

SCHWARTZ INVESTMENT TRUST

Ave Maria Catholic Values Fund

Ave Maria Growth Fund

Ave Maria Rising Dividend Fund

Ave Maria Opportunity Fund

Ave Maria World Equity Fund

Ave Maria Bond Fund

*Annual Report*  
2012



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



**Corporate Offices**  
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Dear Shareholder 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 World Equity Fund (AVEWX)  
Ave Maria Bond Fund (AVEFX)  
Ave Maria Money Market Account

Many shareholders have asked if our investment strategies have changed in view of the election results of 2012. The answer is no. Although pro-growth capitalists like us were disappointed on November 6th, life goes on. Importantly, the economy and corporate profits are continuing to grow, albeit more slowly than they might have under a new administration. So despite excessive regulations which restrain profit margins and growth, earnings are progressing modestly. Other signs of hope include jobs growing again and the housing industry bottoming out after enduring depression-like conditions over the past four years. It remains to be seen whether higher tax rates on upper income earners will actually result in more revenues flowing into the Treasury. We'll see. Since no reduction in government spending is currently planned, the national debt (currently \$16+ trillion) will continue to expand.

A recession in 2013 will probably be avoided, but growth will be modest. Accordingly, the Ave Maria Mutual Funds have been positioned in a defensive manner. In our view, the portfolios are concentrated in exceptionally high quality businesses, which are less sensitive to the economic cycles than the average corporation. These companies are more in control of their own destiny than most. They tend to have proprietary products and services, which gives them pricing power and an enduring competitive advantage. In addition, their share prices are undervalued in relation to fundamentals, in our opinion.

These are difficult times for fiscal conservatives, and especially so for those of us who are also pro-life and pro-family conservatives. Notwithstanding, our staff of investment professionals will soldier on, pursuing opportunities which meet each of the Ave Maria Mutual Fund's investment objectives in a morally responsible way. Overall, we're optimistic about the prospects for the Ave Maria Mutual Funds. 2013 will not be a year for elevated expectations, but in our judgment, shareholders will experience relatively good results.

Respectfully,

A handwritten signature in black ink that reads "George P. Schwartz". The signature is written in a cursive, flowing style.

George P. Schwartz, CFA  
Chairman & President

February 15, 2012

*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, is available at the Ave Maria Funds website at [www.avemariafunds.com](http://www.avemariafunds.com) or by calling 1-888-726-9331.*

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.

# AVE MARIA MUTUAL FUNDS

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*This report is for the information of the shareholders of the Ave Maria Mutual Funds. To obtain a copy of the prospectus, please visit our website at [www.avemariafunds.com](http://www.avemariafunds.com) 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, is available at the Ave Maria Funds website at [www.avemariafunds.com](http://www.avemariafunds.com) or by calling 1-888-726-9331.*

# AVE MARIA CATHOLIC VALUES FUND

## PORTFOLIO MANAGER COMMENTARY

### (Unaudited)

Dear Fellow Shareowner:

The Ave Maria Catholic Values Fund (the “Fund”) had a 13.34% return for 2012 compared to 16.00% for the S&P 500 Index and 17.88% for the S&P 400 MidCap Index. Since inception on May 1, 2001, the Fund’s return verses its benchmarks is:

	5-01-01 through 12-31-12	
	Total Returns	
	<u>Annualized</u>	<u>Cumulative</u>
Ave Maria Catholic Values Fund (AVEMX)	6.56%	109.97%
S&P 500 Index	3.02%	41.56%
S&P 400 MidCap Index	7.46%	131.59%

Industry wide, equity mutual funds experienced net outflows for the fourth consecutive year, so the stock market’s mid-teen return in 2012 probably came as a surprise to those who fled to the safety of cash, bonds and gold in response to the daily barrage of negative economic and political news reports. Perhaps the market responded to what didn’t happen: the Euro zone did not melt down, China’s economy did not experience a hard landing, Israel did not attack Iran, all while the U.S. economy did not slip into recession and did not tumble over the “fiscal cliff.” None of these areas of concern have been put to rest, but there is evidence of forward progress on most of them. European stock and bond markets have rebounded from their debt crisis lows of last fall, even though Europe remains in recession. China’s economic growth has stabilized under new leadership, and the U.S. economy is proving more resilient than many feared. Real GDP is plodding along at about 2% and unemployment is slowly receding.

At long last, the housing market appears to be recovering from an unsustainably low level, and the Fund benefited from its investments in PulteGroup, Inc and Ryland Group, Inc., two of the country’s leading homebuilders. Lowe’s Companies, Inc. (home improvement retailer) was also one of the Fund’s biggest gainers. As consumer spending recovered, Chico’s FAS, Inc. (women’s apparel retailer) and Thor Industries, Inc. (RV manufacturing) contributed to positive performance. Accenture PLC was the Fund’s best-performing technology stock. Phillips 66 was a bright spot in the energy group.

Negatively affecting performance last year were technology companies, Hewlett-Packard Company and ADTRAN, Inc. A string of poor acquisitions and slowing PC and printer sales made Hewlett-Packard the worst performing stock in the Fund last year. DeVry, Inc. (education) also performed poorly due to declining enrollments and margin pressure, as increasing government

# AVE MARIA CATHOLIC VALUES FUND

## PORTFOLIO MANAGER COMMENTARY

### (Unaudited) (Continued)

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regulations and heavy student debt burdens hurt the for-profit education industry. We believe both Hewlett-Packard and DeVry are currently undervalued stocks with a lot of recovery potential.

In the second half of 2012, the Fund eliminated six stocks from the portfolio. The Hanover Insurance Group, Inc. and Meadowbrook Insurance Group, Inc. both had trouble executing on their business plans. ADTRAN, Inc. (telecommunications equipment) saw its revenue outlook dimmed, as major telecom companies pared capital spending. Increasing competitive pressures in the food distribution industry reduced the attractiveness of Sysco Corporation. Mettler-Toledo International, Inc. (technical instruments) and HPC, Inc. (health care REIT) were sold as they reached our estimate of intrinsic value. During this time, the Fund established new positions in Joy Global, Inc., a manufacturer of specialty mining equipment, PNC Financial Services Group, Inc. (banking), Covidien PLC (health care products) and GNC Holdings, Inc. (health supplements retailer). All of these companies comply with the Ave Maria Mutual Funds' moral screens.

Thank you for being a shareowner.

Sincerely,



George P. Schwartz, CFA  
Co-Portfolio Manager

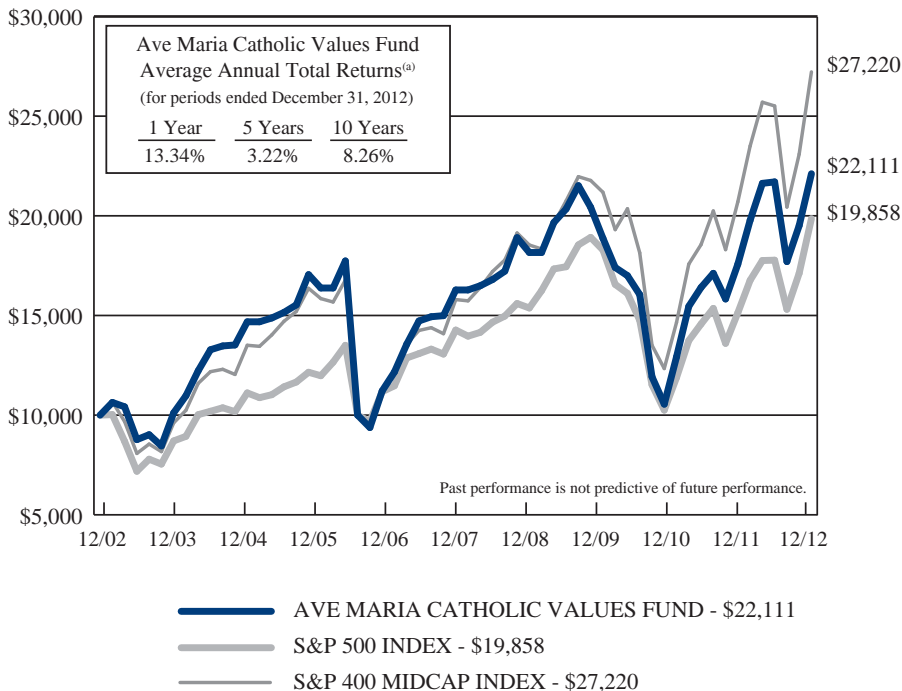


Gregory R. Heilman, CFA  
Co-Portfolio Manager



# AVE MARIA CATHOLIC VALUES FUND PERFORMANCE (Unaudited)

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



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

Expense ratio as of 12-31-11 (as disclosed in May 1, 2012 prospectus) 1.52%\*

Expense ratio for the year ended 12-31-12 1.48%

\* Includes Acquired Fund Fees and Expenses.

*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, is available at the Ave Maria Funds website at [www.avemariafunds.com](http://www.avemariafunds.com) or by calling 1-888-726-9331.*

# AVE MARIA CATHOLIC VALUES FUND

## ANNUAL TOTAL RATES OF RETURN

### COMPARISON WITH MAJOR INDICES (Unaudited)

	AVE MARIA CATHOLIC VALUES FUND	S&P 500 INDEX	S&P 400 MIDCAP INDEX	S&P 600 SMALLCAP INDEX	NASDAQ COMPOSITE <sup>(b)</sup>	VALUE LINE COMPOSITE <sup>(c)</sup>
2001 <sup>(a)</sup>	5.3%	-8.5%	-0.5%	5.0%	-10.1%	-7.3%
2002	-9.8%	-22.1%	-14.5%	-14.6%	-31.5%	-28.6%
2003	35.6%	28.7%	35.6%	38.8%	50.0%	37.4%
2004	20.1%	10.9%	16.5%	22.7%	8.6%	11.5%
2005	5.8%	4.9%	12.6%	7.7%	1.4%	2.0%
2006	14.2%	15.8%	10.3%	15.1%	9.5%	11.0%
2007	-4.0%	5.5%	8.0%	-0.3%	10.6%	-3.8%
2008	-36.8%	-37.0%	-36.2%	-31.1%	-40.0%	-48.7%
2009	37.6%	26.5%	37.4%	25.6%	45.3%	36.8%
2010	20.5%	15.1%	26.7%	26.3%	18.0%	20.5%
2011	-1.3%	2.1%	-1.7%	1.0%	-0.8%	-11.4%
2012	13.3%	16.0%	17.9%	16.3%	17.5%	9.5%

## AVERAGE ANNUAL TOTAL RETURNS

### As of December 31, 2012 (Unaudited)

	AVE MARIA CATHOLIC VALUES FUND	S&P 500 INDEX	S&P 400 MIDCAP INDEX	S&P 600 SMALLCAP INDEX	NASDAQ COMPOSITE <sup>(b)</sup>	VALUE LINE COMPOSITE <sup>(c)</sup>
3 Years	10.5%	10.9%	13.6%	14.1%	11.2%	5.3%
5 Years	3.2%	1.7%	5.2%	5.1%	3.7%	-3.9%
10 Years	8.3%	7.1%	10.5%	10.5%	8.5%	3.2%
Since Inception <sup>(d)</sup>	6.6%	3.0%	7.5%	7.9%	2.9%	-0.9%

<sup>(a)</sup> Represents the period from the commencement of operations (May 1, 2001) through December 31, 2001.

<sup>(b)</sup> Excluding dividends for the years ended 2001-2006. Effective 2007 the returns include dividends.

<sup>(c)</sup> Excluding dividends.

<sup>(d)</sup> Represents the period from the commencement of operations (May 1, 2001) through December 31, 2012.

# AVE MARIA CATHOLIC VALUES FUND

## TEN LARGEST EQUITY HOLDINGS

### December 31, 2012 (Unaudited)

Shares	Company	Market Value	% of Net Assets
130,000	Stryker Corporation .....	\$ 7,126,600	3.7%
190,000	Lowe's Companies, Inc. ....	6,748,800	3.5%
100,000	Accenture PLC - Class A .....	6,650,000	3.5%
350,000	Chico's FAS, Inc. ....	6,461,000	3.4%
70,000	United Technologies Corporation .....	5,740,700	3.0%
90,000	Range Resources Corporation .....	5,654,700	3.0%
400,000	Western Union Company (The) .....	5,444,000	2.8%
150,000	Halliburton Company .....	5,203,500	2.7%
150,000	GNC Holdings, Inc. - Class A .....	4,992,000	2.6%
30,000	SPDR Gold Trust .....	4,860,300	2.5%

## ASSET ALLOCATION (Unaudited)

Sector	% of Net Assets
Consumer Discretionary .....	20.7%
Energy .....	14.4%
Financials .....	18.2%
Health Care .....	12.5%
Industrials .....	12.2%
Information Technology .....	9.4%
Materials .....	2.0%
Exchange-Traded Funds .....	4.9%
Cash Equivalents, Other Assets and Liabilities .....	5.7%
	<u>100.0%</u>

**AVE MARIA CATHOLIC VALUES FUND**  
**SCHEDULE OF INVESTMENTS**  
**December 31, 2012**

<b>COMMON STOCKS — 89.4%</b>	<b>Shares</b>	<b>Market Value</b>
<b>Consumer Discretionary — 20.7%</b>		
<i>Auto Components — 2.0%</i>		
Gentex Corporation .....	200,000	\$ 3,764,000
<i>Automobiles — 1.0%</i>		
Thor Industries, Inc. ....	50,000	1,871,500
<i>Diversified Consumer Services — 0.6%</i>		
DeVry, Inc. ....	50,000	1,186,500
<i>Household Durables — 3.6%</i>		
PulteGroup, Inc. * .....	225,000	4,086,000
Ryland Group, Inc. (The) .....	75,000	2,737,500
		<u>6,823,500</u>
<i>Specialty Retail — 10.6%</i>		
Advance Auto Parts, Inc. ....	30,000	2,170,500
Chico's FAS, Inc. ....	350,000	6,461,000
GNC Holdings, Inc. - Class A .....	150,000	4,992,000
Lowe's Companies, Inc. ....	190,000	6,748,800
		<u>20,372,300</u>
<i>Textiles, Apparel &amp; Luxury Goods — 2.9%</i>		
Coach, Inc. ....	60,000	3,330,600
VF Corporation .....	15,000	2,264,550
		<u>5,595,150</u>
<b>Energy — 14.4%</b>		
<i>Energy Equipment &amp; Services — 3.5%</i>		
Halliburton Company .....	150,000	5,203,500
Tidewater, Inc. ....	35,000	1,563,800
		<u>6,767,300</u>
<i>Oil, Gas &amp; Consumable Fuels — 10.9%</i>		
Chesapeake Energy Corporation .....	100,000	1,662,000
Devon Energy Corporation .....	65,000	3,382,600
Exxon Mobil Corporation .....	50,000	4,327,500
Phillips 66 .....	70,000	3,717,000
Range Resources Corporation .....	90,000	5,654,700
Southwestern Energy Company * .....	60,000	2,004,600
		<u>20,748,400</u>
<b>Financials — 18.2%</b>		
<i>Capital Markets — 3.9%</i>		
Bank of New York Mellon Corporation (The) .....	175,000	4,497,500
Federated Investors, Inc. - Class B .....	150,000	3,034,500
		<u>7,532,000</u>
<i>Commercial Banks — 3.1%</i>		
PNC Financial Services Group, Inc. ....	55,000	3,207,050

**AVE MARIA CATHOLIC VALUES FUND**  
**SCHEDULE OF INVESTMENTS**  
**(Continued)**

<b>COMMON STOCKS — 89.4% (Continued)</b>	<b>Shares</b>	<b>Market Value</b>
<b>Financials — 18.2% (Continued)</b>		
<i>Commercial Banks — 3.1% (Continued)</i>		
U.S. Bancorp .....	85,000	\$ 2,714,900
		<u>5,921,950</u>
<i>Diversified Financial Services — 4.4%</i>		
MasterCard, Inc. - Class A .....	6,000	2,947,680
Western Union Company (The) .....	400,000	5,444,000
		<u>8,391,680</u>
<i>Insurance — 5.5%</i>		
Alleghany Corporation * .....	12,000	4,025,040
Reinsurance Group of America, Inc. ....	55,000	2,943,600
Unico American Corporation .....	282,945	3,454,759
		<u>10,423,399</u>
<i>Real Estate Management &amp; Development — 1.3%</i>		
Kennedy-Wilson Holdings, Inc. ....	175,000	2,446,500
		<u>2,446,500</u>
<b>Health Care — 12.5%</b>		
<i>Health Care Equipment &amp; Supplies — 7.1%</i>		
Covidien PLC .....	45,000	2,598,300
Stryker Corporation .....	130,000	7,126,600
Varian Medical Systems, Inc. * .....	55,000	3,863,200
		<u>13,588,100</u>
<i>Health Care Providers &amp; Services — 2.2%</i>		
Patterson Companies, Inc. ....	125,000	4,278,750
		<u>4,278,750</u>
<i>Life Sciences Tools &amp; Services — 1.1%</i>		
Waters Corporation * .....	25,000	2,178,000
		<u>2,178,000</u>
<i>Pharmaceuticals — 2.1%</i>		
Abbott Laboratories .....	60,000	3,930,000
		<u>3,930,000</u>
<b>Industrials — 12.2%</b>		
<i>Aerospace &amp; Defense — 4.3%</i>		
General Dynamics Corporation .....	35,000	2,424,450
United Technologies Corporation .....	70,000	5,740,700
		<u>8,165,150</u>
<i>Commercial Services &amp; Supplies — 1.5%</i>		
Genuine Parts Company .....	45,000	2,861,100
		<u>2,861,100</u>
<i>Construction &amp; Engineering — 1.9%</i>		
Foster Wheeler AG * .....	150,000	3,648,000
		<u>3,648,000</u>

**AVE MARIA CATHOLIC VALUES FUND**  
**SCHEDULE OF INVESTMENTS**  
**(Continued)**

<b>COMMON STOCKS — 89.4% (Continued)</b>	<b>Shares</b>	<b>Market Value</b>
<b>Industrials — 12.2% (Continued)</b>		
<i>Electrical Equipment — 2.0%</i>		
General Cable Corporation * .....	125,000	\$ 3,801,250
<i>Machinery — 2.5%</i>		
Caterpillar, Inc. ....	25,000	2,239,500
Joy Global, Inc. ....	40,000	2,551,200
		<u>4,790,700</u>
<b>Information Technology — 9.4%</b>		
<i>Computers &amp; Peripherals — 1.1%</i>		
Hewlett-Packard Company .....	150,000	2,137,500
<i>IT Services — 7.1%</i>		
Accenture PLC - Class A .....	100,000	6,650,000
International Business Machines Corporation .....	20,000	3,831,000
Teradata Corporation * .....	50,000	3,094,500
		<u>13,575,500</u>
<i>Office Electronics — 1.2%</i>		
Zebra Technologies Corporation - Class A * .....	55,000	2,160,400
<b>Materials — 2.0%</b>		
<i>Chemicals — 2.0%</i>		
FMC Corporation .....	65,000	3,803,800
<b>Total Common Stocks</b> (Cost \$130,654,728) .....		<u>\$ 170,762,429</u>
<b>EXCHANGE-TRADED FUNDS — 4.9%</b>	<b>Shares</b>	<b>Market Value</b>
iShares Gold Trust * .....	275,000	\$ 4,474,250
SPDR Gold Trust * .....	30,000	4,860,300
<b>Total Exchange-Traded Funds</b> (Cost \$8,598,220) .....		<u>\$ 9,334,550</u>

**AVE MARIA CATHOLIC VALUES FUND**  
**SCHEDULE OF INVESTMENTS**  
**(Continued)**

<b>MONEY MARKET FUNDS — 5.8%</b>	<b>Shares</b>	<b>Market Value</b>
Federated Government Obligations Tax-Managed Fund - Institutional Shares, 0.01% <sup>(a)</sup> .....	9,118,387	\$ 9,118,387
Federated Treasury Obligations Fund - Institutional Shares, 0.01% <sup>(a)</sup> .....	2,043,200	<u>2,043,200</u>
<b>Total Money Market Funds</b> (Cost \$11,161,587) .....		<u>\$ 11,161,587</u>
<b>Total Investments at Market Value — 100.1%</b> (Cost \$150,414,535) .....		\$ 191,258,566
<b>Liabilities in Excess of Other Assets — (0.1%)</b> .....		<u>(158,684)</u>
<b>Net Assets — 100.0%</b> .....		<u>\$ 191,099,882</u>

\* Non-income producing security.

