230	12,635	11,054	9,140
Registration fees - Class I	—	—	—	—	415
Registration fees - Class R	—	—	—	—	3,135
Custodian fees	11,761	7,183	4,042	7,196	3,686
Advisory board fees and expenses	3,723	3,723	3,723	3,723	3,723
Compliance service fees	5,448	2,941	2,072	550	1,417
Other expenses	26,784	12,054	635	6,864	9,833
TOTAL EXPENSES	1,707,312	889,243	424,237	164,018	217,682
Less fees waived and/or expenses reimbursed by the Adviser (Note 2):					
Common	(32,835)	(45,711)	—	(70,211)	(69,077)
Class I	—	—	—	—	(415)
NET EXPENSES	1,674,477	843,532	424,237	93,807	148,190
NET INVESTMENT INCOME/(LOSS)	(138,896)	(282,640)	497,120	42,742	896,183
REALIZED AND UNREALIZED GAINS/(LOSSES) ON INVESTMENTS					
Net realized gains/(losses) from security transactions	5,941,239	967,915	(438,798)	(1,438,112)	156,004
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	(29,617,760)	(11,597,879)	(5,009,035)	(21,390)	(1,038,212)
NET REALIZED AND UNREALIZED LOSSES ON INVESTMENTS	(23,604,878)	(10,629,964)	(5,447,833)	(1,459,502)	(882,208)
NET INCREASE/(DECREASE) IN NET ASSETS FROM OPERATIONS	$(23,743,774)	$(10,912,604)	$ (4,950,713)	$ (1,416,760)	$ 13,975

See notes to financial statements.

AVE MARIA CATHOLIC VALUES FUND
STATEMENTS OF CHANGES IN NET ASSETS

	Six Months Ended June 30, 2008 (Unaudited)	Year Ended December 31, 2007
FROM OPERATIONS		
Net investment income/(loss)	$ (138,896)	$ 45,199
Net realized gains from security transactions	5,941,239	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	(29,617,760)	(13,218,975)
Net decrease in net assets from operations	(23,743,774)	(10,828,132)
FROM DISTRIBUTIONS TO SHAREHOLDERS		
From net investment income	—	(53,179)
From net realized gains on investments	(153,313)	(2,073,963)
Net decrease in net assets from distributions to shareholders	(153,313)	(2,127,142)
FROM CAPITAL SHARE TRANSACTIONS		
Proceeds from shares sold	11,223,225	51,156,753
Reinvestment of distributions to shareholders	142,924	1,945,841
Payments for shares redeemed	(28,403,099)	(50,963,533)
Net increase/(decrease) in net assets from capital share transactions	(17,036,950)	2,139,061
TOTAL DECREASE IN NET ASSETS	(40,934,037)	(10,816,213)
NET ASSETS		
Beginning of period	247,195,446	258,011,659
End of period	$ 206,261,409	$ 247,195,446
ACCUMULATED UNDISTRIBUTED NET INVESTMENT INCOME/(LOSS)	$ (138,896)	$ —
SUMMARY OF CAPITAL SHARE ACTIVITY		
Shares sold	757,082	2,963,771
Shares issued in reinvestment of distributions to shareholders	10,115	123,155
Shares redeemed	(1,913,027)	(2,985,874)
Net increase/(decrease) in shares outstanding	(1,145,830)	101,052
Shares outstanding, beginning of period	15,742,151	15,641,099
Shares outstanding, end of period	14,596,321	15,742,151

See notes to financial statements.

AVE MARIA GROWTH FUND
STATEMENTS OF CHANGES IN NET ASSETS

	Six Months Ended June 30, 2008 (Unaudited)	Year Ended December 31, 2007
FROM OPERATIONS		
Net investment loss	$ (282,640)	$ (579,287)
Net realized gains from security transactions	967,915	1,884,422
Net change in unrealized appreciation/(depreciation) on investments	(11,597,879)	9,682,834
Net increase/(decrease) in net assets from operations	(10,912,604)	10,987,969
FROM DISTRIBUTIONS TO SHAREHOLDERS		
From net realized gains on investments	—	(1,717,378)
FROM CAPITAL SHARE TRANSACTIONS		
Proceeds from shares sold	15,807,333	37,125,655
Reinvestment of distributions to shareholders	—	1,588,147
Payments for shares redeemed	(10,740,578)	(16,457,823)
Net increase in net assets from capital share transactions	5,066,755	22,255,979
TOTAL INCREASE/(DECREASE) IN NET ASSETS	(5,845,849)	31,526,570
NET ASSETS		
Beginning of period	116,737,274	85,210,704
End of period	$ 110,891,425	$ 116,737,274
ACCUMULATED UNDISTRIBUTED NET INVESTMENT INCOME/(LOSS)	$ (282,640)	$ —
SUMMARY OF CAPITAL SHARE ACTIVITY		
Shares sold	892,833	2,016,293
Shares issued in reinvestment of distributions to shareholders	—	83,105
Shares redeemed	(607,631)	(886,636)
Net increase in shares outstanding	285,202	1,212,762
Shares outstanding, beginning of period	6,162,442	4,949,680
Shares outstanding, end of period	6,447,644	6,162,442

See notes to financial statements.