<sup>(a)</sup> The rate shown is the 7-day effective yield as of December 31, 2012.

See notes to financial statements.

# AVE MARIA GROWTH FUND

## PORTFOLIO MANAGER COMMENTARY

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Dear Fellow Shareholders:

For the year ended December 31, 2012, the Ave Maria Growth Fund (the “Fund”) had a total return of 14.71% compared with 16.00% for the S&P 500 Index. For the three years ended December 31, 2012, the Fund’s total return was 13.40% annualized compared with 10.87% annualized for the S&P 500 Index. For the five years ended 2012, the Fund’s total return was 4.59% annualized compared with 1.66% annualized for the S&P 500 Index. Since inception (May 1, 2003), the Fund’s total return was 9.63%, annualized compared with 6.84% annualized for the S&P 500 Index.

The top five performing issues in the Ave Maria Growth Fund for 2012 were:

Gilead Sciences, Inc. – (Biotechnology)	+79.4%
Flowserve Corporation – (Industrial Machinery)	+54.3%
Polaris Industries, Inc. – (All-terrain Vehicles, Snowmobiles, Motorcycles)	+53.5%
Toro Company – (Construction & Farm Machinery & Heavy Trucks)	+44.0%
Amphenol Corporation – (Electronic Components)	+42.3%

The bottom five performing issues were:

Hewlett-Packard Company – (Computer Products Including Printers, Servers & PCs)	-43.0%
Herbalife Ltd. – (Personal Products)	-25.2%
Intel Corporation – (Semiconductors)	-18.1%
Occidental Petroleum Corporation – (Integrated Oil & Gas)	-15.6%
Expeditors International of Washington, Inc. – (Air Freight & Logistics)	-9.1%



# AVE MARIA GROWTH FUND

## PORTFOLIO MANAGER COMMENTARY

(Continued)

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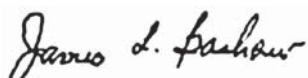
The Fund is managed as a diversified investment company. The current sector diversification of the Fund versus the S&P 500 Index is as follows:

<u>Economic Sector</u>	<u>Fund</u>	<u>S&amp;P</u>
Consumer Staples	8.3%	10.7%
Consumer Discretionary	11.3	11.5
Financials	4.3	15.6
Utilities	0.0	3.4
Telecommunication Services	0.0	3.1
Energy	2.9	11.0
Materials	3.4	3.6
Industrials	28.4	10.1
Information Technology	14.6	19.0
Health Care	14.3	12.0

As of December 31, 2012 the Ave Maria Growth Fund received a Lipper Scorecard\* rating of 5 (its highest) for each of the following categories: Total Return, Consistent Return and Preservation. Lipper is an organization that measures mutual fund performance and publishes the Lipper Leader Scorecard.

In addition, the Fund received a 5-star Overall rating from Morningstar (its highest rating) for the period ended December 31, 2012\*\*.

Respectfully,



James L. Bashaw, CFA  
Portfolio Manager

# AVE MARIA GROWTH FUND

## PORTFOLIO MANAGER COMMENTARY

(Continued)

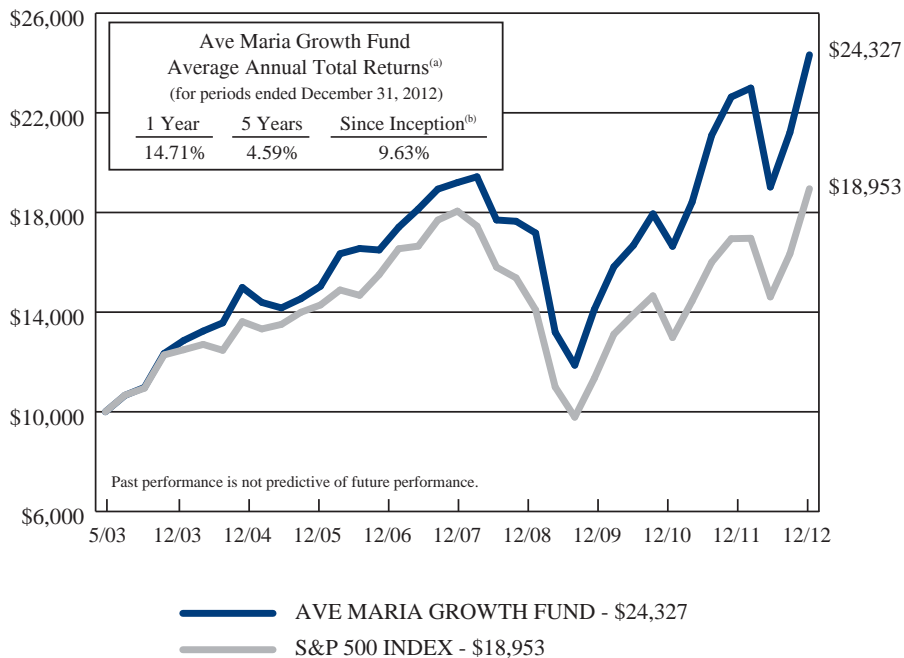
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*\* Past performance does not guarantee future results. Lipper ratings for Total Return reflect funds' historical total return performance relative to peers as of 12-31-12. Lipper ratings for Consistent Return reflect funds' historical risk-adjusted returns, adjusted for volatility, relative to peers as of 12-31-12. Lipper ratings for Preservation reflect funds' historical loss avoidance relative to other funds within the same asset class, as of 12-31-12. Preservation ratings are relative, rather than absolute measures, and funds named Lipper Leaders for Preservation may still experience losses periodically; those losses may be larger for equity and mixed equity funds than for fixed income funds. The Lipper ratings are subject to change every month and are based on an equal-weighted average of percentile ranks for the Total Return, Consistent Return, and Preservation metrics over three-, five-, and ten-year periods (if applicable). The highest 20% of funds in each peer group are named Lipper Leader or a score of 5, the next 20% receive a score of 4, the middle 20% are scored 3, the next 20% are scored 2, and the lowest 20% are scored 1. With respect to other time periods the fund received the following scores in its respective peer groups; for Total Return (Multi-Cap Growth Funds Category), 3 years Lipper Leader among 466 funds and 5 years Lipper Leader among 387 funds, for Consistent Return (Equity Income Funds Category), Lipper Leader among 463 funds and 5 years 4 among 384 funds, for Preservation (Equity Funds Category), 3 years 4 among 10,257 funds and 5 years Lipper Leader among 8,576 funds.*

*\*\* Past performance does not guarantee future results. All rating information is as of 12/31/12 -For the Overall period, the Ave Maria Growth Fund was rated five stars among 671 Mid-Cap Growth Funds. With respect to other periods, the Fund was rated 4 stars among 671 funds for the 3-year period and 5 stars among 591 funds for the five-year period. For each fund with at least a 3-year history, Morningstar calculates a risk-adjusted measure that accounts for variation in a fund's monthly performance (including the effects of all sales charges), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of each category receive a Morningstar Rating™ of 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. 2013, ©Morningstar, Inc. All rights reserved. The information contained herein is proprietary to Morningstar and/or its content providers, may not be copied or distributed and is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.*

# AVE MARIA GROWTH FUND PERFORMANCE (Unaudited)

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



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

<sup>(b)</sup> Represents the period from the commencement of operations (May 1, 2003) through December 31, 2012.

Expense ratio as of 12-31-11 (as disclosed in May 1, 2012 prospectus)	1.50%*
Expense ratio for the year ended 12-31-12	1.50%

\* Includes Acquired Fund Fees and Expenses.

*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, is available at the Ave Maria Funds website at [www.avemariafunds.com](http://www.avemariafunds.com) or by calling 1-888-726-9331.*

# AVE MARIA GROWTH FUND

## ANNUAL TOTAL RATES OF RETURN

### COMPARISON WITH MAJOR INDICES (Unaudited)

---

	AVE MARIA GROWTH FUND	S&P 500 INDEX
2003 <sup>(a)</sup>	23.4%	22.8%
2004	21.5%	10.9%
2005	0.3%	4.9%
2006	15.8%	15.8%
2007	11.6%	5.5%
2008	-32.1%	-37.0%
2009	26.4%	26.5%
2010	26.5%	15.1%
2011	0.5%	2.1%
2012	14.7%	16.0%

## AVERAGE ANNUAL TOTAL RETURNS

### As of December 31, 2012 (Unaudited)

---

	AVE MARIA GROWTH FUND	S&P 500 INDEX
3 Years	13.4%	10.9%
5 Years	4.6%	1.7%
Since Inception <sup>(b)</sup>	9.6%	6.8%

<sup>(a)</sup> Represents the period from the commencement of operations (May 1, 2003) through December 31, 2003.

<sup>(b)</sup> Represents the period from the commencement of operations (May 1, 2003) through December 31, 2012.

# AVE MARIA GROWTH FUND

## TEN LARGEST EQUITY HOLDINGS

### December 31, 2012 (Unaudited)

Shares	Company	Market Value	% of Net Assets
140,400	Gilead Sciences, Inc. ....	\$10,312,380	5.2%
119,000	Polaris Industries, Inc. ....	10,013,850	5.0%
194,000	Toro Company (The) ....	8,338,120	4.2%
122,200	McCormick & Company, Inc. ....	7,763,366	3.9%
138,000	Ross Stores, Inc. ....	7,472,700	3.8%
192,600	AMETEK, Inc. ....	7,235,982	3.6%
111,700	Amphenol Corporation - Class A ....	7,226,990	3.6%
107,000	Accenture PLC - Class A ....	7,115,500	3.6%
70,900	C.R. Bard, Inc. ....	6,929,766	3.5%
13,800	MasterCard, Inc. - Class A ....	6,779,664	3.4%

## ASSET ALLOCATION (Unaudited)

Sector	% of Net Assets
Consumer Discretionary .....	11.3%
Consumer Staples .....	8.3%
Energy .....	2.9%
Financials .....	4.3%
Health Care .....	14.3%
Industrials .....	28.4%
Information Technology .....	14.6%
Materials .....	3.4%
Exchange-Traded Funds .....	4.7%
Cash Equivalents, Other Assets and Liabilities .....	7.8%
	<u>100.0%</u>

**AVE MARIA GROWTH FUND**  
**SCHEDULE OF INVESTMENTS**  
**December 31, 2012**

<b>COMMON STOCKS — 87.5%</b>	<b>Shares</b>	<b>Market Value</b>
<b>Consumer Discretionary — 11.3%</b>		
<i>Leisure Equipment &amp; Products — 5.0%</i>		
Polaris Industries, Inc. ....	119,000	\$ <u>10,013,850</u>
<i>Specialty Retail — 3.8%</i>		
Ross Stores, Inc. ....	138,000	<u>7,472,700</u>
<i>Textiles, Apparel &amp; Luxury Goods — 2.5%</i>		
Coach, Inc. ....	90,800	<u>5,040,308</u>
<b>Consumer Staples — 8.3%</b>		
<i>Food Products — 5.7%</i>		
Kellogg Company .....	64,500	3,602,325
McCormick & Company, Inc. ....	122,200	<u>7,763,366</u>
		<u>11,365,691</u>
<i>Household Products — 2.6%</i>		
Clorox Company (The) .....	71,600	<u>5,242,552</u>
<b>Energy — 2.9%</b>		
<i>Oil, Gas &amp; Consumable Fuels — 2.9%</i>		
Exxon Mobil Corporation .....	22,400	1,938,720
Occidental Petroleum Corporation .....	50,300	<u>3,853,483</u>
		<u>5,792,203</u>
<b>Financials — 4.3%</b>		
<i>Capital Markets — 0.9%</i>		
SEI Investments Company .....	74,800	<u>1,745,832</u>
<i>Diversified Financial Services — 3.4%</i>		
MasterCard, Inc. - Class A .....	13,800	<u>6,779,664</u>
<b>Health Care — 14.3%</b>		
<i>Biotechnology — 5.2%</i>		
Gilead Sciences, Inc. * .....	140,400	<u>10,312,380</u>
<i>Health Care Equipment &amp; Supplies — 7.5%</i>		
C.R. Bard, Inc. ....	70,900	6,929,766
Stryker Corporation .....	55,500	3,042,510
Varian Medical Systems, Inc. * .....	70,700	<u>4,965,968</u>
		<u>14,938,244</u>
<i>Life Sciences Tools &amp; Services — 1.6%</i>		
Mettler-Toledo International, Inc. * .....	16,000	<u>3,092,800</u>

**AVE MARIA GROWTH FUND**  
**SCHEDULE OF INVESTMENTS**  
**(Continued)**

<b>COMMON STOCKS — 87.5% (Continued)</b>	<b>Shares</b>	<b>Market Value</b>
<b>Industrials — 28.4%</b>		
<i>Aerospace &amp; Defense — 3.4%</i>		
General Dynamics Corporation .....	55,700	\$ 3,858,339
Precision Castparts Corporation .....	15,500	2,936,010
		<u>6,794,349</u>
<i>Air Freight &amp; Logistics — 0.5%</i>		
Expeditors International of Washington, Inc. ....	24,200	957,110
<i>Commercial Services &amp; Supplies — 6.7%</i>		
Copart, Inc. * .....	227,600	6,714,200
Rollins, Inc. ....	298,250	6,573,430
		<u>13,287,630</u>
<i>Electrical Equipment — 3.6%</i>		
AMETEK, Inc. ....	192,600	7,235,982
<i>Industrial Conglomerates — 2.9%</i>		
Danaher Corporation .....	101,500	5,673,850
<i>Machinery — 11.3%</i>		
Donaldson Company, Inc. ....	122,800	4,032,752
Flowserve Corporation .....	26,000	3,816,800
Graco, Inc. ....	122,800	6,322,972
Toro Company (The) .....	194,000	8,338,120
		<u>22,510,644</u>
<b>Information Technology — 14.6%</b>		
<i>Electronic Equipment, Instruments &amp; Components — 3.6%</i>		
Amphenol Corporation - Class A .....	111,700	7,226,990
<i>IT Services — 8.7%</i>		
Accenture PLC - Class A .....	107,000	7,115,500
Cognizant Technology Solutions Corporation - Class A * .....	90,700	6,716,335
International Business Machines Corporation .....	17,800	3,409,590
		<u>17,241,425</u>
<i>Semiconductors &amp; Semiconductor Equipment — 2.3%</i>		
Altera Corporation .....	130,900	4,508,196
<b>Materials — 3.4%</b>		
<i>Chemicals — 3.4%</i>		
NewMarket Corporation .....	25,700	6,738,540
<b>Total Common Stocks (Cost \$109,543,501) .....</b>		<b>\$ 173,970,940</b>

# AVE MARIA GROWTH FUND

## SCHEDULE OF INVESTMENTS

**(Continued)**

<b>EXCHANGE-TRADED FUNDS — 4.7%</b>	<b>Shares</b>	<b>Market Value</b>
iShares Gold Trust * .....	285,500	\$ 4,645,085
SPDR Gold Trust * .....	28,700	<u>4,649,687</u>
<b>Total Exchange-Traded Funds</b> (Cost \$9,784,723) .....		<u>\$ 9,294,772</u>

<b>MONEY MARKET FUNDS — 8.0%</b>	<b>Shares</b>	<b>Market Value</b>
Federated Government Obligations Tax-Managed Fund - Institutional Shares, 0.01% <sup>(a)</sup> .....	9,316,930	\$ 9,316,930
Federated Treasury Obligations Fund - Institutional Shares, 0.01% <sup>(a)</sup> .....	6,522,038	<u>6,522,038</u>
<b>Total Money Market Funds</b> (Cost \$15,838,968) .....		<u>\$ 15,838,968</u>
<b>Total Investments at Market Value — 100.2%</b> (Cost \$135,167,192) .....		\$ 199,104,680
<b>Liabilities in Excess of Other Assets — (0.2%)</b> .....		<u>(343,266)</u>
<b>Net Assets — 100.0%</b> .....		<u>\$ 198,761,414</u>

\* Non-income producing security.

<sup>(a)</sup> The rate shown is the 7-day effective yield as of December 31, 2012.

See notes to financial statements.



# AVE MARIA RISING DIVIDEND FUND

## PORTFOLIO MANAGER COMMENTARY

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Dear Fellow Shareholders:

In our letter to you last year, we quoted Brian Rogers of T. Rowe Price as saying, “the world doesn’t end often.” In spite of the Mayan prediction, the world did survive, even with:

- the ups and downs of global economies
- the acrimonious election campaigning
- the disappointing results of the election for many investors
- continuing economic turmoil in Europe
- instability in the Middle East
- slow economic growth and high unemployment at home
- the fiscal cliff, *and*
- the debt ceiling debate

Whew! In terms of equity returns, it was actually a good year, with the Ave Maria Rising Dividend Fund (the “Fund”) generating a total return of 13.89%, compared to 16.00% for the S&P 500 Index, the Fund’s benchmark index.

Among stocks which added positively to performance, Phillips 66 (energy), Lowe’s Companies, Inc. (home improvement retailer) and Illinois Tool Works, Inc. (diversified manufacturer) were particularly noteworthy. Hewlett-Packard Company (personal computers and printing), DeVry, Inc. (for profit education) and Norfolk Southern Corporation (rail transport) generated the largest negative performance.

The vast majority of the companies held in the portfolio at year end 2012 increased their dividend during the year. As the name of the Fund suggests, we are quite interested in dividends - current and especially future. Ironically, this focus on the prospects for future dividends means that we most especially concern ourselves with what management does with the earnings retained in the business. We are interested in companies with management teams that invest retained earnings in high return activities. That allows them to pay future dividends at a rising rate.

These companies tend to do a very good job with retained earnings. They tend to be run by ethical and talented managers who take a long-term view of their business and the investment process. The nature of their businesses is also significant. These businesses generally have a “moat” – a barrier to competitors. The moat is significant because it allows companies to earn above average returns. The presence of moats is reflected in a growing stream of free cash flow, high profit margins and above average returns on capital. The companies are also well capitalized, giving them a sound base from which to build. This allows them to grow and ride out unpleasant economic periods in

# AVE MARIA RISING DIVIDEND FUND PORTFOLIO MANAGER COMMENTARY (Continued)

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a stable manner. Importantly, the managements of these companies recognize their responsibilities to their shareholders, and they come to work every day with the goal of adding value for owners.

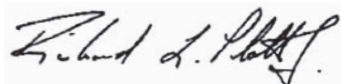
We believe the companies represented in the portfolio will continue to prosper, grow and increase their dividends.

We appreciate your investment in the Ave Maria Rising Dividend Fund and take very seriously the trust you have placed in us.

With best regards,



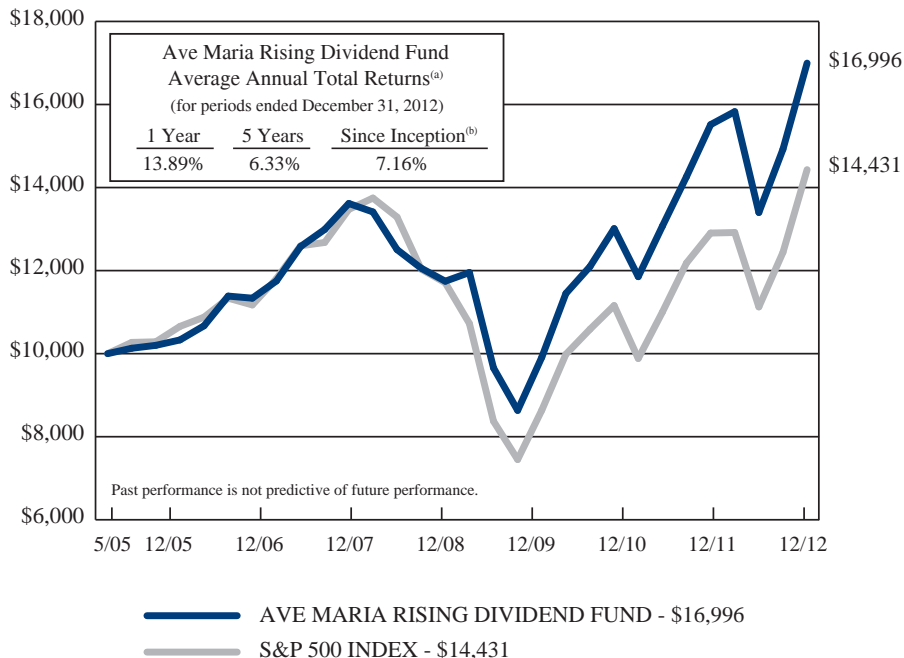
George P. Schwartz, CFA  
Co-portfolio Manager



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

# AVE MARIA RISING DIVIDEND FUND PERFORMANCE (Unaudited)

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



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

<sup>(b)</sup> Represents the period from the commencement of operations (May 2, 2005) through December 31, 2012.

Expense ratio as of 12-31-11 (as disclosed in May 1, 2012 prospectus) 1.03%\*

Expense ratio for the year ended 12-31-12 0.99%

\* Includes Acquired Fund Fees and Expenses.

*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, is available at the Ave Maria Funds website at [www.avemariafunds.com](http://www.avemariafunds.com) or by calling 1-888-726-9331.*

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

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	AVE MARIA RISING DIVIDEND FUND	S&P 500 INDEX
2005 <sup>(a)</sup>	6.7%	8.8%
2006	17.9%	15.8%
2007	-0.6%	5.5%
2008	-22.8%	-37.0%
2009	25.3%	26.5%
2010	17.9%	15.1%
2011	4.6%	2.1%
2012	13.9%	16.0%

## AVERAGE ANNUAL TOTAL RETURNS As of December 31, 2012 (Unaudited)

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	AVE MARIA RISING DIVIDEND FUND	S&P 500 INDEX
3 Years	12.0%	10.9%
5 Years	6.3%	1.7%
Since Inception <sup>(b)</sup>	7.2%	4.9%

<sup>(a)</sup> Represents the period from the commencement of operations (May 2, 2005) through December 31, 2005.

<sup>(b)</sup> Represents the period from the commencement of operations (May 2, 2005) through December 31, 2012.

# AVE MARIA RISING DIVIDEND FUND

## TEN LARGEST EQUITY HOLDINGS

### December 31, 2012 (Unaudited)

Shares	Company	Market Value	% of Net Assets
165,000	Dover Corporation .....	\$10,842,150	3.6%
400,000	Bank of New York Mellon Corporation (The)	10,280,000	3.4%
115,000	Exxon Mobil Corporation .....	9,953,250	3.3%
275,000	Lowe's Companies, Inc. ....	9,768,000	3.2%
160,000	PNC Financial Services Group, Inc. ....	9,329,600	3.1%
175,000	Emerson Electric Company .....	9,268,000	3.1%
150,000	Illinois Tool Works, Inc. ....	9,121,500	3.0%
160,000	Kellogg Company .....	8,936,000	2.9%
235,000	Hasbro, Inc. ....	8,436,500	2.8%
90,000	3M Company .....	8,356,500	2.8%

## ASSET ALLOCATION (Unaudited)

Sector	% of Net Assets
Consumer Discretionary .....	15.9%
Consumer Staples .....	10.2%
Energy .....	11.7%
Financials .....	9.9%
Health Care .....	7.7%
Industrials .....	26.6%
Information Technology .....	4.4%
Materials .....	3.3%
Exchange-Traded Funds .....	5.0%
Cash Equivalents, Other Assets and Liabilities .....	5.3%
	<u>100.0%</u>

**AVE MARIA RISING DIVIDEND FUND**  
**SCHEDULE OF INVESTMENTS**  
**December 31, 2012**

<b>COMMON STOCKS — 89.7%</b>	<b>Shares</b>	<b>Market Value</b>
<b>Consumer Discretionary — 15.9%</b>		
<i>Auto Components — 4.4%</i>		
Gentex Corporation .....	345,000	\$ 6,492,900
Johnson Controls, Inc. ....	230,000	7,061,000
		<u>13,553,900</u>
<i>Diversified Consumer Services — 1.9%</i>		
DeVry, Inc. ....	240,000	5,695,200
<i>Leisure Equipment &amp; Products — 2.8%</i>		
Hasbro, Inc. ....	235,000	8,436,500
<i>Specialty Retail — 6.2%</i>		
Cato Corporation (The) - Class A .....	94,099	2,581,136
Lowe's Companies, Inc. ....	275,000	9,768,000
Ross Stores, Inc. ....	120,000	6,498,000
		<u>18,847,136</u>
<i>Textiles, Apparel &amp; Luxury Goods — 0.6%</i>		
Wolverine World Wide, Inc. ....	45,000	1,844,100
<b>Consumer Staples — 10.2%</b>		
<i>Food &amp; Staples Retailing — 2.7%</i>		
Sysco Corporation .....	260,000	8,231,600
<i>Food Products — 4.0%</i>		
Hormel Foods Corporation .....	100,000	3,121,000
Kellogg Company .....	160,000	8,936,000
		<u>12,057,000</u>
<i>Household Products — 3.5%</i>		
Clorox Company (The) .....	75,000	5,491,500
Colgate-Palmolive Company .....	50,000	5,227,000
		<u>10,718,500</u>
<b>Energy — 11.7%</b>		
<i>Energy Equipment &amp; Services — 4.5%</i>		
Halliburton Company .....	210,000	7,284,900
Schlumberger Limited .....	95,000	6,582,550
		<u>13,867,450</u>
<i>Oil, Gas &amp; Consumable Fuels — 7.2%</i>		
ConocoPhillips .....	90,000	5,219,100
Exxon Mobil Corporation .....	115,000	9,953,250
Phillips 66 .....	125,000	6,637,500
		<u>21,809,850</u>
<b>Financials — 9.9%</b>		
<i>Capital Markets — 3.4%</i>		
Bank of New York Mellon Corporation (The) .....	400,000	10,280,000

**AVE MARIA RISING DIVIDEND FUND**  
**SCHEDULE OF INVESTMENTS**  
**(Continued)**

<b>COMMON STOCKS — 89.7% (Continued)</b>	<b>Shares</b>	<b>Market Value</b>
<b>Financials — 9.9% (Continued)</b>		
<i>Commercial Banks — 4.8%</i>		
BB&T Corporation .....	150,000	\$ 4,366,500
PNC Financial Services Group, Inc. ....	160,000	9,329,600
U.S. Bancorp .....	30,000	958,200
		<u>14,654,300</u>
<i>Insurance — 1.7%</i>		
HCC Insurance Holdings, Inc. ....	140,000	<u>5,209,400</u>
<b>Health Care — 7.7%</b>		
<i>Health Care Equipment &amp; Supplies — 5.2%</i>		
Medtronic, Inc. ....	185,000	7,588,700
Stryker Corporation .....	150,000	8,223,000
		<u>15,811,700</u>
<i>Pharmaceuticals — 2.5%</i>		
Abbott Laboratories .....	115,000	<u>7,532,500</u>
<b>Industrials — 26.6%</b>		
<i>Aerospace &amp; Defense — 4.2%</i>		
General Dynamics Corporation .....	90,000	6,234,300
United Technologies Corporation .....	80,000	6,560,800
		<u>12,795,100</u>
<i>Air Freight &amp; Logistics — 2.7%</i>		
United Parcel Service, Inc. - Class B .....	110,000	<u>8,110,300</u>
<i>Commercial Services &amp; Supplies — 2.2%</i>		
Republic Services, Inc. ....	230,000	<u>6,745,900</u>
<i>Electrical Equipment — 3.1%</i>		
Emerson Electric Company .....	175,000	<u>9,268,000</u>
<i>Industrial Conglomerates — 2.8%</i>		
3M Company .....	90,000	<u>8,356,500</u>
<i>Machinery — 9.0%</i>		
Dover Corporation .....	165,000	10,842,150
Illinois Tool Works, Inc. ....	150,000	9,121,500
PACCAR, Inc. ....	165,000	7,459,650
		<u>27,423,300</u>
<i>Road &amp; Rail — 2.6%</i>		
Norfolk Southern Corporation .....	130,000	<u>8,039,200</u>

# AVE MARIA RISING DIVIDEND FUND

## SCHEDULE OF INVESTMENTS

(Continued)

COMMON STOCKS — 89.7% (Continued)	Shares	Market Value
<b>Information Technology — 4.4%</b>		
<i>IT Services — 2.0%</i>		
Paychex, Inc. ....	200,000	\$ <u>6,228,000</u>
<i>Semiconductors &amp; Semiconductor Equipment — 2.4%</i>		
Microchip Technology, Inc. ....	220,000	<u>7,169,800</u>
<b>Materials — 3.3%</b>		
<i>Chemicals — 3.3%</i>		
RPM International, Inc. ....	190,000	5,578,400
Stepan Company .....	80,000	<u>4,443,200</u>
		<u>10,021,600</u>
<b>Total Common Stocks</b> (Cost \$240,783,274) .....		\$ <u>272,706,836</u>
<hr style="border: 1px solid #0056b3;"/>		
EXCHANGE-TRADED FUNDS — 5.0%	Shares	Market Value
iShares Gold Trust * .....	465,000	\$ 7,565,550
SPDR Gold Trust * .....	46,900	<u>7,598,269</u>
<b>Total Exchange-Traded Funds</b> (Cost \$15,986,045) .....		\$ <u>15,163,819</u>
<hr style="border: 1px solid #0056b3;"/>		
MONEY MARKET FUNDS — 5.7%	Shares	Market Value
Federated Government Obligations Tax-Managed Fund - Institutional Shares, 0.01% <sup>(a)</sup> .....		
	14,217,980	\$ 14,217,980
Federated Treasury Obligations Fund - Institutional Shares, 0.01% <sup>(a)</sup> .....		
	3,171,591	<u>3,171,591</u>
<b>Total Money Market Funds</b> (Cost \$17,389,571) .....		\$ <u>17,389,571</u>
<b>Total Investments at Market Value — 100.4%</b> (Cost \$274,158,890) .....		
		\$ 305,260,226
<b>Liabilities in Excess of Other Assets — (0.4%)</b> .....		
		<u>(1,351,675)</u>
<b>Net Assets — 100.0%</b> .....		
		\$ <u>303,908,551</u>

\* Non-income producing security.

<sup>(a)</sup> The rate shown is the 7-day effective yield as of December 31, 2012.

See notes to financial statements.



# AVE MARIA OPPORTUNITY FUND

## PORTFOLIO MANAGER COMMENTARY

Dear Fellow Shareowner:

Ave Maria Opportunity Fund (the “Fund”) was up 3.82% in 2012, versus 16.35% for the Russell 2000 Index. Unlike 2011 when the Fund outperformed the benchmark by a wide margin, the investment climate in 2012 was tilted heavily in the favor of “risk-on” investing. It turned out to be a great year for risk assets. The year’s best performing securities appeared to be speculative and high risk, with the risky assets performing best (in bond land, junk bonds soared in price, as yield-starved fixed-income investors sought refuge in the highest yielding, lowest quality issues). In the stock market, the out-performers were the richly priced stocks and highly-leveraged lower-quality shares. For instance, in the technology sector, momentum favorites Amazon.com (130x P/E) and Salesforce.com (250x PE) rose 49% and 66%, respectively. In contrast the technology value stocks we own, Avnet, Inc. (7x PE) and Arrow Electronics, Inc. (9x PE) were laggards, rising only 1% and 2%, respectively. A study of the Russell 2000 Index at year end revealed that of the 250 companies that appreciated by more than 50% for the year, most were speculative stocks of companies without profits. The ones that were profitable had an average P/E of 40x. In this environment, our low-risk value-oriented investment approach resulted in the Fund’s underperformance.

	Average Annual Total Returns for Periods Ended 12/31/12	
	<u>3 years</u>	<u>5 years</u>
Ave Maria Opportunity Fund	7.81%	3.65%
Russell 2000 Index	12.25%	3.56%

Stocks that had the greatest positive impact on performance for the Fund during 2012 included Federated Investors, Inc. (asset management), EnSCO PLC. (oil drilling), H.B. Fuller Company (specialty chemicals), United Bancorp, Inc. (banking), and Conrad Industries, Inc. (marine vessels). Stocks that detracted from performance in 2012 included Forest Oil Corporation (oil & gas exploration), DeVry, Inc. (for-profit education), ADTRAN, Inc. (communications equipment), Dell, Inc. (technology), and The Western Union Company (financial services).

During the second half of the year, we established new positions in Coinstar, Inc. (Redbox DVD distribution), EMCOR Group, Inc. (construction services), Energizer Holdings, Inc. (consumer products), and Systemax, Inc. (technology). We also purchased some former holdings that once again became attractive on a valuation basis – FLIR Systems, Inc. (infrared camera systems) Leucadia National Corporation (insurance), Rosetta Resources, Inc. (oil & gas exploration), and SM Energy Company (oil & gas exploration). The energy sector remains a focus. We expect global demand growth to drive oil and gas

# AVE MARIA OPPORTUNITY FUND

## PORTFOLIO MANAGER COMMENTARY

### (Continued)

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prices higher over the next decade. Further, if inflation becomes a problem, investments in the oil and gas sector represent real assets that should provide a store of value. Two new holdings in the energy sector are Chesapeake Energy Corporation and Helmerich & Payne, Inc.

Chesapeake Energy Corporation is the second-largest producer of natural gas, and the 11th largest producer of oil and natural gas liquids in the U.S. Current management has assembled an impressive set of natural gas assets all in the U.S. When the stock declined over 50% from its 52 week high, it fell into our buying range. Helmerich & Payne, Inc. is an onshore and offshore contract oil & gas driller. Conservatively run, this company has a nearly uninterrupted history of rising sales and earnings. Despite fluctuating energy prices, through adept management the company has consistently generated high margins, strong cash flows, and a high return on shareholder equity with very little debt leverage.

At year end, the portfolio contained the stocks of 64 companies and is defensively postured with 11% in cash equivalents. All of the Fund's equity holdings are modestly priced, in our opinion, in relation to fundamentals like earnings and cash flow. In addition, many of the larger positions are in companies that have debt-free and cash-rich balance sheets, which reduce downside risk and enhance upside potential. Those companies have the luxury of repurchasing undervalued shares, raising dividends or making accretive acquisitions, all which would further enhance shareholder value and probably increase their share prices as well. On average, the stocks in the portfolio are priced at 0.6x revenue and 10x earnings, with an average market capitalization of \$1.8 billion.

As value managers, we remain diligently focused on selecting high-quality, undervalued securities for the Fund. Although 2012 was a disappointing year, we believe our value-oriented, time-tested investment philosophy will prove rewarding for shareholders.

The year-end distribution of net investment income was \$.0294 per share and was paid on December 28, 2012. The Fund did not have a capital gain distribution in 2012 and ended the year with a net asset value of \$11.38 per share.

Thanks for being a shareholder in the Ave Maria Opportunity Fund.

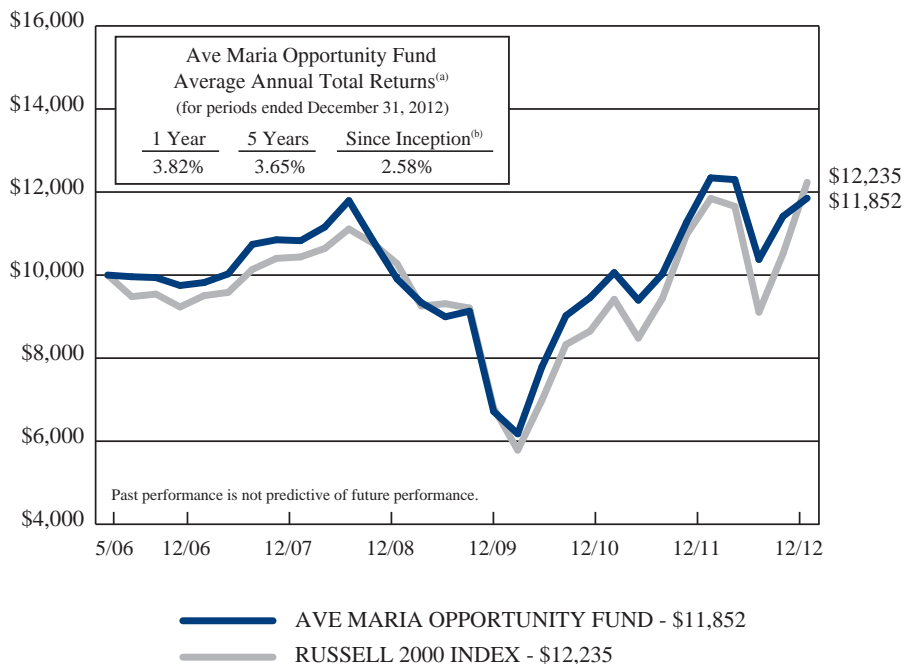
With best regards,



Timothy S. Schwartz, CFA  
Co-Portfolio Manager

# AVE MARIA OPPORTUNITY FUND PERFORMANCE (Unaudited)

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



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

(b) Represents the period from the commencement of operations (May 1, 2006) through December 31, 2012.

Expense Ratio information as of:	Year Ended 12-31-11 (as disclosed in May 1, 2012 prospectus)	Year Ended 12-31-12
Gross	1.51%*	1.43%
Net	1.28%*	1.25%

\* Includes Acquired Fund Fees and Expenses.

*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, is available at the Ave Maria Funds website at [www.avemariafunds.com](http://www.avemariafunds.com) or by calling 1-888-726-9331.*

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

	AVE MARIA OPPORTUNITY FUND	RUSSELL 2000 INDEX	S&P 600 SMALLCAP INDEX
2006 <sup>(a)</sup>	8.3%	4.4%	2.2%
2007	-8.5%	-1.6%	-0.3%
2008	-32.2%	-33.8%	-31.1%
2009	40.8%	27.2%	25.6%
2010	19.2%	26.9%	26.3%
2011	1.3%	-4.2%	1.0%
2012	3.8%	16.4%	16.3%

## AVERAGE ANNUAL TOTAL RETURNS As of December 31, 2012 (Unaudited)

	AVE MARIA OPPORTUNITY FUND	RUSSELL 2000 INDEX	S&P 600 SMALLCAP INDEX
3 Years	7.8%	12.3%	14.1%
5 Years	3.7%	3.6%	5.1%
Since Inception <sup>(b)</sup>	2.6%	3.1%	4.1%

<sup>(a)</sup> Represents the period from the commencement of operations (May 1, 2006) through December 31, 2006.