AVE MARIA RISING DIVIDEND FUND
STATEMENTS OF CHANGES IN NET ASSETS

	Six Months Ended June 30, 2008 (Unaudited)	Year Ended December 31, 2007
FROM OPERATIONS		
Net investment income	$ 497,120	$ 1,003,761
Net realized gains/(losses) from security transactions	(438,798)	2,240,936
Net change in unrealized appreciation/(depreciation) on investments	(5,009,035)	(2,669,327)
Net increase/(decrease) in net assets from operations	(4,950,713)	575,370
FROM DISTRIBUTIONS TO SHAREHOLDERS		
From net investment income	(497,412)	(1,003,175)
From net realized gains on investments	(528,702)	(2,241,008)
Net decrease in net assets from distributions to shareholders	(1,026,114)	(3,244,183)
FROM CAPITAL SHARE TRANSACTIONS		
Net assets received in conjunction with fund merger (Note 1)	—	46,890,726
Proceeds from shares sold	9,355,390	19,866,356
Reinvestment of distributions to shareholders	790,246	2,409,951
Payments for shares redeemed	(12,212,326)	(18,806,800)
Net increase/(decrease) in net assets from capital share transactions	(2,066,690)	50,360,233
TOTAL INCREASE/(DECREASE) IN NET ASSETS	(8,043,517)	47,691,420
NET ASSETS		
Beginning of period	82,742,525	35,051,105
End of period	$ 74,699,008	$ 82,742,525
ACCUMULATED UNDISTRIBUTED NET INVESTMENT INCOME	$ 294	$ 586
SUMMARY OF CAPITAL SHARE ACTIVITY		
Shares issued in conjunction with fund merger (Note 1)	—	3,770,256
Shares sold	824,582	1,809,315
Shares issued in reinvestment of distributions to shareholders	73,359	204,522
Shares redeemed	(1,077,130)	(1,518,764)
Net increase/(decrease) in shares outstanding	(179,189)	4,265,329
Shares outstanding, beginning of period	7,167,832	2,902,503
Shares outstanding, end of period	6,988,643	7,167,832

See notes to financial statements.

AVE MARIA OPPORTUNITY FUND
STATEMENT OF CHANGES IN NET ASSETS

	Six Months Ended June 30, 2008 (Unaudited)	Year Ended December 31, 2007
FROM OPERATIONS		
Net investment income	$ 42,742	$ 134,119
Net realized losses from security transactions	(1,438,112)	(763,976)
Net change in unrealized appreciation/(depreciation) on investments	(21,390)	(1,185,767)
Net decrease in net assets from operations	(1,416,760)	(1,815,624)
FROM DISTRIBUTIONS TO SHAREHOLDERS		
From net investment income	—	(134,519)
FROM CAPITAL SHARE TRANSACTIONS		
Proceeds from shares sold	2,235,667	8,423,798
Reinvestment of distributions to shareholders	—	60,986
Payments for shares redeemed	(6,375,399)	(6,085,594)
Net increase/(decrease) in net assets from capital share transactions	(4,139,732)	2,399,190
TOTAL INCREASE/(DECREASE) IN NET ASSETS	(5,556,492)	449,047
NET ASSETS		
Beginning of period	18,163,473	17,714,426
End of period	$ 12,606,981	$ 18,163,473
ACCUMULATED UNDISTRIBUTED NET INVESTMENT INCOME	$ 42,742	$ —
SUMMARY OF CAPITAL SHARE ACTIVITY		
Shares sold	247,621	778,095
Shares issued in reinvestment of distributions to shareholders	—	6,346
Shares redeemed	(695,509)	(567,589)
Net increase/(decrease) in shares outstanding	(447,888)	216,852
Shares outstanding, beginning of period	1,896,306	1,679,454
Shares outstanding, end of period	1,448,418	1,896,306

See notes to financial statements.

AVE MARIA BOND FUND
STATEMENTS OF CHANGES IN NET ASSETS

	Six Months Ended June 30, 2008 (Unaudited)	Year Ended December 31, 2007
FROM OPERATIONS		
Net investment income	$ 896,183	$ 1,623,495
Net realized gains from security transactions	156,004	967,612
Net change in unrealized appreciation/(depreciation) on investments	(1,038,212)	(568,779)
Net increase in net assets from operations	13,975	2,022,328
FROM DISTRIBUTIONS TO SHAREHOLDERS		
From net investment income, Class I	(192,512)	(571,441)
From net investment income, Class R	(702,320)	(1,061,024)
From net realized gains on investments, Class I	—	(221,533)
From net realized gains on investments, Class R	—	(746,173)
Net decrease in net assets from distributions to shareholders	(894,832)	(2,600,171)
FROM CAPITAL SHARE TRANSACTIONS		
CLASS I		
Proceeds from shares sold	50,969	164,508
Payments for shares redeemed	(53,716)	(8,035,904)
Net decrease in net assets from Class I capital share transactions	(2,747)	(7,871,396)
CLASS R		
Proceeds from shares sold	10,369,466	15,304,038
Reinvestment of distributions to shareholders	563,651	1,548,186
Payments for shares redeemed	(2,602,425)	(5,568,193)
Net increase in net assets from Class R capital share transactions	8,330,692	11,284,031
TOTAL INCREASE IN NET ASSETS	7,447,088	2,834,792
NET ASSETS		
Beginning of period	44,096,618	41,261,826
End of period	$ 51,543,706	$ 44,096,618
ACCUMULATED UNDISTRIBUTED/(DISTRIBUTIONS IN EXCESS OF) NET INVESTMENT INCOME	$ 332	$ (1,019)
SUMMARY OF CAPITAL SHARE ACTIVITY		
CLASS I		
Shares sold	5,025	16,013
Shares redeemed	(5,286)	(779,366)
Net decrease in shares outstanding	(261)	(763,353)
Shares outstanding, beginning of period	978,503	1,741,856
Shares outstanding, end of period	978,242	978,503
CLASS R		
Shares sold	1,013,741	1,483,843
Shares issued in reinvestment of distributions to shareholders	55,408	151,631
Shares redeemed	(254,645)	(540,087)
Net increase in shares outstanding	814,504	1,095,387
Shares outstanding, beginning of period	3,376,073	2,280,686
Shares outstanding, end of period	4,190,577	3,376,073

See notes to financial statements.

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

	Six Months Ended June 30, 2008 (Unaudited)	Year Ended December 31, 2007	Year Ended December 31, 2006	Year Ended December 31, 2005	Year Ended December 31, 2004	Year Ended December 31, 2003
Net asset value at beginning of period	$ 15.70	$ 16.50	$ 15.06	$ 14.62	$ 12.75	$ 9.47
Income/(loss) from investment operations:						
Net investment income/(loss)	(0.01)	0.00 [a]	(0.04)	(0.04)	(0.05)	(0.03)
Net realized and unrealized gains/(losses) on investments	(1.55)	(0.67)	2.18	0.89	2.61	3.40
Total from investment operations	(1.56)	(0.67)	2.14	0.85	2.56	3.37
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)	(0.09)
Total distributions	(0.01)	(0.13)	(0.70)	(0.41)	(0.69)	(0.09)
Net asset value at end of period	$ 14.13	$ 15.70	$ 16.50	$ 15.06	$ 14.62	$ 12.75
Total return [b]	(9.9%)[c]	(4.0%)[d]	14.2%	5.8%	20.1%	35.6%
Ratios/Supplementary Data:						
Net assets at end of period (000's)	$ 206,261	$ 247,195	$ 258,012	$ 246,375	$ 248,070	$ 144,956
Ratio of net expenses to average net assets [e]	1.50% [f]	1.50%	1.50%	1.50%	1.50%	1.50%
Ratio of net investment income/(loss) to average net assets	(0.12%)[f]	0.03%	(0.23%)	(0.28%)	(0.44%)	(0.28%)
Portfolio turnover rate	25% [c]	52%	59%	61%	34%	58%

[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] Not annualized.

[d] During the periods ended June 30, 2008 and December 31, 2007, the Fund received a payment 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).

[e] Absent investment advisory fees waived by the Adviser, the ratio of expenses to average net assets would have been 1.53%[f], 1.52%, 1.51%, 1.52% and 1.56% for the periods ended June 30, 2008 and December 31, 2006, 2005, 2004 and 2003, respectively.

[f] Annualized.

See notes to financial statements.