<sup>(b)</sup> Represents the period from the commencement of operations (May 1, 2006) through December 31, 2012.

# AVE MARIA OPPORTUNITY FUND

## TEN LARGEST EQUITY HOLDINGS

### December 31, 2012 (Unaudited)

Shares	Company	Market Value	% of Net Assets
100,000	Western Union Company (The) .....	\$ 1,361,000	3.7%
7,700	SPDR Gold Trust .....	1,247,477	3.4%
40,000	Avnet, Inc. ....	1,224,400	3.4%
70,000	Ingram Micro, Inc. - Class A .....	1,184,400	3.2%
3,036	Alleghany Corporation .....	1,018,335	2.8%
100,000	QLogic Corporation .....	973,000	2.7%
50,000	Patterson-UTI Energy, Inc. ....	931,500	2.6%
17,500	Coinstar, Inc. ....	910,175	2.5%
50,000	Chesapeake Energy Corporation .....	831,000	2.3%
40,000	ADTRAN, Inc. ....	781,600	2.1%

## ASSET ALLOCATION (Unaudited)

Sector	% of Net Assets
Consumer Discretionary .....	11.3%
Consumer Staples .....	1.1%
Energy .....	17.8%
Financials .....	21.5%
Health Care .....	2.6%
Industrials .....	4.1%
Information Technology .....	23.5%
Materials .....	2.1%
Exchange-Traded Funds .....	5.0%
Cash Equivalents, Other Assets and Liabilities .....	11.0%
	<u>100.0%</u>

**AVE MARIA OPPORTUNITY FUND**  
**SCHEDULE OF INVESTMENTS**  
**December 31, 2012**

<b>COMMON STOCKS — 84.0%</b>	<b>Shares</b>	<b>Market Value</b>
<b>Consumer Discretionary — 11.3%</b>		
<i>Diversified Consumer Services — 5.0%</i>		
Coinstar, Inc. * .....	17,500	\$ 910,175
DeVry, Inc. ....	25,000	593,250
Matthews International Corporation - Class A .....	10,000	<u>321,000</u>
		<u>1,824,425</u>
<i>Household Durables — 0.3%</i>		
Stanley Furniture Company, Inc. * .....	22,100	<u>99,450</u>
<i>Specialty Retail — 3.6%</i>		
Cato Corporation (The) - Class A .....	2,500	68,575
Rent-A-Center, Inc. ....	20,000	687,200
Signet Jewelers Ltd. ....	5,000	267,000
Systemax, Inc. ....	30,000	<u>289,500</u>
		<u>1,312,275</u>
<i>Textiles, Apparel &amp; Luxury Goods — 2.4%</i>		
Iconix Brand Group, Inc. * .....	25,000	558,000
K-Swiss, Inc. - Class A * .....	100,000	<u>336,000</u>
		<u>894,000</u>
<b>Consumer Staples — 1.1%</b>		
<i>Household Products — 1.1%</i>		
Energen Holdings, Inc. ....	5,000	<u>399,900</u>
<b>Energy — 17.8%</b>		
<i>Energy Equipment &amp; Services — 8.8%</i>		
Atwood Oceanics, Inc. * .....	6,000	274,740
CARBO Ceramics, Inc. ....	5,000	391,700
Ensco PLC - Class A .....	10,000	592,800
Helmerich & Payne, Inc. ....	10,000	560,100
Patterson-UTI Energy, Inc. ....	50,000	931,500
Rowan Companies PLC - Class A * .....	7,500	234,525
Tidewater, Inc. ....	5,000	<u>223,400</u>
		<u>3,208,765</u>
<i>Oil, Gas &amp; Consumable Fuels — 9.0%</i>		
Chesapeake Energy Corporation .....	50,000	831,000
Cimarex Energy Company .....	12,000	692,760
Cloud Peak Energy, Inc. * .....	20,000	386,600
EXCO Resources, Inc. ....	50,000	338,500
Forest Oil Corporation * .....	100,000	669,000
Rosetta Resources, Inc. * .....	2,500	113,400
SM Energy Company .....	5,000	<u>261,050</u>
		<u>3,292,310</u>

**AVE MARIA OPPORTUNITY FUND**  
**SCHEDULE OF INVESTMENTS**  
**(Continued)**

<b>COMMON STOCKS — 84.0% (Continued)</b>	<b>Shares</b>	<b>Market Value</b>
<b>Financials — 21.5%</b>		
<i>Capital Markets — 1.4%</i>		
Federated Investors, Inc. - Class B .....	25,000	\$ 505,750
<i>Commercial Banks — 1.2%</i>		
United Bancorp, Inc. * .....	100,000	450,000
<i>Diversified Financial Services — 8.8%</i>		
Dun & Bradstreet Corporation (The) .....	2,000	157,300
H&R Block, Inc. ....	30,000	557,100
Leucadia National Corporation .....	30,000	713,700
PICO Holdings, Inc. * .....	20,000	405,400
Western Union Company (The) .....	100,000	1,361,000
		<u>3,194,500</u>
<i>Insurance — 5.5%</i>		
Alleghany Corporation * .....	3,036	1,018,335
Markel Corporation * .....	500	216,710
White Mountains Insurance Group Ltd. ....	1,500	772,500
		<u>2,007,545</u>
<i>Real Estate Management &amp; Development — 0.6%</i>		
St. Joe Company (The) * .....	10,000	230,800
<i>Thriffs &amp; Mortgage Finance — 4.0%</i>		
Capitol Federal Financial, Inc. ....	15,000	175,350
FedFirst Financial Corporation .....	17,020	274,703
Oritani Financial Corporation .....	30,000	459,600
Standard Financial Corporation .....	10,000	174,100
ViewPoint Financial Group, Inc. ....	17,981	376,522
		<u>1,460,275</u>
<b>Health Care — 2.6%</b>		
<i>Health Care Equipment &amp; Supplies — 2.6%</i>		
Atrion Corporation .....	3,057	599,172
STERIS Corporation .....	10,000	347,300
		<u>946,472</u>
<b>Industrials — 4.1%</b>		
<i>Aerospace &amp; Defense — 1.3%</i>		
Sparton Corporation * .....	10,000	138,700
Spirit AeroSystems Holdings, Inc. - Class A * .....	20,000	339,400
		<u>478,100</u>
<i>Construction &amp; Engineering — 1.0%</i>		
EMCOR Group, Inc. ....	10,000	346,100
<i>Machinery — 1.8%</i>		
Conrad Industries, Inc. ....	35,543	657,545

**AVE MARIA OPPORTUNITY FUND**  
**SCHEDULE OF INVESTMENTS**  
**(Continued)**

<b>COMMON STOCKS — 84.0% (Continued)</b>	<b>Shares</b>	<b>Market Value</b>
<b>Information Technology — 23.5%</b>		
<i>Communications Equipment — 3.2%</i>		
ADTRAN, Inc. ....	40,000	\$ 781,600
Arris Group, Inc. * .....	25,000	373,500
		<u>1,155,100</u>
<i>Computers &amp; Peripherals — 6.5%</i>		
Diebold, Incorporated .....	20,000	612,200
Lexmark International, Inc. - Class A .....	15,000	347,850
Logitech International S.A. * .....	15,000	113,100
QLogic Corporation * .....	100,000	973,000
Rimage Corporation .....	50,000	334,000
		<u>2,380,150</u>
<i>Electronic Equipment, Instruments &amp; Components — 10.7%</i>		
Arrow Electronics, Inc. * .....	20,000	761,600
Avnet, Inc. * .....	40,000	1,224,400
FLIR Systems, Inc. ....	30,000	669,300
Ingram Micro, Inc. - Class A * .....	70,000	1,184,400
ScanSource, Inc. * .....	2,500	79,425
		<u>3,919,125</u>
<i>IT Services — 2.1%</i>		
Broadridge Financial Solutions, Inc. ....	15,000	343,200
Computer Services, Inc. ....	15,500	441,750
		<u>784,950</u>
<i>Semiconductors &amp; Semiconductor Equipment — 1.0%</i>		
Veeco Instruments, Inc. * .....	12,000	354,240
<b>Materials — 2.1%</b>		
<i>Chemicals — 1.0%</i>		
H.B. Fuller Company .....	10,000	348,200
<i>Metals &amp; Mining — 1.1%</i>		
Horsehead Holding Corporation * .....	40,000	408,400
<b>Total Common Stocks (Cost \$26,591,936) .....</b>		<u>\$ 30,658,377</u>
<b>EXCHANGE-TRADED FUNDS — 5.0%</b>	<b>Shares</b>	<b>Market Value</b>
iShares Gold Trust * .....	35,000	\$ 569,450
SPDR Gold Trust * .....	7,700	1,247,477
<b>Total Exchange-Traded Funds (Cost \$1,642,914) .....</b>		<u>\$ 1,816,927</u>



**AVE MARIA OPPORTUNITY FUND**  
**SCHEDULE OF INVESTMENTS**  
**(Continued)**

<b>MONEY MARKET FUNDS — 11.2%</b>	<b>Shares</b>	<b>Market Value</b>
Federated Government Obligations Tax-Managed Fund - Institutional Shares, 0.01% <sup>(a)</sup> .....	1,684,053	\$ 1,684,053
Federated Treasury Obligations Fund - Institutional Shares, 0.01% <sup>(a)</sup> .....	1,684,053	1,684,053
Federated U.S. Treasury Cash Reserves Fund - Institutional Shares, 0.00% <sup>(a)</sup> .....	737,219	<u>737,219</u>
<b>Total Money Market Funds</b> (Cost \$4,105,325) .....		<u>\$ 4,105,325</u>
<b>Total Investments at Market Value — 100.2%</b> (Cost \$32,340,175) .....		\$ 36,580,629
<b>Liabilities in Excess of Other Assets — (0.2%)</b> .....		<u>(83,269)</u>
<b>Net Assets — 100.0%</b> .....		<u>\$ 36,497,360</u>

\* Non-income producing security.

<sup>(a)</sup> The rate shown is the 7-day effective yield as of December 31, 2012.

See notes to financial statements.

# AVE MARIA WORLD EQUITY FUND

## PORTFOLIO MANAGER COMMENTARY

Dear Fellow Shareowners:

The Ave Maria World Equity Fund (the “Fund”) had a total return of +13.83% for the twelve months ended December 31, 2012. The return for the S&P Global 1200 Index, the Fund’s benchmark index, was +16.82%. Since inception on April 30, 2010, the cumulative and annualized returns for the Fund compared to its benchmark were:

	4-30-2010 through 12-31-12 Total Returns	
	<u>Annualized</u>	<u>Cumulative</u>
Ave Maria World Equity Fund (AVEWX)	5.60%	15.67%
S&P Global 1200 Index	7.18%	20.37%

Global stock markets were up strongly for the year, despite economic and debt concerns in Europe, massive government spending in the U.S. and slow growth in many of the emerging markets. In our opinion, the aggressive posture of many central banks was an important driver of the positive global equity returns. European Central Bank president, Mario Draghi, set the tone last summer when he promised to do “whatever it takes” to save the Euro. This helped bring down European sovereign yields and, when combined with monetary easing from a number of other central banks, lent confidence to the capital markets and especially provided a boost to the equity markets.

During 2012, the sectors which benefited the Fund most were consumer staples, materials and consumer discretionary. In consumer staples, global beverage holdings Diageo PLC and Heineken N.V. were significant outperformers behind solid earnings growth and accretive acquisition announcements. In the materials sector, Syngenta AG, FMC Corporation and International Flavors & Fragrances, Inc. were all up strongly. In the consumer discretionary area, Brookfield Residential Properties, Inc. was up over 100% aided by a recovering North American housing market. The Fund’s poorest performing sector was technology. Western Union Company, Hewlett-Packard Company and Intel Corporation all lagged while facing increasingly competitive environments.

Ten new positions, all of which comply with the Ave Maria Mutual Fund’s moral screens, were added to the Fund since June 30, 2012: Covidien PLC (healthcare equipment), Deere & Company (construction and farm equipment), EMC Corporation (computer storage & peripherals), Energizer Holdings, Inc. (consumer products), Mondelēz International, Inc. (global snacks/confectionary), Reinsurance Group of America, Inc. (life reinsurance), Thermo Fischer Scientific, Inc. (life science tools), Validus Holdings Ltd.(reinsurance), Varian Medical Systems, Inc. (healthcare equipment) and iShares Gold Trust.

# AVE MARIA WORLD EQUITY FUND

## PORTFOLIO MANAGER COMMENTARY

### (Continued)

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Four positions were eliminated in favor of more attractive opportunities: Advantage Oil & Gas Ltd., Barclays PLC, Talisman Energy, Inc. and Telefónica S.A.

As of December 31, 2012, the Fund's geographic weightings versus the S&P Global 1200 Index were approximately:

	<u>Ave Maria World Equity Fund</u>	<u>S&amp;P Global 1200 Index*</u>
United States	45%	52%
Europe	18%	17%
United Kingdom	5%	9%
Japan	3%	7%
Canada	7%	5%
Asia ex Japan	7%	4%
Australia	2%	4%
Latin America	1%	2%
Other	5%	—
Cash Equivalents	7%	—

Thank you for being a shareholder,



Gregory R. Heilman, CFA  
Co-Portfolio Manager

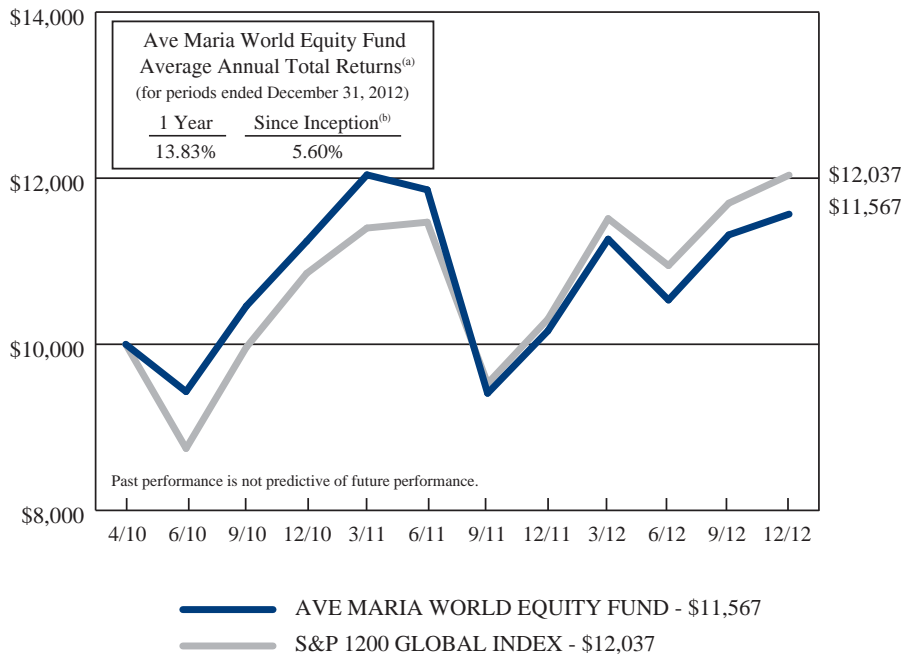


Joseph W. Skornicka, CFA  
Co-Portfolio Manager

\* S&P Global 1200 geographic weighting as of September 30, 2012.

# AVE MARIA WORLD EQUITY FUND PERFORMANCE (Unaudited)

## Comparison of the Change in Value of a \$10,000 Investment in the Ave Maria World Equity Fund and the S&P 1200 Global Index



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

(b) Represents the period from the commencement of operations (April 30, 2010) through December 31, 2012.

Expense Ratio information as of:	Period Ended 12-31-11 (as disclosed in May 1, 2012 prospectus)	Year Ended 12-31-12
Gross	1.80%*	1.63%
Net	1.52%*	1.50%

\* Includes Acquired Fund Fees and Expenses.

*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, is available at the Ave Maria Funds website at [www.avemariafunds.com](http://www.avemariafunds.com) or by calling 1-888-726-9331.*

## AVE MARIA WORLD EQUITY FUND ANNUAL TOTAL RATES OF RETURN COMPARISON WITH MAJOR INDICES (Unaudited)

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	AVE MARIA WORLD EQUITY FUND	S&P 1200 GLOBAL INDEX
2010 <sup>(a)</sup>	12.4%	8.5%
2011	-9.6%	-5.1%
2012	13.8%	16.8%

## AVERAGE ANNUAL TOTAL RETURNS As of December 31, 2012 (Unaudited)

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	AVE MARIA WORLD EQUITY FUND	S&P 1200 GLOBAL INDEX
Since Inception <sup>(b)</sup>	5.6%	7.2%

<sup>(a)</sup> Represents the period from the commencement of operations (April 30, 2010) through December 31, 2010.

<sup>(b)</sup> Represents the period from the commencement of operations (April 30, 2010) through December 31, 2012.