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

	Six Months Ended June 30, 2008 (Unaudited)	Year Ended December 31, 2007	Year Ended December 31, 2006	Year Ended December 31, 2005	Year Ended December 31, 2004	Period Ended December 31, 2003[a]
Net asset value at beginning of period	$ 18.94	$ 17.22	$ 15.00	$ 14.99	$ 12.34	$ 10.00
Income/(loss) from investment operations:						
Net investment loss	(0.04)	(0.09)	(0.04)	(0.05)	(0.03)	(0.02)
Net realized and unrealized gains/(losses) on investments	(1.70)	2.09	2.40	0.10	2.68	2.36
Total from investment operations	(1.74)	2.00	2.36	0.05	2.65	2.34
Less distributions:						
From net realized gains on investments	—	(0.28)	(0.14)	(0.04)	—	—
Net asset value at end of period	$ 17.20	$ 18.94	$ 17.22	$ 15.00	$ 14.99	$ 12.34
Total return [b]	(9.2%)[c]	11.6%	15.8%	0.3%	21.5%	23.4% [c]
Ratios/Supplementary Data:						
Net assets at end of period (000's)	$ 110,891	$ 116,737	$ 85,211	$ 63,561	$ 51,574	$ 15,105
Ratio of net expenses to average net assets [d]	1.50% [e]	1.50%	1.50%	1.50%	1.50%	1.49% [e]
Ratio of net investment loss to average net assets	(0.50%)[e]	(0.55%)	(0.30%)	(0.34%)	(0.29%)	(0.36%)[e]
Portfolio turnover rate	7% [c]	9%	13%	29%	3%	0%

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

[b] Total return is a measure of the change in value of an investment in the Fund over the periods covered, which assumes any dividends or capital gains distributions are reinvested in shares of the Fund. 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 1.58%[e], 1.56%, 1.62%, 1.64%, 1.79% and 2.61%[e] for the periods ended June 30, 2008 and December 31, 2007, 2006, 2005, 2004 and 2003, respectively.

[e] Annualized.

See notes to financial statements.

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

	Six Months Ended June 30, 2008 (Unaudited)	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	0.07	0.16	0.14	0.08
Net realized and unrealized gains/(losses) on investments	(0.77)	(0.22)	1.75	0.59
Total from investment operations	(0.70)	(0.06)	1.89	0.67
Less distributions:				
From net investment income	(0.07)	(0.16)	(0.14)	(0.08)
From net realized gains on investments	(0.08)	(0.32)	(0.26)	(0.00)[b]
Total distributions	(0.15)	(0.48)	(0.40)	(0.08)
Net asset value at end of period	$ 10.69	$ 11.54	$ 12.08	$ 10.59
Total return [c]	(6.1%)[d]	(0.6%)	17.9%	6.7% [d]
Ratios/Supplementary Data:				
Net assets at end of period (000's)	$ 74,699	$ 82,743	$ 35,051	$ 25,243
Ratio of net expenses to average net assets [e]	1.10% [f]	1.14%	1.25%	1.24% [f]
Ratio of net investment income to average net assets	1.28% [f]	1.26%	1.23%	1.19% [f]
Portfolio turnover rate	12% [d]	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

	Six Months Ended June 30, 2008 (Unaudited)	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	(0.91)	(0.97)	0.77
Total from investment operations	(0.88)	(0.90)	0.83
Less distributions:			
From net investment income	—	(0.07)	(0.06)
From net realized gains on investments	—	—	(0.22)
Total distributions	—	(0.07)	(0.28)
Net asset value at end of period	$ 8.70	$ 9.58	$ 10.55
Total return [b]	(9.2%) [c]	(8.5%)	8.3% [c]
Ratios/Supplementary Data:			
Net assets at end of period (000's)	$ 12,607	$ 18,163	$ 17,714
Ratio of net expenses to average net assets [d]	1.25% [e]	1.25%	1.24% [e]
Ratio of net investment income to average net assets	0.57% [e]	0.66%	0.84% [e]
Portfolio turnover rate	100% [c]	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 fees waived by the Adviser, the ratio of expenses to average net assets would have been 2.19%[e], 1.80% and 1.90%[e] for the periods ended June 30, 2008 and December 31, 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 Period

	Six Months Ended June 30, 2008 (Unaudited)	Year Ended December 31, 2007	Year Ended December 31, 2006	Year Ended December 31, 2005	Year Ended December 31, 2004	Period Ended December 31, 2003[a]
Net asset value at beginning of period	$ 10.14	$ 10.26	$ 10.10	$ 10.29	$ 10.09	$ 10.00
Income/(loss) from investment operations:						
Net investment income	0.20	0.41	0.38	0.33	0.28	0.16
Net realized and unrealized gains/ (losses) on investments	(0.16)	0.11	0.23	(0.15)	0.27	0.10
Total from investment operations	0.04	0.52	0.61	0.18	0.55	0.26
Less distributions:						
From net investment income	(0.20)	(0.41)	(0.38)	(0.33)	(0.28)	(0.16)
From net realized gains on investments	—	(0.23)	(0.07)	(0.04)	(0.07)	(0.01)
Total distributions	(0.20)	(0.64)	(0.45)	(0.37)	(0.35)	(0.17)
Net asset value at end of period	$ 9.98	$ 10.14	$ 10.26	$ 10.10	$ 10.29	$ 10.09
Total return [b]	0.3% [c]	5.1%	6.2%	1.8%	5.5%	2.6% [c]
Ratios/Supplementary Data:						
Net assets at end of period (000's)	$ 9,765	$ 9,919	$ 17,880	$ 48,115	$ 32,458	$ 30,773
Ratio of net expenses to average net assets [d]	0.40% [e]	0.37%	0.30%	0.30%	0.30%	0.30% [e]
Ratio of net investment income to average net assets	3.93% [e]	3.96%	3.67%	3.32%	2.77%	2.36% [e]
Portfolio turnover rate	29% [c]	45%	21%	22%	47%	50% [e]