# AVE MARIA WORLD EQUITY FUND

## TEN LARGEST EQUITY HOLDINGS

### December 31, 2012 (Unaudited)

Shares	Company	Market Value	% of Net Assets
6,500	Diageo PLC - ADR .....	\$ 757,770	3.1%
7,000	Toyota Motor Corporation - ADR .....	652,750	2.7%
10,000	Thermo Fisher Scientific, Inc. ....	637,800	2.6%
9,000	International Flavors & Fragrances, Inc. ....	598,860	2.5%
8,000	Schlumberger Limited .....	554,320	2.3%
16,000	Validus Holdings Ltd. ....	553,280	2.3%
10,000	Emerson Electric Company .....	529,600	2.2%
25,000	ABB Limited - ADR .....	519,750	2.1%
6,500	ACE Limited .....	518,700	2.1%
5,500	3M Company .....	510,675	2.1%

## ASSET ALLOCATION (Unaudited)

Sector	% of Net Assets
Consumer Discretionary .....	6.6%
Consumer Staples .....	11.3%
Energy .....	9.3%
Financials .....	15.1%
Health Care .....	7.2%
Industrials .....	17.7%
Information Technology .....	11.8%
Materials .....	9.2%
Telecommunication Services .....	1.4%
Exchange-Traded Funds .....	3.7%
Cash Equivalents, Other Assets and Liabilities .....	6.7%
	<u>100.0%</u>

# AVE MARIA WORLD EQUITY FUND

## SCHEDULE OF INVESTMENTS

### December 31, 2012

COMMON STOCKS — 89.6%	Shares	Market Value
<b>Consumer Discretionary — 6.6%</b>		
<i>Automobiles — 2.7%</i>		
Toyota Motor Corporation - ADR .....	7,000	\$ 652,750
<i>Hotels, Restaurants &amp; Leisure — 2.0%</i>		
McDonald's Corporation .....	5,500	485,155
<i>Household Durables — 1.9%</i>		
Brookfield Residential Properties, Inc. * .....	25,000	448,500
<b>Consumer Staples — 11.3%</b>		
<i>Beverages — 5.2%</i>		
Diageo PLC - ADR .....	6,500	757,770
Heineken N.V. - ADR .....	15,000	503,550
		<u>1,261,320</u>
<i>Food Products — 3.2%</i>		
Mondelēz International, Inc. - Class A .....	12,500	318,375
Nestlé S.A. - ADR .....	7,000	456,190
		<u>774,565</u>
<i>Household Products — 2.9%</i>		
Colgate-Palmolive Company .....	3,000	313,620
Energizer Holdings, Inc. ....	5,000	399,900
		<u>713,520</u>
<b>Energy — 9.3%</b>		
<i>Energy Equipment &amp; Services — 3.2%</i>		
Schlumberger Limited .....	8,000	554,320
Tidewater, Inc. ....	5,000	223,400
		<u>777,720</u>
<i>Oil, Gas &amp; Consumable Fuels — 6.1%</i>		
BP PLC - ADR .....	12,000	499,680
Canadian Natural Resources Ltd. ....	17,000	490,790
Exxon Mobil Corporation .....	5,500	476,025
		<u>1,466,495</u>
<b>Financials — 15.1%</b>		
<i>Commercial Banks — 1.4%</i>		
Toronto-Dominion Bank (The) .....	4,000	337,320
<i>Diversified Financial Services — 3.4%</i>		
MasterCard, Inc. - Class A .....	700	343,896
Western Union Company (The) .....	35,000	476,350
		<u>820,246</u>
<i>Insurance — 10.3%</i>		
ACE Limited .....	6,500	518,700
Allianze SE - ADR .....	33,000	456,060

# AVE MARIA WORLD EQUITY FUND

## SCHEDULE OF INVESTMENTS

(Continued)

COMMON STOCKS — 89.6% (Continued)	Shares	Market Value
<b>Financials — 15.1% (Continued)</b>		
<i>Insurance — 10.3% (Continued)</i>		
AXA S.A. - ADR .....	14,000	\$ 255,080
Reinsurance Group of America, Inc. ....	8,500	454,920
Validus Holdings Ltd. ....	16,000	553,280
Zurich Insurance Group AG - ADR * .....	10,000	268,000
		<u>2,506,040</u>
<b>Health Care — 7.2%</b>		
<i>Health Care Equipment &amp; Supplies — 4.6%</i>		
Covidien PLC .....	6,000	346,440
Mindray Medical International Ltd. - ADR .....	15,000	490,500
Varian Medical Systems, Inc. * .....	4,000	280,960
		<u>1,117,900</u>
<i>Life Sciences Tools &amp; Services — 2.6%</i>		
Thermo Fisher Scientific, Inc. ....	10,000	637,800
		<u>637,800</u>
<b>Industrials — 17.7%</b>		
<i>Aerospace &amp; Defense — 1.9%</i>		
United Technologies Corporation .....	5,500	451,055
		<u>451,055</u>
<i>Construction &amp; Engineering — 2.0%</i>		
Foster Wheeler AG * .....	20,000	486,400
		<u>486,400</u>
<i>Electrical Equipment — 5.9%</i>		
ABB Limited - ADR * .....	25,000	519,750
Emerson Electric Company .....	10,000	529,600
General Cable Corporation * .....	12,500	380,125
		<u>1,429,475</u>
<i>Industrial Conglomerates — 4.6%</i>		
3M Company .....	5,500	510,675
Koninklijke Philips Electronics N.V. - ADR .....	10,427	276,733
Siemens AG - ADR .....	3,000	328,410
		<u>1,115,818</u>
<i>Machinery — 1.4%</i>		
Deere & Company .....	4,000	345,680
		<u>345,680</u>
<i>Road &amp; Rail — 1.9%</i>		
Canadian National Railway Company .....	5,000	455,050
		<u>455,050</u>
<b>Information Technology — 11.8%</b>		
<i>Computers &amp; Peripherals — 1.9%</i>		
EMC Corporation * .....	10,000	253,000
Hewlett-Packard Company .....	15,000	213,750
		<u>466,750</u>



# AVE MARIA WORLD EQUITY FUND

## SCHEDULE OF INVESTMENTS

(Continued)

COMMON STOCKS — 89.6% (Continued)	Shares	Market Value
<b>Information Technology — 11.8% (Continued)</b>		
<i>Electronic Equipment, Instruments &amp; Components — 2.1%</i>		
LG Display Company Ltd. - ADR .....	35,000	\$ 506,800
<i>IT Services — 3.2%</i>		
Accenture PLC - Class A .....	7,500	498,750
International Business Machines Corporation .....	1,500	287,325
		<u>786,075</u>
<i>Office Electronics — 1.5%</i>		
Zebra Technologies Corporation - Class A * .....	9,000	353,520
<i>Semiconductors &amp; Semiconductor Equipment — 3.1%</i>		
Intel Corporation .....	20,000	412,600
Taiwan Semiconductor Manufacturing Company Ltd. - ADR .....	20,000	343,200
		<u>755,800</u>
<b>Materials — 9.2%</b>		
<i>Chemicals — 6.1%</i>		
FMC Corporation .....	8,000	468,160
International Flavors & Fragrances, Inc. ....	9,000	598,860
Syngenta AG - ADR .....	5,000	404,000
		<u>1,471,020</u>
<i>Metals &amp; Mining — 3.1%</i>		
BHP Billiton Ltd. - ADR .....	4,500	352,980
POSCO - ADR .....	5,000	410,750
		<u>763,730</u>
<b>Telecommunication Services — 1.4%</b>		
<i>Wireless Telecommunication Services — 1.4%</i>		
América Móvil S.A.B. de C.V. - Series L - ADR .....	15,000	347,100
<b>Total Common Stocks</b> (Cost \$19,641,507) .....		<u>\$ 21,733,604</u>
EXCHANGE-TRADED FUNDS — 3.7%	Shares	Market Value
iShares Gold Trust * .....	30,000	\$ 488,100
SPDR Gold Trust * .....	2,500	405,025
<b>Total Exchange-Traded Funds</b> (Cost \$914,872) .....		<u>\$ 893,125</u>

# AVE MARIA WORLD EQUITY FUND

## SCHEDULE OF INVESTMENTS

### (Continued)

<b>MONEY MARKET FUNDS — 6.8%</b>	<b>Shares</b>	<b>Market Value</b>
Federated Government Obligations Tax-Managed Fund - Institutional Shares, 0.01% <sup>(a)</sup> .....	1,120,758	\$ 1,120,758
Federated Treasury Obligations Fund - Institutional Shares, 0.01% <sup>(a)</sup> .....	519,945	519,945
<b>Total Money Market Funds</b> (Cost \$1,640,703) .....		<u>\$ 1,640,703</u>
<b>Total Investments at Market Value — 100.1%</b> (Cost \$22,197,082) .....		\$ 24,267,432
<b>Liabilities in Excess of Other Assets — (0.1%)</b> .....		<u>(31,594)</u>
<b>Net Assets — 100.0%</b> .....		<u>\$ 24,235,838</u>

ADR - American Depositary Receipt.

\* Non-income producing security.

<sup>(a)</sup> The rate shown is the 7-day effective yield as of December 31, 2012.

## SUMMARY OF COMMON STOCKS BY COUNTRY

### December 31, 2012 (Unaudited)

<b>Country</b>	<b>Value</b>	<b>% of Net Assets</b>
United States .....	\$ 10,821,101	44.7%
Switzerland .....	2,653,040	10.9%
Canada .....	1,731,660	7.1%
United Kingdom .....	1,257,450	5.2%
South Korea .....	917,550	3.8%
Germany .....	784,470	3.2%
Netherlands .....	780,283	3.2%
Japan .....	652,750	2.7%
China .....	490,500	2.0%
Australia .....	352,980	1.5%
Mexico .....	347,100	1.4%
Ireland .....	346,440	1.4%
Taiwan .....	343,200	1.4%
France .....	255,080	1.1%
	<u>\$ 21,733,604</u>	<u>89.6%</u>

See notes to financial statements.

# AVE MARIA BOND FUND

## PORTFOLIO MANAGER COMMENTARY

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Dear Fellow Shareholders,

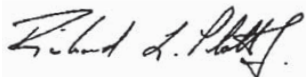
In 2012, the total return for the Ave Maria Bond Fund (the “Fund”) was 4.63% vs. 3.89% for the Barclays U.S. Intermediate Government/Credit Index, the Fund’s benchmark index. Interest rates fell during 2012, pushing bond prices higher. The effect was greatest for long-maturity bonds, but our short-maturity bonds appreciated in price as well. With interest rates still very near historical lows, the next significant change in interest rates will be to higher levels. In that environment, long-maturity bonds will fall in price the most. Under those circumstances, our defensive posture, with an emphasis on short-maturity bonds, will serve to protect principal.

Our cautious positioning of the Fund’s portfolio is rooted in several factors. Today’s low interest-rate environment means that investors are being poorly compensated for risk. In addition, the rapidly rising level of federal debt and dysfunctional manner in which Washington is dealing with the nation’s budgetary affairs suggests that both inflation and interest rates could be considerably higher in the not too distant future. In many respects, it’s a wonder interest rates aren’t already much higher. One of the principal reasons that interest rates remain as low as they are, is because the Fed, in an effort to reduce unemployment, is keeping interest rates artificially low. This poses the very real risk of unintended consequences. Chief among those is inflation, which once ignited, will be difficult to contain.

In reviewing the performance of the Fund in 2012, our defensive strategy focusing on short-maturity bonds acted as a drag on relative performance. (Our bonds appreciated in price, just not as much as those of the benchmark.) Our investments in dividend-paying stocks contributed significantly to the overall performance of the Fund. Particularly strong contributions to performance came from the stocks of Illinois Tool Works, Inc. (diversified manufacturer), Lowe’s Companies, Inc. (home improvement retailer), and Federated Investors, Inc. (financial services). At the other end of the performance spectrum, our stock holdings in Norfolk Southern Corporation (rail transport), Microchip Technology, Inc. (semiconductors) and Phillips 66 (downstream energy) had a modestly negative impact on performance. Importantly, dividends continued to contribute significantly to the overall level of current income.

In managing the Fund, our focus remains to preserve principal, while generating a reasonable level of current income in a very low interest-rate environment. We appreciate your participation in the Ave Maria Bond Fund.

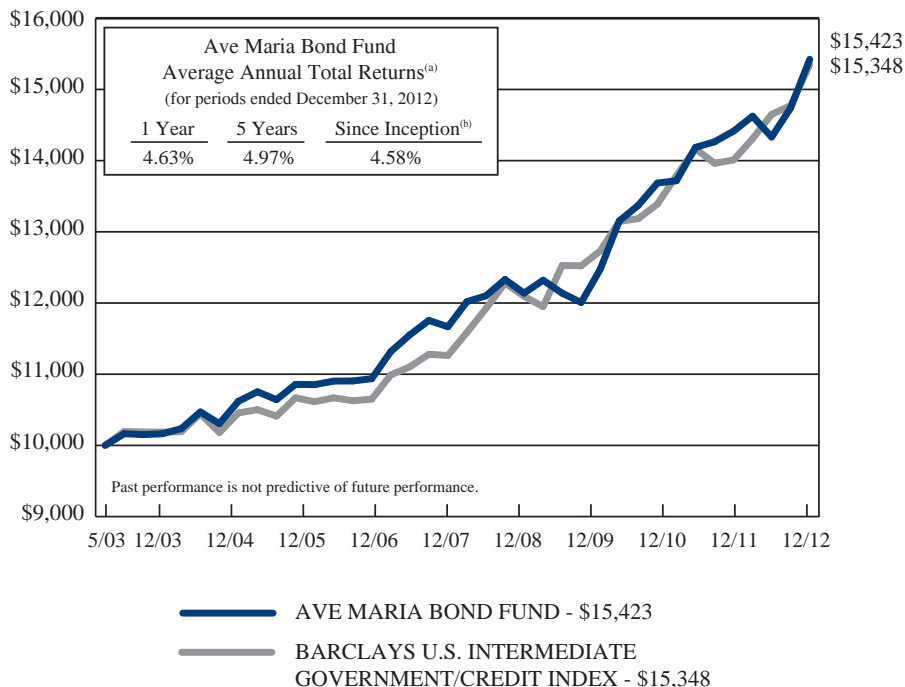
With best regards,



Richard L. Platte, Jr., CFA  
Portfolio Manager

# AVE MARIA BOND FUND PERFORMANCE (Unaudited)

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



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

<sup>(b)</sup> Represents the period from the commencement of operations (May 1, 2003) through December 31, 2012.

Expense Ratio information as of:	Year Ended 12-31-11 (as disclosed in May 1, 2012 prospectus)	Year Ended 12-31-12
Gross	0.74%*	0.71%
Net	0.71%*	0.70%

\* Includes Acquired Fund Fees and Expenses.

*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, is available at the Ave Maria Funds website at [www.avemariafunds.com](http://www.avemariafunds.com) or by calling 1-888-726-9331.*

# AVE MARIA BOND FUND

## ANNUAL TOTAL RATES OF RETURN

### COMPARISON WITH MAJOR INDICES (Unaudited)

	AVE MARIA BOND FUND	BARCLAYS U.S. INTERMEDIATE GOVERNMENT/CREDIT INDEX
2003 <sup>(a)</sup>	2.4%	1.9%
2004	5.1%	3.0%
2005	1.4%	1.6%
2006	6.0%	4.1%
2007	4.8%	7.4%
2008	0.3%	5.1%
2009	10.2%	5.2%
2010	6.7%	5.9%
2011	3.3%	5.8%
2012	4.6%	3.9%

## AVERAGE ANNUAL TOTAL RETURNS

### As of December 31, 2012 (Unaudited)

	AVE MARIA BOND FUND	BARCLAYS U.S. INTERMEDIATE GOVERNMENT/CREDIT INDEX
3 Years	4.9%	5.2%
5 Years	5.0%	5.2%
Since Inception <sup>(b)</sup>	4.6%	4.5%

<sup>(a)</sup> Represents the period from the commencement of operations (May 1, 2003) through December 31, 2003.

<sup>(b)</sup> Represents the period from the commencement of operations (May 1, 2003) through December 31, 2012.

# AVE MARIA BOND FUND

## TEN LARGEST HOLDINGS\*

### December 31, 2012 (Unaudited)

Par Value	Company	Market Value	% of Net Assets
\$ 3,000,000	U.S. Treasury Notes, 2.625%, due 02/29/16 ..	\$ 3,210,234	2.8%
3,000,000	U.S. Treasury Notes, 2.500%, due 04/30/15 ..	3,152,814	2.8%
2,290,840	U.S. Treasury Inflation-Protected Notes, 2.500%, due 07/15/16 .....	2,632,677	2.3%
2,500,000	U.S. Treasury Notes, 0.875%, due 04/30/17 ..	2,530,665	2.2%
2,500,000	U.S. Treasury Notes, 0.625%, due 09/30/17 ..	2,495,508	2.2%
2,000,000	McDonald's Corporation, 5.350%, due 03/01/18 .....	2,412,358	2.1%
2,042,000	Kellogg Company, 4.150%, due 11/15/19 .....	2,314,487	2.0%
2,000,000	Consolidated Edison Company of New York, Inc., 5.300%, due 12/01/16 .....	2,302,758	2.0%
2,000,000	Dell, Inc., 2.300%, due 09/10/15 .....	2,055,232	1.8%
2,000,000	U.S. Treasury Notes, 1.875%, due 04/30/14 ..	2,043,828	1.8%

\* Excludes cash equivalents.

## ASSET ALLOCATION (Unaudited)

	% of Net Assets
<b>U.S. TREASURY AND GOVERNMENT AGENCY OBLIGATIONS</b>	
U.S. Treasuries .....	19.9%
U.S. Government Agencies .....	1.4%
<b>CORPORATE BONDS</b>	
<b>Sector</b>	
Consumer Discretionary .....	5.8%
Consumer Staples .....	5.5%
Energy .....	1.4%
Financials .....	7.4%
Health Care .....	6.0%
Industrials .....	10.2%
Information Technology .....	6.9%
Materials .....	1.7%
Utilities .....	3.7%
<b>COMMON STOCKS</b>	
<b>Sector</b>	
Consumer Discretionary .....	2.6%
Consumer Staples .....	2.3%
Energy .....	1.5%
Financials .....	1.6%
Health Care .....	1.6%
Industrials .....	7.4%
Information Technology .....	1.9%
Materials .....	0.8%
Cash Equivalents, Other Assets and Liabilities .....	10.4%
	100.0%

**AVE MARIA BOND FUND**  
**SCHEDULE OF INVESTMENTS**  
**December 31, 2012**

<b>U.S. TREASURY OBLIGATIONS — 19.9%</b>	<b>Par Value</b>	<b>Market Value</b>
<b>U.S. Treasury Inflation-Protected Notes — 3.5%</b>		
2.500%, due 07/15/16 .....	\$ 2,290,840	\$ 2,632,677
2.625%, due 07/15/17 .....	1,116,110	<u>1,337,413</u>
		<u>3,970,090</u>
<b>U.S. Treasury Notes — 16.4%</b>		
1.375%, due 03/15/13 .....	1,500,000	1,503,809
1.250%, due 02/15/14 .....	2,000,000	2,023,204
1.875%, due 04/30/14 .....	2,000,000	2,043,828
2.375%, due 08/31/14 .....	1,500,000	1,553,086
2.500%, due 04/30/15 .....	3,000,000	3,152,814
2.625%, due 02/29/16 .....	3,000,000	3,210,234
0.875%, due 04/30/17 .....	2,500,000	2,530,665
0.625%, due 09/30/17 .....	2,500,000	<u>2,495,508</u>
		<u>18,513,148</u>
<b>Total U.S. Treasury Obligations (Cost \$21,674,998) .....</b>		<b>\$ 22,483,238</b>

<b>U.S. GOVERNMENT AGENCY OBLIGATIONS — 1.4%</b>	<b>Par Value</b>	<b>Market Value</b>
<b>Federal Farm Credit Bank — 1.0%</b>		
4.500%, due 01/22/15 .....	\$ 1,000,000	\$ <u>1,085,824</u>
<b>Private Export Funding Corporation — 0.4%</b>		
3.550%, due 04/15/13 .....	500,000	<u>504,904</u>
<b>Total U.S. Government Agency Obligations</b> (Cost \$1,515,386) .....		<b>\$ <u>1,590,728</u></b>

<b>CORPORATE BONDS — 48.6%</b>	<b>Par Value</b>	<b>Market Value</b>
<b>Consumer Discretionary — 5.8%</b>		
Johnson Controls, Inc., 5.500%, due 01/15/16 .....	\$ 1,000,000	\$ 1,128,794
Lowe's Companies, Inc., 5.000%, due 10/15/15 .....	500,000	558,551
Lowe's Companies, Inc., 2.125%, due 04/15/16 .....	1,000,000	1,037,362
McDonald's Corporation, 5.350%, due 03/01/18 .....	2,000,000	2,412,358
TJX Companies, Inc. (The), 4.200%, due 08/15/15 .....	1,250,000	<u>1,358,093</u>
		<u>6,495,158</u>
<b>Consumer Staples — 5.5%</b>		
Clorox Company (The), 5.000%, due 01/15/15 .....	1,000,000	1,077,761
Kellogg Company, 4.150%, due 11/15/19 .....	2,042,000	2,314,487
Kimberly Clark Corporation, 6.125%, due 08/01/17 .....	1,475,000	1,808,996

**AVE MARIA BOND FUND**  
**SCHEDULE OF INVESTMENTS**  
**(Continued)**

<b>CORPORATE BONDS — 48.6% (Continued)</b>	<b>Par Value</b>	<b>Market Value</b>
<b>Consumer Staples — 5.5% (Continued)</b>		
Sysco Corporation, 4.200%, due 02/12/13 .....	\$ 1,000,000	\$ 1,003,860
		<u>6,205,104</u>
<b>Energy — 1.4%</b>		
Apache Corporation, 5.625%, due 01/15/17 .....	1,000,000	1,171,298
ConocoPhillips, 4.750%, due 02/01/14 .....	360,000	376,300
		<u>1,547,598</u>
<b>Financials — 7.4%</b>		
Bank of New York Mellon Corporation (The), 2.300%, due 07/28/16 .....	1,500,000	1,567,881
Caterpillar Financial Services Corporation, 4.750%, due 02/17/15 .....	1,000,000	1,081,821
Caterpillar Financial Services Corporation, 2.650%, due 04/01/16 .....	1,000,000	1,050,045
National Rural Utilities Cooperative Finance Corporation, 4.750%, due 03/01/14 .....	1,000,000	1,048,047
PACCAR Financial Corporation, 1.600%, due 03/15/17 ..	2,000,000	2,031,342
U.S. Bancorp, 2.450%, due 07/27/15 .....	1,500,000	1,567,789
		<u>8,346,925</u>
<b>Health Care — 6.0%</b>		
Medtronic, Inc., 4.750%, due 09/15/15 .....	1,000,000	1,108,097
Medtronic, Inc., 2.625%, due 03/15/16 .....	500,000	526,883
Stryker Corporation, 3.000%, due 01/15/15 .....	1,000,000	1,045,296
Stryker Corporation, 2.000%, due 09/30/16 .....	650,000	676,832
Thermo Fisher Scientific, Inc., 1.850%, due 01/15/18 ..	2,000,000	2,027,386
Zimmer Holdings, Inc., 4.625%, due 11/30/19 .....	1,255,000	1,423,623
		<u>6,808,117</u>
<b>Industrials — 10.2%</b>		
3M Company, 1.375%, due 09/29/16 .....	1,150,000	1,173,621
Eaton Corporation, 4.900%, due 05/15/13 .....	500,000	508,100
Emerson Electric Company, 5.250%, due 10/15/18 .....	1,600,000	1,935,490
General Dynamics Corporation, 2.250%, due 07/15/16 ..	1,650,000	1,729,294
Norfolk Southern Corporation, 5.750%, due 04/01/18 ..	885,000	1,056,919
Ryder System, Inc., 3.150%, due 03/02/15 .....	1,000,000	1,032,802
Union Pacific Corporation, 5.125%, due 02/15/14 .....	500,000	525,076
Union Pacific Corporation, 4.875%, due 01/15/15 .....	750,000	811,025
United Parcel Service, Inc., 5.500%, due 01/15/18 .....	1,500,000	1,802,248
United Technologies Corporation, 5.375%, due 12/15/17 .....	839,000	997,242
		<u>11,571,817</u>
<b>Information Technology — 6.9%</b>		
Dell, Inc., 2.300%, due 09/10/15 .....	2,000,000	2,055,232
Harris Corporation, 5.000%, due 10/01/15 .....	1,000,000	1,096,545
Hewlett-Packard Company, 6.125%, due 03/01/14 .....	1,000,000	1,051,217



**AVE MARIA BOND FUND**  
**SCHEDULE OF INVESTMENTS**  
**(Continued)**

<b>CORPORATE BONDS — 48.6% (Continued)</b>	<b>Par Value</b>	<b>Market Value</b>
<b>Information Technology — 6.9% (Continued)</b>		
Hewlett-Packard Company, 2.125%, due 09/13/15 .....	\$ 500,000	\$ 499,654
Hewlett-Packard Company, 2.650%, due 06/01/16 .....	500,000	498,926
International Business Machines Corporation, 6.500%, due 10/15/13 .....	500,000	524,323
International Business Machines Corporation, 2.000%, due 01/05/16 .....	1,410,000	1,456,911
National Semiconductor Corporation, 6.600%, due 06/15/17 .....	500,000	617,486
		<u>7,800,294</u>
<b>Materials — 1.7%</b>		
PPG Industries, Inc., 6.650%, due 03/15/18 .....	721,000	895,196
Sherwin-Williams Company (The), 3.125%, due 12/15/14 .....	1,000,000	1,046,663
		<u>1,941,859</u>
<b>Utilities — 3.7%</b>		
Consolidated Edison Company of New York, Inc., 5.300%, due 12/01/16 .....	2,000,000	2,302,758
Duke Energy Corporation, 3.950%, due 09/15/14 .....	800,000	842,444
NextEra Energy Capital Holdings, Inc., 2.600%, due 09/01/15 .....	1,000,000	1,041,879
		<u>4,187,081</u>
<b>Total Corporate Bonds</b> (Cost \$53,486,142) .....		<u>\$ 54,903,953</u>

<b>COMMON STOCKS — 19.7%</b>	<b>Shares</b>	<b>Market Value</b>
<b>Consumer Discretionary — 2.6%</b>		
<i>Auto Components — 1.0%</i>		
Gentex Corporation .....	60,000	<u>\$ 1,129,200</u>
<i>Leisure Equipment &amp; Products — 1.0%</i>		
Hasbro, Inc. ....	30,000	<u>1,077,000</u>
<i>Specialty Retail — 0.6%</i>		
Lowe's Companies, Inc. ....	20,000	<u>710,400</u>
<b>Consumer Staples — 2.3%</b>		
<i>Food &amp; Staples Retailing — 1.0%</i>		
Sysco Corporation .....	36,000	<u>1,139,760</u>
<i>Food Products — 0.6%</i>		
Kellogg Company .....	12,000	<u>670,200</u>

**AVE MARIA BOND FUND**  
**SCHEDULE OF INVESTMENTS**  
**(Continued)**

<b>COMMON STOCKS — 19.7% (Continued)</b>	<b>Shares</b>	<b>Market Value</b>
<b>Consumer Staples — 2.3% (Continued)</b>		
<i>Household Products — 0.7%</i>		
Clorox Company (The) .....	10,000	\$ <u>732,200</u>
<b>Energy — 1.5%</b>		
<i>Oil, Gas &amp; Consumable Fuels — 1.5%</i>		
ConocoPhillips .....	15,000	869,850
Exxon Mobil Corporation .....	10,000	<u>865,500</u>
		<u>1,735,350</u>
<b>Financials — 1.6%</b>		
<i>Capital Markets — 1.0%</i>		
Bank of New York Mellon Corporation (The) .....	45,000	<u>1,156,500</u>
<i>Commercial Banks — 0.6%</i>		
PNC Financial Services Group, Inc. ....	12,000	<u>699,720</u>
<b>Health Care — 1.6%</b>		
<i>Health Care Equipment &amp; Supplies — 0.4%</i>		
Medtronic, Inc. ....	12,000	<u>492,240</u>
<i>Pharmaceuticals — 1.2%</i>		
Abbott Laboratories .....	20,000	<u>1,310,000</u>
<b>Industrials — 7.4%</b>		
<i>Aerospace &amp; Defense — 0.7%</i>		
General Dynamics Corporation .....	12,000	<u>831,240</u>
<i>Air Freight &amp; Logistics — 1.1%</i>		
United Parcel Service, Inc. - Class B .....	17,000	<u>1,253,410</u>
<i>Commercial Services &amp; Supplies — 0.7%</i>		
Republic Services, Inc. ....	25,000	<u>733,250</u>
<i>Electrical Equipment — 1.0%</i>		
Emerson Electric Company .....	22,000	<u>1,165,120</u>
<i>Industrial Conglomerates — 1.0%</i>		
3M Company .....	12,000	<u>1,114,200</u>
<i>Machinery — 2.2%</i>		
Dover Corporation .....	20,000	1,314,200
Illinois Tool Works, Inc. ....	20,000	<u>1,216,200</u>
		<u>2,530,400</u>

**AVE MARIA BOND FUND**  
**SCHEDULE OF INVESTMENTS**  
**(Continued)**

<b>COMMON STOCKS — 19.7% (Continued)</b>	<b>Shares</b>	<b>Market Value</b>
<b>Industrials — 7.4% (Continued)</b>		
<i>Road &amp; Rail — 0.7%</i>		
Norfolk Southern Corporation .....	12,000	\$ 742,080
<b>Information Technology — 1.9%</b>		
<i>IT Services — 0.9%</i>		
Paychex, Inc. ....	34,000	1,058,760
<i>Semiconductors &amp; Semiconductor Equipment — 1.0%</i>		
Microchip Technology, Inc. ....	35,000	1,140,650
<b>Materials — 0.8%</b>		
<i>Chemicals — 0.8%</i>		
RPM International, Inc. ....	30,000	880,800
<b>Total Common Stocks (Cost \$19,545,373) .....</b>		<b>\$ 22,302,480</b>

<b>MONEY MARKET FUNDS — 12.3%</b>	<b>Shares</b>	<b>Market Value</b>
Federated Government Obligations Tax-Managed Fund - Institutional Shares, 0.01% <sup>(a)</sup> .....	5,302,539	\$ 5,302,539
Federated Treasury Obligations Fund - Institutional Shares, 0.01% <sup>(a)</sup> .....	5,294,402	5,294,402
Federated U.S. Treasury Cash Reserves Fund - Institutional Shares, 0.00% <sup>(a)</sup> .....	3,307,535	3,307,535
<b>Total Money Market Funds (Cost \$13,904,476) .....</b>		<b>\$ 13,904,476</b>
<b>Total Investments at Market Value — 101.9%</b> (Cost \$110,126,375) .....		\$ 115,184,875
<b>Liabilities in Excess of Other Assets — (1.9%) .....</b>		<b>(2,142,176)</b>
<b>Net Assets — 100.0% .....</b>		<b>\$ 113,042,699</b>

<sup>(a)</sup> The rate shown is the 7-day effective yield as of December 31, 2012.

See notes to financial statements.

**AVE MARIA MUTUAL FUNDS**  
**STATEMENTS OF ASSETS AND LIABILITIES**  
**December 31, 2012**

	<b>Ave Maria Catholic Values Fund</b>	<b>Ave Maria Growth Fund</b>	<b>Ave Maria Rising Dividend Fund</b>
<b>ASSETS</b>			
Investment securities:			
At cost .....	\$ 150,414,535	\$ 135,167,192	\$ 274,158,890
At market value (Note 1) .....	\$ 191,258,566	\$ 199,104,680	\$ 305,260,226
Receivable for investment securities sold .....	1,603,713	—	—
Receivable for capital shares sold .....	214,700	400,153	871,602
Dividends receivable .....	97,149	77,436	151,650
Other assets .....	21,434	24,696	33,246
<b>TOTAL ASSETS</b> .....	<u>193,195,562</u>	<u>199,606,965</u>	<u>306,316,724</u>
<b>LIABILITIES</b>			
Payable for investment securities purchased .....	1,363,903	—	1,417,423
Payable for capital shares redeemed .....	67,630	201,782	339,799
Payable to Adviser (Note 2) .....	480,728	528,978	564,285
Payable to administrator (Note 2) .....	23,853	24,738	37,927
Accrued shareholder servicing fees (Note 2) .....	128,531	57,494	—
Other accrued expenses .....	31,035	32,559	48,739
<b>TOTAL LIABILITIES</b> .....	<u>2,095,680</u>	<u>845,551</u>	<u>2,408,173</u>
<b>NET ASSETS</b> .....	<u>\$ 191,099,882</u>	<u>\$ 198,761,414</u>	<u>\$ 303,908,551</u>
<b>NET ASSETS CONSIST OF:</b>			
Paid-in capital .....	\$ 150,486,017	\$ 136,911,282	\$ 273,079,708
Undistributed net investment income .....	—	—	1,415
Accumulated net realized losses from security transactions .....	(230,166)	(2,087,356)	(273,908)
Net unrealized appreciation on investments ...	40,844,031	63,937,488	31,101,336
<b>NET ASSETS</b> .....	<u>\$ 191,099,882</u>	<u>\$ 198,761,414</u>	<u>\$ 303,908,551</u>
Shares of beneficial interest outstanding (unlimited number of shares authorized, no par value) .....	<u>10,750,769</u>	<u>8,384,234</u>	<u>22,521,833</u>
Net asset value, offering price and redemption price per share (Note 1) .....	<u>\$ 17.78</u>	<u>\$ 23.71</u>	<u>\$ 13.49</u>

See notes to financial statements.

**AVE MARIA MUTUAL FUNDS**  
**STATEMENTS OF ASSETS AND LIABILITIES**  
**December 31, 2012 (Continued)**

	Ave Maria Opportunity Fund	Ave Maria World Equity Fund	Ave Maria Bond Fund
<b>ASSETS</b>			
Investment securities:			
At amortized cost .....	\$ 32,340,175	\$ 22,197,082	\$ 110,126,375
At market value (Note 1) .....	\$ 36,580,629	\$ 24,267,432	\$ 115,184,875
Cash .....	—	2,745	—
Receivable for capital shares sold .....	15,181	38,859	108,666
Dividends and interest receivable .....	12,919	24,638	747,318
Other assets .....	10,146	7,927	16,502
<b>TOTAL ASSETS</b> .....	<u>36,618,875</u>	<u>24,341,601</u>	<u>116,057,361</u>
<b>LIABILITIES</b>			
Payable for investment securities purchased .....	9,702	—	2,765,939
Payable for capital shares redeemed .....	17,185	32,383	83,151
Payable to Adviser (Note 2) .....	76,110	56,725	89,166
Payable to administrator (Note 2) .....	4,524	4,000	9,310
Accrued shareholder servicing fees (Note 2) .....	—	—	41,991
Other accrued expenses .....	13,994	12,655	25,105
<b>TOTAL LIABILITIES</b> .....	<u>121,515</u>	<u>105,763</u>	<u>3,014,662</u>
<b>NET ASSETS</b> .....	<u>\$ 36,497,360</u>	<u>\$ 24,235,838</u>	<u>\$ 113,042,699</u>
<b>NET ASSETS CONSIST OF:</b>			
Paid-in capital .....	\$ 33,219,082	\$ 22,859,187	\$ 107,983,799
Undistributed net investment income .....	—	—	400
Accumulated net realized losses from security transactions .....	(962,176)	(693,699)	—
Net unrealized appreciation on investments ...	4,240,454	2,070,350	5,058,500
<b>NET ASSETS</b> .....	<u>\$ 36,497,360</u>	<u>\$ 24,235,838</u>	<u>\$ 113,042,699</u>
Shares of beneficial interest outstanding (unlimited number of shares authorized, no par value) .....	<u>3,206,817</u>	<u>2,115,306</u>	<u>10,237,982</u>
Net asset value, offering price and redemption price per share (Note 1) .....	<u>\$ 11.38</u>	<u>\$ 11.46</u>	<u>\$ 11.04</u>

See notes to financial statements.

**AVE MARIA MUTUAL FUNDS**  
**STATEMENTS OF OPERATIONS**  
**For the Year Ended December 31, 2012**

	<b>Ave Maria Catholic Values Fund</b>	<b>Ave Maria Growth Fund</b>	<b>Ave Maria Rising Dividend Fund</b>
<b>INVESTMENT INCOME</b>			
Dividends .....	\$ 3,520,015	\$ 2,486,332	\$ 7,637,141
<b>EXPENSES</b>			
Investment advisory fees (Note 2) .....	1,908,125*	1,879,846*	2,082,264
Administration, accounting and transfer agent fees (Note 2) .....	289,587	281,634	417,981
Shareholder servicing fees (Note 2) .....	441,129	426,892	—
Legal and audit fees .....	40,995	41,551	53,687
Postage and supplies .....	39,576	50,308	52,679
Registration and filing fees .....	24,684	32,123	46,909
Trustees' fees and expenses .....	25,494	25,494	25,494
Custodian and bank service fees .....	15,865	15,074	24,145
Advisory board fees and expenses .....	8,639	8,639	8,639
Insurance expense .....	12,288	10,799	14,204
Printing of shareholder reports .....	8,052	10,775	9,253
Compliance service fees and expenses (Note 2) .....	8,561	8,219	11,844
Other expenses .....	18,019	16,013	16,815
<b>TOTAL EXPENSES</b> .....	<u>2,841,014</u>	<u>2,807,367</u>	<u>2,763,914</u>
<b>NET INVESTMENT INCOME (LOSS)</b> .....	<u>679,001</u>	<u>(321,035)</u>	<u>4,873,227</u>
<b>REALIZED AND UNREALIZED GAINS (LOSSES) ON INVESTMENTS</b>			
Net realized gains (losses) from security transactions .....	7,637,745	(1,582,438)	14,908,237
Net change in unrealized appreciation/ depreciation on investments .....	<u>15,347,263</u>	<u>26,029,128</u>	<u>15,043,126</u>
<b>NET REALIZED AND UNREALIZED GAINS ON INVESTMENTS</b> .....	<u>22,985,008</u>	<u>24,446,690</u>	<u>29,951,363</u>
<b>NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS</b> .....	<u>\$ 23,664,009</u>	<u>\$ 24,125,655</u>	<u>\$ 34,824,590</u>

\* Includes \$79,351 and \$101,846 of prior years' advisory fee reductions recouped by the Adviser from the Ave Maria Catholic Values Fund and the Ave Maria Growth Fund, respectively (Note 2).

See notes to financial statements.

**AVE MARIA MUTUAL FUNDS**  
**STATEMENTS OF OPERATIONS**  
**For the Year Ended December 31, 2012 (Continued)**

	Ave Maria Opportunity Fund	Ave Maria World Equity Fund	Ave Maria Bond Fund
<b>INVESTMENT INCOME</b>			
Dividends .....	\$ 560,731	\$ 462,879	\$ 665,389
Foreign withholding taxes on dividends .....	—	(29,900)	—
Interest .....	65	—	1,719,861
TOTAL INCOME .....	<u>560,796</u>	<u>432,979</u>	<u>2,385,250</u>
<b>EXPENSES</b>			
Investment advisory fees (Note 2) .....	354,849	210,068	311,762*
Administration, accounting and transfer agent fees (Note 2) .....	56,178	48,000	102,331
Shareholder servicing fees (Note 2) .....	—	—	153,037
Legal and audit fees .....	25,738	24,422	32,973
Postage and supplies .....	16,061	6,509	18,640
Registration and filing fees .....	23,671	21,686	26,604
Trustees' fees and expenses .....	25,494	25,494	25,494
Custodian and bank service fees .....	6,947	3,309	8,144
Advisory board fees and expenses .....	8,639	8,639	8,639
Insurance expense .....	2,127	1,245	6,202
Printing of shareholder reports .....	2,974	1,940	3,785
Compliance service fees and expenses (Note 2) .....	1,822	1,194	4,632
Other expenses .....	9,732	8,830	21,866
TOTAL EXPENSES .....	<u>534,232</u>	<u>361,336</u>	<u>724,109</u>
Less fee reductions by the Adviser (Note 2) ...	<u>(67,326)</u>	<u>(29,651)</u>	<u>(9,941)</u>
NET EXPENSES .....	<u>466,906</u>	<u>331,685</u>	<u>714,168</u>
NET INVESTMENT INCOME .....	<u>93,890</u>	<u>101,294</u>	<u>1,671,082</u>
<b>REALIZED AND UNREALIZED GAINS (LOSSES) ON INVESTMENTS</b>			
Net realized gains (losses) from security transactions .....	(332,469)	(178,555)	1,493,385
Net change in unrealized appreciation/ depreciation on investments .....	<u>1,364,895</u>	<u>2,910,122</u>	<u>1,411,899</u>
NET REALIZED AND UNREALIZED GAINS ON INVESTMENTS .....	<u>1,032,426</u>	<u>2,731,567</u>	<u>2,905,284</u>
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS .....	<u>\$ 1,126,316</u>	<u>\$ 2,832,861</u>	<u>\$ 4,576,366</u>

\* Includes \$5,691 of prior years' advisory fee reductions recouped by the Adviser from the Ave Maria Bond Fund (Note 2).

See notes to financial statements.