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

[b] Total return is a measure of the change in value of an investment in the Fund over the periods covered, which assumes any dividends or capital gains distributions are reinvested in shares of the Fund. 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 0.69%[e], 0.68%, 0.65%, 0.61%, 0.72% and 0.71%[e] for the periods ended June 30, 2008 and December 31, 2007, 2006, 2005, 2004 and 2003, respectively.

[e] Annualized.

See notes to financial statements.

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

	Six Months Ended June 30, 2008 (Unaudited)	Year Ended December 31, 2007	Year Ended December 31, 2006	Year Ended December 31, 2005	Year Ended December 31, 2004	Period Ended December 31, 2003[a]
Net asset value at beginning of period	$ 10.12	$ 10.25	$ 10.08	$ 10.28	$ 10.09	$ 10.00
Income/(loss) from investment operations:						
Net investment income	0.18	0.38	0.35	0.30	0.24	0.14
Net realized and unrealized gains/ (losses) on investments	(0.15)	0.10	0.24	(0.16)	0.26	0.10
Total from investment operations	0.03	0.48	0.59	0.14	0.50	0.24
Less distributions:						
From net investment income	(0.18)	(0.38)	(0.35)	(0.30)	(0.24)	(0.14)
From net realized gains on investments	—	(0.23)	(0.07)	(0.04)	(0.07)	(0.01)
Total distributions	(0.18)	(0.61)	(0.42)	(0.34)	(0.31)	(0.15)
Net asset value at end of period	$ 9.97	$ 10.12	$ 10.25	$ 10.08	$ 10.28	$ 10.09
Total return [b]	0.3% [c]	4.8%	6.0%	1.4%	5.1%	2.4% [c]
Ratios/Supplementary Data:						
Net assets at end of period (000's)	$ 41,778	$ 34,178	$ 23,382	$ 16,839	$ 6,491	$ 1,502
Ratio of net expenses to average net assets[d]	0.67% [e]	0.65%	0.60%	0.61%	0.70%	0.69% [e]
Ratio of net investment income to average net assets	3.66% [e]	3.69%	3.37%	3.01%	2.37%	1.96% [e]
Portfolio turnover rate	29% [c]	45%	21%	22%	47%	50% [e]

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

[b] Total return is a measure of the change in value of an investment in the Fund over the periods covered, which assumes any dividends or capital gains distributions are reinvested in shares of the Fund. 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 0.96%[e], 0.96%, 0.94%, 0.92%, 1.31% and 2.49%[e] for the periods ended June 30, 2008 and December 31, 2007, 2006, 2005, 2004 and 2003, respectively.

[e] Annualized.

See notes to financial statements.

1. Significant Accounting Policies

The Ave Maria Catholic Values Fund, the Ave Maria Growth Fund, the Ave Maria Rising Dividend Fund, the Ave Maria Opportunity Fund 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 and Class A, Class D and Class I shares of the Catholic Equity Fund as of March 30, 2007 ($12.44 and $10.07, $9.44 and $10.07, respectively), 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 ("NYSE") on the day the securities are being valued, or, if not traded on a particular day, at the closing bid price. Securities which are quoted by NASDAQ are valued at the NASDAQ Official Closing Price. Securities traded in the over-the-counter market are valued at the 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 ("SFAS") 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 June 30, 2008, all of the inputs used to value the investments of Ave Maria Catholic Values Fund, Ave Maria Growth Fund, Ave Maria Rising Dividend Fund and Ave Maria Opportunity Fund were Level 1.