# AVE MARIA CATHOLIC VALUES FUND

## STATEMENTS OF CHANGES IN NET ASSETS

	Year Ended December 31, 2012	Year Ended December 31, 2011
<b>FROM OPERATIONS</b>		
Net investment income (loss) .....	\$ 679,001	\$ (163,758)
Net realized gains from security transactions .....	7,637,745	13,378,258
Net change in unrealized appreciation/depreciation on investments .....	<u>15,347,263</u>	<u>(16,631,885)</u>
Net increase (decrease) in net assets resulting from operations .....	<u>23,664,009</u>	<u>(3,417,385)</u>
<b>FROM DISTRIBUTIONS TO SHAREHOLDERS</b>		
From net investment income .....	(668,511)	—
From net realized gains on investments .....	<u>(5,281,341)</u>	<u>—</u>
Decrease in net assets from distributions to shareholders .....	<u>(5,949,852)</u>	<u>—</u>
<b>FROM CAPITAL SHARE TRANSACTIONS</b>		
Proceeds from shares sold .....	14,967,453	25,223,441
Reinvestment of distributions to shareholders .....	5,489,285	—
Payments for shares redeemed .....	<u>(27,120,724)</u>	<u>(29,669,177)</u>
Net decrease in net assets from capital share transactions .....	<u>(6,663,986)</u>	<u>(4,445,736)</u>
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS .....</b>	<b>11,050,171</b>	<b>(7,863,121)</b>
<b>NET ASSETS</b>		
Beginning of year .....	<u>180,049,711</u>	<u>187,912,832</u>
End of year .....	<u>\$ 191,099,882</u>	<u>\$ 180,049,711</u>
<b>UNDISTRIBUTED NET INVESTMENT INCOME .....</b>	<u>\$ —</u>	<u>\$ —</u>
<b>SUMMARY OF CAPITAL SHARE ACTIVITY</b>		
Shares sold .....	841,506	1,460,971
Shares issued in reinvestment of distributions to shareholders .....	314,212	—
Shares redeemed .....	<u>(1,522,132)</u>	<u>(1,784,702)</u>
Net decrease in shares outstanding .....	(366,414)	(323,731)
Shares outstanding, beginning of year .....	<u>11,117,183</u>	<u>11,440,914</u>
Shares outstanding, end of year .....	<u>10,750,769</u>	<u>11,117,183</u>

See notes to financial statements.



# AVE MARIA GROWTH FUND

## STATEMENTS OF CHANGES IN NET ASSETS

	Year Ended December 31, 2012	Year Ended December 31, 2011
<b>FROM OPERATIONS</b>		
Net investment loss .....	\$ (321,035)	\$ (470,146)
Net realized losses from security transactions .....	(1,582,438)	(108,529)
Net change in unrealized appreciation/depreciation on investments .....	<u>26,029,128</u>	<u>92,640</u>
Net increase (decrease) in net assets resulting from operations .....	<u>24,125,655</u>	<u>(486,035)</u>
<b>FROM CAPITAL SHARE TRANSACTIONS</b>		
Proceeds from shares sold .....	49,959,728	49,561,962
Payments for shares redeemed .....	<u>(37,396,151)</u>	<u>(34,447,239)</u>
Net increase in net assets from capital share transactions .....	<u>12,563,577</u>	<u>15,114,723</u>
<b>TOTAL INCREASE IN NET ASSETS</b> .....	36,689,232	14,628,688
<b>NET ASSETS</b>		
Beginning of year .....	<u>162,072,182</u>	<u>147,443,494</u>
End of year .....	<u>\$ 198,761,414</u>	<u>\$ 162,072,182</u>
<b>UNDISTRIBUTED NET INVESTMENT INCOME</b> .....	<u>\$ —</u>	<u>\$ —</u>
<b>SUMMARY OF CAPITAL SHARE ACTIVITY</b>		
Shares sold .....	2,172,221	2,325,054
Shares redeemed .....	<u>(1,630,012)</u>	<u>(1,653,984)</u>
Net increase in shares outstanding .....	542,209	671,070
Shares outstanding, beginning of year .....	<u>7,842,025</u>	<u>7,170,955</u>
Shares outstanding, end of year .....	<u>8,384,234</u>	<u>7,842,025</u>

See notes to financial statements.

# AVE MARIA RISING DIVIDEND FUND

## STATEMENTS OF CHANGES IN NET ASSETS

	Year Ended December 31, 2012	Year Ended December 31, 2011
<b>FROM OPERATIONS</b>		
Net investment income .....	\$ 4,873,227	\$ 2,551,645
Net realized gains from security transactions .....	14,908,237	8,565,320
Net change in unrealized appreciation/depreciation on investments .....	<u>15,043,126</u>	<u>(6,902,849)</u>
Net increase in net assets resulting from operations .....	<u>34,824,590</u>	<u>4,214,116</u>
<b>FROM DISTRIBUTIONS TO SHAREHOLDERS</b>		
From net investment income .....	(4,872,601)	(2,551,115)
From net realized gains on investments .....	<u>(14,894,513)</u>	<u>(3,914,949)</u>
Decrease in net assets from distributions to shareholders .....	<u>(19,767,114)</u>	<u>(6,466,064)</u>
<b>FROM CAPITAL SHARE TRANSACTIONS</b>		
Proceeds from shares sold .....	124,151,161	144,421,388
Reinvestment of distributions to shareholders .....	18,036,998	5,865,090
Payments for shares redeemed .....	<u>(77,319,148)</u>	<u>(51,074,350)</u>
Net increase in net assets from capital share transactions .....	<u>64,869,011</u>	<u>99,212,128</u>
<b>TOTAL INCREASE IN NET ASSETS</b> .....	79,926,487	96,960,180
<b>NET ASSETS</b>		
Beginning of year .....	<u>223,982,064</u>	<u>127,021,884</u>
End of year .....	<u>\$ 303,908,551</u>	<u>\$ 223,982,064</u>
<b>UNDISTRIBUTED NET INVESTMENT INCOME</b> .....	<u>\$ 1,415</u>	<u>\$ 1,286</u>
<b>SUMMARY OF CAPITAL SHARE ACTIVITY</b>		
Shares sold .....	9,177,197	11,072,249
Shares issued in reinvestment of distributions to shareholders .....	1,349,700	459,529
Shares redeemed .....	<u>(5,670,651)</u>	<u>(4,019,225)</u>
Net increase in shares outstanding .....	4,856,246	7,512,553
Shares outstanding, beginning of year .....	<u>17,665,587</u>	<u>10,153,034</u>
Shares outstanding, end of year .....	<u>22,521,833</u>	<u>17,665,587</u>

See notes to financial statements.

# AVE MARIA OPPORTUNITY FUND

## STATEMENTS OF CHANGES IN NET ASSETS

	Year Ended December 31, 2012	Year Ended December 31, 2011
<b>FROM OPERATIONS</b>		
Net investment income (loss) .....	\$ 93,890	\$ (99,479)
Net realized gains (losses) from security transactions .....	(332,469)	2,282,267
Net change in unrealized appreciation/depreciation on investments .....	<u>1,364,895</u>	<u>(2,127,644)</u>
Net increase in net assets resulting from operations .....	<u>1,126,316</u>	<u>55,144</u>
<b>FROM DISTRIBUTIONS TO SHAREHOLDERS</b>		
From net investment income .....	<u>(94,090)</u>	<u>—</u>
<b>FROM CAPITAL SHARE TRANSACTIONS</b>		
Proceeds from shares sold .....	11,527,201	18,818,224
Reinvestment of distributions to shareholders .....	83,651	—
Payments for shares redeemed .....	<u>(9,872,505)</u>	<u>(9,940,460)</u>
Net increase in net assets from capital share transactions .....	<u>1,738,347</u>	<u>8,877,764</u>
<b>TOTAL INCREASE IN NET ASSETS</b> .....	2,770,573	8,932,908
<b>NET ASSETS</b>		
Beginning of year .....	<u>33,726,787</u>	<u>24,793,879</u>
End of year .....	<u>\$ 36,497,360</u>	<u>\$ 33,726,787</u>
<b>UNDISTRIBUTED NET INVESTMENT INCOME</b> .....	<u>\$ —</u>	<u>\$ —</u>
<b>SUMMARY OF CAPITAL SHARE ACTIVITY</b>		
Shares sold .....	999,729	1,660,349
Shares issued in reinvestment of distributions to shareholders .....	7,469	—
Shares redeemed .....	<u>(868,673)</u>	<u>(877,441)</u>
Net increase in shares outstanding .....	138,525	782,908
Shares outstanding, beginning of year .....	<u>3,068,292</u>	<u>2,285,384</u>
Shares outstanding, end of year .....	<u>3,206,817</u>	<u>3,068,292</u>

See notes to financial statements.

# AVE MARIA WORLD EQUITY FUND

## STATEMENTS OF CHANGES IN NET ASSETS

	Year Ended December 31, 2012	Year Ended December 31, 2011
<b>FROM OPERATIONS</b>		
Net investment income .....	\$ 101,294	\$ 101,354
Net realized losses from security transactions .....	(178,555)	(459,327)
Net change in unrealized appreciation/depreciation on investments .....	<u>2,910,122</u>	<u>(1,875,908)</u>
Net increase (decrease) in net assets resulting from operations .....	<u>2,832,861</u>	<u>(2,233,881)</u>
<b>FROM DISTRIBUTIONS TO SHAREHOLDERS</b>		
From net investment income .....	<u>(101,368)</u>	<u>(101,671)</u>
<b>FROM CAPITAL SHARE TRANSACTIONS</b>		
Proceeds from shares sold .....	5,497,022	13,105,585
Reinvestment of distributions to shareholders .....	83,646	83,237
Payments for shares redeemed .....	<u>(4,400,457)</u>	<u>(2,528,744)</u>
Net increase in net assets from capital share transactions .....	<u>1,180,211</u>	<u>10,660,078</u>
<b>TOTAL INCREASE IN NET ASSETS</b> .....	3,911,704	8,324,526
<b>NET ASSETS</b>		
Beginning of year .....	<u>20,324,134</u>	<u>11,999,608</u>
End of year .....	<u>\$ 24,235,838</u>	<u>\$ 20,324,134</u>
<b>UNDISTRIBUTED NET INVESTMENT INCOME</b> .....	<u>\$ —</u>	<u>\$ —</u>
<b>SUMMARY OF CAPITAL SHARE ACTIVITY</b>		
Shares sold .....	499,645	1,168,185
Shares issued in reinvestment of distributions to shareholders .....	7,389	8,233
Shares redeemed .....	<u>(402,013)</u>	<u>(233,302)</u>
Net increase in shares outstanding .....	105,021	943,116
Shares outstanding, beginning of year .....	<u>2,010,285</u>	<u>1,067,169</u>
Shares outstanding, end of year .....	<u>2,115,306</u>	<u>2,010,285</u>

See notes to financial statements.

# AVE MARIA BOND FUND

## STATEMENTS OF CHANGES IN NET ASSETS

	Year Ended December 31, 2012	Year Ended December 31, 2011
<b>FROM OPERATIONS</b>		
Net investment income .....	\$ 1,671,082	\$ 1,653,397
Net realized gains from security transactions .....	1,493,385	1,484,137
Net change in unrealized appreciation/depreciation on investments .....	<u>1,411,899</u>	<u>(478,907)</u>
Net increase in net assets resulting from operations .....	<u>4,576,366</u>	<u>2,658,627</u>
<b>FROM DISTRIBUTIONS TO SHAREHOLDERS</b>		
From net investment income .....	(1,671,862)	(1,652,494)
From net realized gains on investments .....	<u>(1,493,716)</u>	<u>(1,484,137)</u>
Decrease in net assets from distributions to shareholders .....	<u>(3,165,578)</u>	<u>(3,136,631)</u>
<b>FROM CAPITAL SHARE TRANSACTIONS</b>		
Proceeds from shares sold .....	31,120,400	31,882,930
Reinvestment of distributions to shareholders .....	2,483,628	2,505,282
Payments for shares redeemed .....	<u>(14,373,483)</u>	<u>(16,115,321)</u>
Net increase in net assets from capital share transactions .....	<u>19,230,545</u>	<u>18,272,891</u>
<b>TOTAL INCREASE IN NET ASSETS</b> .....	20,641,333	17,794,887
<b>NET ASSETS</b>		
Beginning of year .....	92,401,366	74,606,479
End of year .....	<u>\$ 113,042,699</u>	<u>\$ 92,401,366</u>
<b>UNDISTRIBUTED NET INVESTMENT INCOME</b> .....	<u>\$ 400</u>	<u>\$ 1,511</u>
<b>SUMMARY OF CAPITAL SHARE ACTIVITY</b>		
Shares sold .....	2,807,708	2,897,787
Shares issued in reinvestment of distributions to shareholders .....	224,907	229,151
Shares redeemed .....	<u>(1,297,942)</u>	<u>(1,468,540)</u>
Net increase in shares outstanding .....	1,734,673	1,658,398
Shares outstanding, beginning of year .....	<u>8,503,309</u>	<u>6,844,911</u>
Shares outstanding, end of year .....	<u>10,237,982</u>	<u>8,503,309</u>

See notes to financial statements.

# AVE MARIA CATHOLIC VALUES FUND

## FINANCIAL HIGHLIGHTS

### Per Share Data for a Share Outstanding Throughout Each Year

	Year Ended December 31, 2012	Year Ended December 31, 2011	Year Ended December 31, 2010	Year Ended December 31, 2009	Year Ended December 31, 2008
Net asset value at beginning of year .....	\$ 16.20	\$ 16.42	\$ 13.63	\$ 9.91	\$ 15.70
Income (loss) from investment operations:					
Net investment income (loss) .....	0.06	(0.01)	0.01	0.01	(0.00) <sup>(a)</sup>
Net realized and unrealized gains (losses) on investments .....	2.09	(0.21)	2.79	3.72	(5.78)
Total from investment operations .....	2.15	(0.22)	2.80	3.73	(5.78)
Less distributions:					
From net investment income .....	(0.06)	—	(0.01)	(0.01)	—
From net realized gains on investments .....	(0.51)	—	—	—	(0.01)
Total distributions .....	(0.57)	—	(0.01)	(0.01)	(0.01)
Net asset value at end of year .....	\$ 17.78	\$ 16.20	\$ 16.42	\$ 13.63	\$ 9.91
Total return <sup>(b)</sup> .....	13.3%	(1.3%)	20.5%	37.6%	(36.8%) <sup>(c)</sup>
Ratios/Supplementary Data:					
Net assets at end of year (000's) .....	\$ 191,100	\$ 180,050	\$ 187,913	\$ 170,634	\$ 132,814
Ratio of net expenses to average net assets <sup>(d)</sup> .....	1.48%	1.50%	1.50%	1.50%	1.50%
Ratio of net investment income (loss) to average net assets .....	0.35%	(0.08%)	0.04%	0.07%	(0.03%)
Portfolio turnover rate .....	25%	29%	33%	58%	53%

<sup>(a)</sup> Amount rounds to less than \$0.01 per share.

<sup>(b)</sup> Total return is a measure of the change in value of an investment in the Fund over the years 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.

<sup>(c)</sup> During the year ended December 31, 2008, the Fund received payments from the Adviser of \$71,643, 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%.

<sup>(d)</sup> Absent investment advisory fee reductions by the Adviser, the ratio of expenses to average net assets would have been 1.51%, 1.56% and 1.54% for the years ended December 31, 2010, 2009 and 2008, respectively.

See notes to financial statements.

# AVE MARIA GROWTH FUND

## FINANCIAL HIGHLIGHTS

### Per Share Data for a Share Outstanding Throughout Each Year

	Year Ended December 31, 2012	Year Ended December 31, 2011	Year Ended December 31, 2010	Year Ended December 31, 2009	Year Ended December 31, 2008
Net asset value at beginning of year .....	\$ 20.67	\$ 20.56	\$ 16.26	\$ 12.86	\$ 18.94
Income (loss) from investment operations:					
Net investment loss .....	(0.04)	(0.06)	(0.05)	(0.02)	(0.06)
Net realized and unrealized gains (losses) on investments .....	3.08	0.17	4.35	3.42	(6.02)
Total from investment operations .....	<u>3.04</u>	<u>0.11</u>	<u>4.30</u>	<u>3.40</u>	<u>(6.08)</u>
Net asset value at end of year .....	\$ <u>23.71</u>	\$ <u>20.67</u>	\$ <u>20.56</u>	\$ <u>16.26</u>	\$ <u>12.86</u>
Total return <sup>(a)</sup> .....	<u>14.7%</u>	<u>0.5%</u>	<u>26.5%</u>	<u>26.4%</u>	<u>(32.1%)</u>
Ratios/Supplementary Data:					
Net assets at end of year (000's) .....	\$ <u>198,761</u>	\$ <u>162,072</u>	\$ <u>147,443</u>	\$ <u>115,626</u>	\$ <u>83,911</u>
Ratio of net expenses to average net assets <sup>(b)</sup> .....	1.50%	1.50%	1.50%	1.50%	1.50%
Ratio of net investment loss to average net assets .....	(0.17%)	(0.29%)	(0.29%)	(0.16%)	(0.35%)
Portfolio turnover rate .....	33%	10%	25%	9%	22%

<sup>(a)</sup> Total return is a measure of the change in value of an investment in the Fund over the years 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.

<sup>(b)</sup> Absent investment advisory fee reductions by the Adviser, the ratio of expenses to average net assets would have been 1.52%, 1.61% and 1.60% for the years ended December 31, 2010, 2009 and 2008, respectively.

See notes to financial statements.

# AVE MARIA RISING DIVIDEND FUND

## FINANCIAL HIGHLIGHTS

### Per Share Data for a Share Outstanding Throughout Each Year

	Year Ended December 31, 2012	Year Ended December 31, 2011	Year Ended December 31, 2010	Year Ended December 31, 2009	Year Ended December 31, 2008
Net asset value at beginning of year .....	\$ 12.68	\$ 12.51	\$ 10.77	\$ 8.72	\$ 11.54
Income (loss) from investment operations:					
Net investment income .....	0.23	0.18	0.17	0.13	0.15
Net realized and unrealized gains (losses) on investments .....	1.51	0.40	1.74	2.05	(2.74)
Total from investment operations .....	1.74	0.58	1.91	2.18	(2.59)
Less distributions:					
From net investment income .....	(0.23)	(0.18)	(0.17)	(0.13)	(0.15)
From net realized gains on investments .....	(0.70)	(0.23)	—	—	(0.08)
Total distributions .....	(0.93)	(0.41)	(0.17)	(0.13)	(0.23)
Net asset value at end of year .....	\$ 13.49	\$ 12.68	\$ 12.51	\$ 10.77	\$ 8.72
Total return <sup>(a)</sup> .....	13.9%	4.6%	17.9%	25.3%	(22.8%)
Ratios/Supplementary Data:					
Net assets at end of year (000's) .....	\$ 303,909	\$ 223,982	\$ 127,022	\$ 102,861	\$ 67,102
Ratio of expenses to average net assets .....	0.99%	1.02%	1.06%	1.11%	1.15%
Ratio of net investment income to average net assets .....	1.75%	1.45%	1.52%	1.42%	1.41%
Portfolio turnover rate .....	37%	22%	34%	63%	39%

<sup>(a)</sup> Total return is a measure of the change in value of an investment in the Fund over the years 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.

See notes to financial statements.