The following is a summary of the inputs used to value Ave Maria Bond Fund's investments as of June 30, 2008:

Valuation Inputs	Ave Maria Bond Fund
Level 1 - Quoted Prices	$ 11,978,917
Level 2 - Other Significant Observable Inputs	38,983,767
Total	$ 50,962,684

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

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

The tax character of distributable earnings at June 30, 2008 was as follows:

	Ave Maria Catholic Values Fund	Ave Maria Growth Fund	Ave Maria Rising Dividend Fund	Ave Maria Opportunity Fund	Ave Maria Bond Fund
Accumulated undistributed ordinary income/(loss)	$ (134,919)	$ (262,902)	$ 18,421	$ 42,742	$ 332
Capital loss carryforward	—	—	(330,285)	(777,264)	—
Net unrealized appreciation/ (depreciation)	1,122,017	10,212,380	(4,302,826)	(243,605)	(932,298)
Other gains/(losses)	5,910,917	948,177	(448,156)	(1,395,031)	156,068
Total distributable earnings/(deficit)	$ 6,898,015	$ 10,897,655	$ (5,062,846)	$ (2,373,158)	$ (775,898)

As of December 31, 2007, the Ave Maria Rising Dividend Fund had a capital loss carryforward acquired in the merger with the Catholic Equity Fund of $330,285, of which $215,994 expires September 30, 2008, $108,803 expires September 30, 2009 and $5,488 expires September 30, 2010. As of December 31, 2007, the Ave Maria Opportunity Fund had a capital loss carryforward for federal income tax purposes of $777,264, which expires on December 31, 2015. These capital loss carryforwards may be utilized in the current and 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 June 30, 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	$ 27,219,358	$ 19,485,932	$ 6,080,165	$ 715,779	$ 759,645
Gross unrealized depreciation	(26,097,341)	(9,273,552)	(10,382,991)	(959,384)	(1,691,943)
Net unrealized appreciation/ (depreciation)	$ 1,122,017	$ 10,212,380	$ (4,302,826)	$ (243,605)	$ (932,298)
Federal income tax cost	$ 206,589,886	$ 100,815,487	$ 79,145,808	$ 13,200,785	$ 51,894,982

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

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 periods ended June 30, 2008 and December 31, 2007 was as follows:

Period Ended	Ordinary Income	Long-Term Capital Gains	Total Distributions
Ave Maria Catholic Values Fund:			
June 30, 2008	$ —	$ 153,313	$ 153,313
December 31, 2007	$ 53,179	$ 2,073,963	$ 2,127,142
Ave Maria Growth Fund:			
June 30, 2008	$ —	$ —	$ —
December 31, 2007	$ —	$ 1,717,378	$ 1,717,378
Ave Maria Rising Dividend Fund:			
June 30, 2008	$ 1,008,098	$ 18,016	$ 1,026,114
December 31, 2007	$ 1,707,552	$ 1,536,631	$ 3,244,183
Ave Maria Opportunity Fund:			
June 30, 2008	$ —	$ —	$ —
December 31, 2007	$ 134,519	$ —	$ 134,519
Ave Maria Bond Fund - Class I:			
June 30, 2008	$ 192,512	$ —	$ 192,512
December 31, 2007	$ 604,319	$ 188,655	$ 792,974
Ave Maria Bond Fund - Class R:			
June 30, 2008	$ 702,320	$ —	$ 702,320
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 of instrumentalities as collateral under a repurchase agreement and, on a daily basis, mark-to-market such obligations to ensure that their value, including accrued interest, is at least equal to the amount to be repaid to the Fund under the repurchase agreement.

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

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

2. Investment Advisory Agreements and Transactions with Related Parties

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

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

The Adviser has contractually agreed to 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 six months ended June 30, 2008, the Adviser waived investment advisory fees of $32,835 with respect to the Ave Maria Catholic Values Fund; waived investment advisory fees of $45,711 with respect to the Ave Maria Growth Fund; waived investment advisory fees of $70,211 with respect to the Ave Maria Opportunity Fund; and waived investment advisory fees of $69,077 and reimbursed $415 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 June 30, 2008, the amount of fee reductions and expense reimbursements available for reimbursement to the Adviser are as follows:

Ave Maria Catholic Values Fund	$ 88,642
Ave Maria Growth Fund	$ 241,582
Ave Maria Opportunity Fund	$ 254,290
Ave Maria Bond Fund	$ 472,025

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

	December 31, 2008	December 31, 2009	December 31, 2010	June 30, 2011
Ave Maria Catholic Values Fund	$ 15,114	$ 40,693	$ —	$ 32,835
Ave Maria Growth Fund	$ 39,908	$ 90,617	$ 65,346	$ 45,711
Ave Maria Opportunity Fund	$ —	$ 73,278	$ 110,801	$ 70,211
Ave Maria Bond Fund	$ 90,784	$ 177,978	$ 133,771	$ 69,492

Additionally, during the periods ended June 30, 2008 and December 31, 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.

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 Funds and Ultimus, Ultimus supplies regulatory and compliance services, calculates the daily net asset value per share, maintains the financial books and records of the Funds, maintains the records of each shareholder's account, and processes purchases and redemptions of each Fund's shares. For the performance of these services, the Ave Maria Bond Fund pays Ultimus a monthly fee at an annual rate of 0.10% of its average daily net assets, and each of the Ave Maria Catholic Values Fund, the Ave Maria Growth Fund, the Ave Maria Rising Dividend Fund and the Ave Maria Opportunity Fund pays Ultimus a monthly fee at an annual rate of 0.15% of its average daily net assets. The fee payable by each Fund is subject to a minimum monthly fee of $4,000.

Pursuant to a Distribution Agreement between the Funds and the Distributor, the Distributor serves as the Funds' exclusive agent for the distribution of each Fund's 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 six months ended June 30, 2008, the total expenses incurred pursuant to the Plan were $279,080, $140,589, and $47,873 for the Ave Maria Catholic Values Fund, the Ave Maria Growth Fund, and Class R shares of the Ave Maria Bond Fund, respectively. No expenses were incurred pursuant to the Plan for Class I shares of the Ave Maria Bond Fund.

3. Investment Transactions

During the six months ended June 30, 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	$ 53,754,044	$ 12,614,462	$ 9,277,083	$ 12,357,269	$ 15,326,869
Proceeds from sales of investment securities......	$ 78,075,479	$ 7,883,616	$ 14,054,456	$ 17,960,835	$ 1,633,316

4. Contingencies and Commitments

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

AVE MARIA MUTUAL FUNDS
ABOUT YOUR 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 (January 1, 2008) and held until the end of the period (June 30, 2008).

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

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

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

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

Note that expenses shown in the table are meant to highlight and help you compare ongoing costs only. The Funds do not charge 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 January 1, 2008	Ending Account Value June 30, 2008	Expenses Paid During Period*
Based on Actual Fund Return	$1,000.00	$ 900.70	$7.09
Based on Hypothetical 5% Return (before expenses)	$1,000.00	$1,017.40	$7.52

* 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 182/366 (to reflect the one-half year period).

Ave Maria Growth Fund

	Beginning Account Value January 1, 2008	Ending Account Value June 30, 2008	Expenses Paid During Period*
Based on Actual Fund Return	$1,000.00	$ 908.10	$7.12
Based on Hypothetical 5% Return (before expenses)	$1,000.00	$1,017.40	$7.52

* 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 182/366 (to reflect the one-half year period).

Ave Maria Rising Dividend Fund

	Beginning Account Value January 1, 2008	Ending Account Value June 30, 2008	Expenses Paid During Period*
Based on Actual Fund Return	$1,000.00	$ 939.10	$5.30
Based on Hypothetical 5% Return (before expenses)	$1,000.00	$1,019.39	$5.52

* Expenses are equal to the Ave Maria Rising Dividend Fund's annualized expense ratio of 1.10% for the period, multiplied by the average account value over the period, multiplied by 182/366 (to reflect the one-half year period).

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

Ave Maria Opportunity Fund

	Beginning Account Value January 1, 2008	Ending Account Value June 30, 2008	Expenses Paid During Period*
Based on Actual Fund Return	$1,000.00	$ 908.10	$5.93
Based on Hypothetical 5% Return (before expenses)	$1,000.00	$1,018.65	$6.27

* 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 182/366 (to reflect the one-half year period).

Ave Maria Bond Fund – Class I

	Beginning Account Value January 1, 2008	Ending Account Value June 30, 2008	Expenses Paid During Period*
Based on Actual Fund Return	$1,000.00	$1,003.40	$1.99
Based on Hypothetical 5% Return (before expenses)	$1,000.00	$1,022.87	$2.01

* 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 182/366 (to reflect the one-half year period).

Ave Maria Bond Fund – Class R

	Beginning Account Value January 1, 2008	Ending Account Value June 30, 2008	Expenses Paid During Period*
Based on Actual Fund Return	$1,000.00	$1,003.10	$3.34
Based on Hypothetical 5% Return (before expenses)	$1,000.00	$1,021.53	$3.37

* Expenses are equal to the Ave Maria Bond Fund – Class R's annualized expense ratio of 0.67% for the period, multiplied by the average account value over the period, multiplied by 182/366 (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 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
APPROVAL OF ADVISORY AGREEMENTS
(Unaudited)

The Board of Trustees, including the Independent Trustees voting separately, have reviewed and approved the continuance of the Advisory Agreements with the Adviser on behalf of each Fund, and the continuance of the Sub-Advisory Agreement with JLB & Associates, Inc. (the "Sub-Adviser") on behalf of the Ave Maria Growth Fund. The approvals took place at a meeting held on February 9, 2008, at which all of the Trustees were present.

The Independent Trustees were advised by independent counsel of their fiduciary obligations in approving the Advisory Agreements and the Sub-Advisory Agreement (collectively, the "Agreements"). The Trustees also received and reviewed a considerable amount of information provided by the Adviser in response to requests of the Independent Trustees and their counsel to assist in their evaluation of the terms of the Agreements and whether the Agreements continue to be in the best interest of the Funds and their shareholders. The Trustees reviewed: (1) industry data comparing advisory fees and expense ratios of comparable investment companies; (2) comparative performance information; (3) the Adviser's revenues and costs of providing services to the Funds; and (4) information about the Adviser's and the Sub-Adviser's personnel. The Trustees considered various factors, among them: (1) the nature, extent and quality of the services provided by the Adviser and the Sub-Adviser; (2) the fees charged for those services and the Adviser's profitability with respect to the Funds; (3) the Funds' performance; (4) the extent to which economies of scale may be realized as the Funds grow; and (5) whether fee levels reflect these economies of scale for the benefit of the Funds' investors. The Independent Trustees were advised and supported by independent counsel experienced in securities matters throughout the process. Prior to voting, the Independent Trustees reviewed the proposed continuance of the Agreements with management and also met in a private session with independent counsel at which no representatives of the Adviser were present.

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

The Trustees considered short-term and long-term investment performance of the Funds in their deliberations. The Trustees considered each Fund's historical performance over various periods ended December 31, 2007, as it compared to the returns of relevant indices and similarly managed mutual funds. Based upon their review, the Trustees observed that: although the Ave Maria Catholic Values Fund underperformed its benchmark index (the S&P 500 Index) during 2007, over longer term periods (5 years and since inception), the Fund has outperformed such index; the Ave Maria Growth Fund outperformed its benchmark index (the S&P 500 Index) during 2007 and has outperformed such index over the Fund's lifetime; the Ave Maria Rising Dividend Fund outperformed its benchmark index (the S&P Dividend Aristocrats Index) during 2007 and has outperformed such index over the Fund's lifetime; the Ave Maria Opportunity Fund underperformed its benchmark index (the Russell 2000 Index) during 2007 and has underperformed such index over the Fund's lifetime; and, although the Ave Maria Bond Fund underperformed its benchmark index (the Lehman Brothers U.S. Government/Credit Intermediate Index) during 2007, the Fund has outperformed such index over the Fund's lifetime.

The Trustees reviewed the Adviser's analysis of its profitability from the Funds' Advisory Agreements for the year ended December 31, 2007. The Trustees considered that the Adviser may receive, in addition to the advisory fee, various research services as a result of the placement of the Funds' portfolio brokerage. The Independent Trustees noted that the Sub-Adviser's fees are paid by the Adviser and are set as a result of arms-length negotiations by the Adviser. The Trustees concluded that the Adviser possesses the fundamental resources necessary to serve as adviser to the Funds, and based upon their review of the financial statements provided by the Adviser, that it is sufficiently capitalized to remain economically viable to serve as adviser.

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

In approving the Agreements, the Independent Trustees reached the following conclusions: (1) the Independent Trustees noted the qualifications of key personnel of the Adviser and the Sub-Adviser that work with the Funds and concluded the Adviser and the Sub-Adviser are qualified to continue to manage each Fund's assets in accordance with its investment objective and policies and has provided reasonable services to the Funds; (2) based on the long-term performance of each Fund, the Independent Trustees believe that the nature and quality of services provided by the Adviser (and, with respect to the Ave Maria Growth Fund, by the Sub-Adviser) were satisfactory; (3) the advisory fees of the Ave Maria Bond Fund are competitive and lower than most comparably managed mutual funds and, while the advisory fees paid by the Ave Maria Catholic Values Fund, the Ave Maria Growth Fund and the Ave Maria Rising Dividend are in the higher range of fees for comparably managed funds, the Independent Trustees believe that the quality of investment advisory services provided by the Adviser and Sub-Adviser have been appropriate and that a contributing factor to higher expenses is the relatively small size of the Funds; (4) the

Adviser's commitment to cap overall operating expenses through fee waivers and, in some instances, through expense reimbursements has enabled the Funds to maintain a competitive overall expense ratio which has increased investment returns for shareholders; (5) the Independent Trustees are satisfied that the shareholders of the Funds are achieving economics of scale as the Funds grow; and (6) the Adviser has committed substantial resources towards the growth of the Funds. The Independent Trustees also reviewed and considered the "fallout benefits" to, and the profitability of, the Adviser with regards to its management of the Funds, concluding that the Adviser's profitability was not excessive, given the quality and scope of services provided by the Adviser and the investment performance of the Funds.

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

Ave Maria Catholic Values Fund

Ave Maria Growth Fund

Ave Maria Rising Dividend Fund

Ave Maria Opportunity Fund

Ave Maria Bond Fund

Ave Maria Mutual Funds
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