# AVE MARIA OPPORTUNITY FUND

## FINANCIAL HIGHLIGHTS

### Per Share Data for a Share Outstanding Throughout Each Year

	Year Ended December 31, 2012	Year Ended December 31, 2011	Year Ended December 31, 2010	Year Ended December 31, 2009	Year Ended December 31, 2008
Net asset value at beginning of year .....	\$ 10.99	\$ 10.85	\$ 9.11	\$ 6.47	\$ 9.58
Income (loss) from investment operations:					
Net investment income (loss) .....	0.03	(0.03)	0.01	(0.02)	0.03
Net realized and unrealized gains (losses) on investments .....	0.39	0.17	1.74	2.66	(3.11)
Total from investment operations .....	0.42	0.14	1.75	2.64	(3.08)
Less distributions:					
From net investment income .....	(0.03)	—	(0.01)	—	(0.03)
Net asset value at end of year .....	\$ 11.38	\$ 10.99	\$ 10.85	\$ 9.11	\$ 6.47
Total return <sup>(a)</sup> .....	3.8%	1.3%	19.2%	40.8%	(32.2%)
Ratios/Supplementary Data:					
Net assets at end of year (000's) .....	\$ 36,497	\$ 33,727	\$ 24,794	\$ 16,787	\$ 9,859
Ratio of net expenses to average net assets <sup>(b)</sup> .....	1.25%	1.25%	1.25%	1.25%	1.25%
Ratio of net investment income (loss) to average net assets .....	0.25%	(0.32%)	0.07%	(0.25%)	0.29%
Portfolio turnover rate .....	84%	101%	81%	113%	276%

<sup>(a)</sup> Total return is a measure of the change in value of an investment in the Fund over the years 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.

<sup>(b)</sup> Absent investment advisory fee reductions and expense reimbursements by the Adviser, the ratio of expenses to average net assets would have been 1.43%, 1.48%, 1.79%, 2.31% and 2.29% for the years ended December 31, 2012, 2011, 2010, 2009 and 2008, respectively.

See notes to financial statements.

# AVE MARIA WORLD EQUITY FUND

## FINANCIAL HIGHLIGHTS

### Per Share Data for a Share Outstanding Throughout Each Period

	Year Ended December 31, 2012	Year Ended December 31, 2011	Period Ended December 31, 2010 <sup>(a)</sup>
Net asset value at beginning of period .....	\$ 10.11	\$ 11.24	\$ 10.00
Income (loss) from investment operations:			
Net investment income .....	0.05	0.05	0.00 <sup>(b)</sup>
Net realized and unrealized gains (losses) on investments .....	1.35	(1.13)	1.24
Total from investment operations .....	<u>1.40</u>	<u>(1.08)</u>	<u>1.24</u>
Less distributions:			
From net investment income .....	(0.05)	(0.05)	—
Net asset value at end of period .....	\$ <u>11.46</u>	\$ <u>10.11</u>	\$ <u>11.24</u>
Total return <sup>(c)</sup> .....	<u>13.8%</u>	<u>(9.6%)</u>	<u>12.4%<sup>(d)</sup></u>
Ratios/Supplementary Data:			
Net assets at end of period (000's) .....	\$ <u>24,236</u>	\$ <u>20,324</u>	\$ <u>12,000</u>
Ratio of net expenses to average net assets <sup>(e)</sup> .....	1.50%	1.50%	1.50% <sup>(f)</sup>
Ratio of net investment income to average net assets .....	0.46%	0.58%	0.01% <sup>(f)</sup>
Portfolio turnover rate .....	33%	13%	5% <sup>(d)</sup>

<sup>(a)</sup> Represents the period from the initial public offering (April 30, 2010) through December 31, 2010.

<sup>(b)</sup> Amount rounds to less than \$0.01 per share.

<sup>(c)</sup> 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.

<sup>(d)</sup> Not annualized.

<sup>(e)</sup> Absent investment advisory fee reductions by the Adviser, the ratio of expenses to average net assets would have been 1.63%, 1.78% and 2.45%<sup>(f)</sup> for the periods ended December 31, 2012, 2011 and 2010, respectively.

<sup>(f)</sup> Annualized.

See notes to financial statements.

# AVE MARIA BOND FUND

## FINANCIAL HIGHLIGHTS

### Per Share Data for a Share Outstanding Throughout Each Year

	Year Ended December 31, 2012	Year Ended December 31, 2011	Year Ended December 31, 2010	Year Ended December 31, 2009	Year Ended December 31, 2008
Net asset value at beginning of year .....	\$ 10.87	\$ 10.90	\$ 10.48	\$ 9.79	\$ 10.12
Income (loss) from investment operations:					
Net investment income .....	0.18	0.21	0.26	0.29	0.36
Net realized and unrealized gains (losses) on investments .....	0.32	0.15	0.43	0.69	(0.33)
Total from investment operations .....	0.50	0.36	0.69	0.98	0.03
Less distributions:					
From net investment income .....	(0.18)	(0.21)	(0.26)	(0.29)	(0.36)
From net realized gains on investments .....	(0.15)	(0.18)	(0.01)	—	(0.00) <sup>(a)</sup>
Total distributions .....	(0.33)	(0.39)	(0.27)	(0.29)	(0.36)
Net asset value at end of year .....	\$ 11.04	\$ 10.87	\$ 10.90	\$ 10.48	\$ 9.79
Total return <sup>(b)</sup> .....	4.6%	3.3%	6.7%	10.2%	0.3%
Ratios/Supplementary Data:					
Net assets at end of year (000's) .....	\$ 113,043	\$ 92,401	\$ 74,606	\$ 51,788	\$ 38,136
Ratio of net expenses to average net assets <sup>(c)</sup> .....	0.70%	0.70%	0.70%	0.66%	0.62%
Ratio of net investment income to average net assets .....	1.64%	1.96%	2.38%	2.90%	3.63%
Portfolio turnover rate .....	21%	27%	24%	27%	63%

<sup>(a)</sup> Amount rounds to less than \$0.01 per share.

<sup>(b)</sup> Total return is a measure of the change in value of an investment in the Fund over the years 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.

<sup>(c)</sup> Absent investment advisory fee reductions by the Adviser, the ratio of expenses to average net assets would have been 0.71%, 0.73%, 0.85%, 0.93% and 0.91% for the years ended December 31, 2012, 2011, 2010, 2009 and 2008, respectively.

See notes to financial statements.

# AVE MARIA MUTUAL FUNDS

## NOTES TO FINANCIAL STATEMENTS

### December 31, 2012

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#### 1. Organization and 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, the Ave Maria World Equity 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 Ave Maria World Equity Fund commenced the public offering of its shares on April 30, 2010.

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 World Equity Fund is to seek long-term capital appreciation from equity investments in U.S. and non-U.S. 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 in corporate debt and equity securities that do not violate core values and teachings of the Roman Catholic Church. See the Funds’ Prospectus for information regarding the investment strategies of each 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.

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

# AVE MARIA MUTUAL FUNDS

## NOTES TO FINANCIAL STATEMENTS

### (Continued)

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**(a) Valuation of investments** – Securities which are traded on stock exchanges are valued at the closing sales price as of the close of the regular session of trading on the New York Stock Exchange on the day the securities are being valued, or, if not traded on a particular day, at the closing bid price. Securities which are quoted by NASDAQ are valued at the NASDAQ Official Closing Price. Securities traded in the over-the-counter market are valued at the last reported sales price or, if there is no reported sale on the valuation date, at the most recently quoted bid price. Securities which are traded both in the over-the-counter market and on a stock exchange are valued according to the broadest and most representative market. Investments in shares of other open-end investment companies are valued at their net asset value as reported by such companies. Securities 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, and will be classified as Level 2 or 3 (see below) within the fair value hierarchy, depending on the inputs used. Fair value pricing may be used, for example, in situations where (i) a portfolio security is so thinly traded that there have been no transactions for that stock over an extended period of time; (ii) the exchange on which the portfolio security is principally traded closes early; or (iii) trading of the portfolio security is halted during the day and does not resume prior to a Fund’s net asset value calculation. A portfolio security’s “fair value” price may differ from the price next available for that portfolio security using the Funds’ normal pricing procedures. Short-term instruments (those with remaining maturities of 60 days or less at the time of purchase) are valued at amortized cost, which approximates market value.

Accounting principles generally accepted in the United States (“GAAP”) establish a single authoritative definition of fair value, set out a framework for measuring fair value and require 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

For example, U.S. Treasury Obligations, U.S. Government Agency Obligations and Corporate Bonds held by the Ave Maria Bond Fund are classified as Level 2 since the values for U.S. Treasury Obligations, U.S. Government Agency Obligations and Corporate Bonds are based on prices provided by an independent pricing service that utilizes various “other significant observable inputs” including bid and ask quotations, prices of similar securities and interest rates, among other factors.

# AVE MARIA MUTUAL FUNDS

## NOTES TO FINANCIAL STATEMENTS

### (Continued)

The inputs or methodology used for valuing securities are not necessarily an indication of the risks associated with investing in those securities. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement.

The following is a summary of the inputs used to value the Funds' investments, by security type, as of December 31, 2012:

<b>Ave Maria Catholic Values Fund</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Common Stocks .....	\$ 170,762,429	\$ —	\$ —	\$ 170,762,429
Exchange-Traded Funds .....	9,334,550	—	—	9,334,550
Money Market Funds .....	<u>11,161,587</u>	<u>—</u>	<u>—</u>	<u>11,161,587</u>
Total .....	<u>\$ 191,258,566</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 191,258,566</u>

<b>Ave Maria Growth Fund</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Common Stocks .....	\$ 173,970,940	\$ —	\$ —	\$ 173,970,940
Exchange-Traded Funds .....	9,294,772	—	—	9,294,772
Money Market Funds .....	<u>15,838,968</u>	<u>—</u>	<u>—</u>	<u>15,838,968</u>
Total .....	<u>\$ 199,104,680</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 199,104,680</u>

<b>Ave Maria Rising Dividend Fund</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Common Stocks .....	\$ 272,706,836	\$ —	\$ —	\$ 272,706,836
Exchange-Traded Funds .....	15,163,819	—	—	15,163,819
Money Market Funds .....	<u>17,389,571</u>	<u>—</u>	<u>—</u>	<u>17,389,571</u>
Total .....	<u>\$ 305,260,226</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 305,260,226</u>

<b>Ave Maria Opportunity Fund</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Common Stocks .....	\$ 30,658,377	\$ —	\$ —	\$ 30,658,377
Exchange-Traded Funds .....	1,816,927	—	—	1,816,927
Money Market Funds .....	<u>4,105,325</u>	<u>—</u>	<u>—</u>	<u>4,105,325</u>
Total .....	<u>\$ 36,580,629</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 36,580,629</u>

<b>Ave Maria World Equity Fund</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Common Stocks .....	\$ 21,733,604	\$ —	\$ —	\$ 21,733,604
Exchange-Traded Funds .....	893,125	—	—	893,125
Money Market Funds .....	<u>1,640,703</u>	<u>—</u>	<u>—</u>	<u>1,640,703</u>
Total .....	<u>\$ 24,267,432</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 24,267,432</u>

# AVE MARIA MUTUAL FUNDS

## NOTES TO FINANCIAL STATEMENTS

### (Continued)

Ave Maria Bond Fund	Level 1	Level 2	Level 3	Total
U.S. Treasury Obligations .....	\$ —	\$ 22,483,238	\$ —	\$ 22,483,238
U.S. Government Agency Obligations .....	—	1,590,728	—	1,590,728
Corporate Bonds .....	—	54,903,953	—	54,903,953
Common Stocks .....	22,302,480	—	—	22,302,480
Money Market Funds .....	13,904,476	—	—	13,904,476
Total .....	<u>\$ 36,206,956</u>	<u>\$ 78,977,919</u>	<u>\$ —</u>	<u>\$ 115,184,875</u>

Refer to each Fund's Schedule of Investments for a listing of the securities valued using Level 1 and Level 2 inputs by security type and sector or industry type. As of December 31, 2012, the Funds did not have any transfers in and out of any Level. There were no Level 3 securities held by the Funds as of December 31, 2012. It is the Funds' policy to recognize transfers into and out of all Levels at the end of the reporting period.

**(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 98.2% of its net realized capital gains plus undistributed amounts from prior years.

The following information is computed on a tax basis for each item as of December 31, 2012:

	Ave Maria Catholic Values Fund	Ave Maria Growth Fund	Ave Maria Rising Dividend Fund	Ave Maria Opportunity Fund	Ave Maria World Equity Fund	Ave Maria Bond Fund
Undistributed ordinary income .....	\$ —	\$ —	\$ 1,415	\$ —	\$ —	\$ 400
Capital loss carryforwards ...	—	(1,909,717)	—	(940,370)	(693,699)	—
Net unrealized appreciation ..	40,613,865	63,759,849	30,827,428	4,218,648	2,070,350	5,058,500
Total distributable earnings ..	<u>\$ 40,613,865</u>	<u>\$ 61,850,132</u>	<u>\$ 30,828,843</u>	<u>\$ 3,278,278</u>	<u>\$ 1,376,651</u>	<u>\$ 5,058,900</u>

# AVE MARIA MUTUAL FUNDS

## NOTES TO FINANCIAL STATEMENTS

### (Continued)

As of December 31, 2012, the Funds had the following capital loss carryforwards for federal income tax purposes:

	Ave Maria Growth Fund	Ave Maria Opportunity Fund	Ave Maria World Equity Fund
Expires December 31, 2016 - short term .....	\$ —	\$ 588,611	\$ —
Expires December 31, 2017 - short term .....	218,750	—	—
Expires December 31, 2018 - short term .....	—	—	55,817
No expiration - short-term .....	1,690,967	351,759	518,231
No expiration - long-term .....	—	—	119,651
	<u>\$ 1,909,717</u>	<u>\$ 940,370</u>	<u>\$ 693,699</u>

These capital loss carryforwards may be utilized in future years to offset net realized capital gains, if any, prior to distributing such gains to shareholders. Under the Regulated Investment Company Modernization Act of 2010, the Funds are permitted to carry forward capital losses incurred in taxable years beginning after December 31, 2010 for an unlimited period. Capital losses incurred during post-enactment taxable years are required to be utilized prior to those losses incurred in pre-enactment taxable years. As a result of this ordering rule, there may be a greater likelihood that a portion of the Funds' capital loss carryforwards could expire without being utilized. Also, post-enactment capital losses that are carried forward will retain their character as either short-term or long-term capital losses rather than being considered all short-term as under previous law.

During the year ended December 31, 2012, the Ave Maria Catholic Values Fund utilized short-term capital loss carryforwards in the amount of \$2,339,741.

The following information is based upon the federal income tax cost of the Funds' investment securities as of December 31, 2012:

	Ave Maria Catholic Values Fund	Ave Maria Growth Fund	Ave Maria Rising Dividend Fund	Ave Maria Opportunity Fund	Ave Maria World Equity Fund	Ave Maria Bond Fund
Gross unrealized appreciation ..	\$ 48,563,406	\$ 64,737,387	\$ 35,596,196	\$ 5,033,758	\$ 3,151,533	\$ 5,357,708
Gross unrealized depreciation ..	<u>(7,949,541)</u>	<u>(977,538)</u>	<u>(4,768,768)</u>	<u>(815,110)</u>	<u>(1,081,183)</u>	<u>(299,208)</u>
Net unrealized appreciation .....	<u>\$ 40,613,865</u>	<u>\$ 63,759,849</u>	<u>\$ 30,827,428</u>	<u>\$ 4,218,648</u>	<u>\$ 2,070,350</u>	<u>\$ 5,058,500</u>
Federal income tax cost .....	<u>\$150,644,701</u>	<u>\$135,344,831</u>	<u>\$274,432,798</u>	<u>\$ 32,361,981</u>	<u>\$ 22,197,082</u>	<u>\$110,126,375</u>



# AVE MARIA MUTUAL FUNDS

## NOTES TO FINANCIAL STATEMENTS

### (Continued)

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The difference between the federal income tax cost of portfolio investments and the financial statement cost for the Ave Maria Catholic Values Fund, the Ave Maria Growth Fund, the 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 GAAP. These “book/tax” differences are temporary in nature and are due to the tax deferral of losses on wash sales.

For the year ended December 31, 2012, the Ave Maria Catholic Values Fund reclassified \$11,185 of distributions in excess of net realized gains against undistributed net investment income and \$695 of distributions in excess of net investment income against paid-in capital; the Ave Maria Growth Fund reclassified \$321,035 of net investment loss against paid-in capital; the Ave Maria Rising Dividend Fund reclassified \$497 of distributions in excess of net realized gains against undistributed net investment income; the Ave Maria Opportunity Fund reclassified \$200 of distributions in excess of net investment income against paid-in capital; the Ave Maria World Equity Fund reclassified \$62 of distributions in excess of net investment income and \$12 of net investment income due to expenses that were non-deductible for tax purposes against paid-in capital; and the Ave Maria Bond Fund reclassified \$331 of distributions in excess of net realized gains against undistributed net investment income. These reclassifications are reflected on the Statements of Assets and Liabilities. Such reclassifications, the result of permanent differences between the financial statement and the income tax reporting requirements, have no effect on each Fund’s net assets or net asset value per share.

The Funds recognize the tax benefits or expenses of uncertain tax positions only when the position is “more-likely-than-not” to be sustained assuming examination by tax authorities. Management has reviewed the tax positions taken on federal income tax returns for all open tax years (tax years ended December 31, 2009 through December 31, 2012) and has concluded that no provision for unrecognized tax benefits or expenses is required in these financial statements.

**(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.

# AVE MARIA MUTUAL FUNDS

## NOTES TO FINANCIAL STATEMENTS

(Continued)

**(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, the Ave Maria Opportunity Fund and the Ave Maria World Equity Fund. Dividends from net investment income, if any, are declared and paid quarterly for the Ave Maria Rising Dividend Fund and are declared and paid monthly for the Ave Maria Bond Fund. Each Fund expects to distribute any net realized capital gains annually. Dividends and distributions to shareholders are recorded on the ex-dividend date. The tax character of distributions paid during the years ended December 31, 2012 and December 31, 2011 was as follows:

Years Ended	Ordinary Income	Long-Term Capital Gains	Total Distributions
<b>Ave Maria Catholic Values Fund:</b>			
December 31, 2012 .....	\$ 668,511	\$ 5,281,341	\$ 5,949,852
December 31, 2011 .....	\$ —	\$ —	\$ —
<b>Ave Maria Rising Dividend Fund:</b>			
December 31, 2012 .....	\$ 4,872,601	\$ 14,894,513	\$ 19,767,114
December 31, 2011 .....	\$ 2,551,115	\$ 3,914,949	\$ 6,466,064
<b>Ave Maria Opportunity Fund:</b>			
December 31, 2012 .....	\$ 94,090	\$ —	\$ 94,090
December 31, 2011 .....	\$ —	\$ —	\$ —
<b>Ave Maria World Equity Fund:</b>			
December 31, 2012 .....	\$ 101,368	\$ —	\$ 101,368
December 31, 2011 .....	\$ 101,671	\$ —	\$ 101,671
<b>Ave Maria Bond Fund</b>			
December 31, 2012 .....	\$ 1,717,065	\$ 1,448,513	\$ 3,165,578
December 31, 2011 .....	\$ 1,719,803	\$ 1,416,828	\$ 3,136,631

During the years ended December 31, 2012 and December 31, 2011, there were no distributions paid to shareholders of the Ave Maria Growth Fund.

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

# AVE MARIA MUTUAL FUNDS

## NOTES TO FINANCIAL STATEMENTS

### (Continued)

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may be delayed or limited, and the Fund may suffer a loss if the value of the collateral declines. There were no outstanding repurchase agreements as of December 31, 2012.

**(f) Estimates** – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of 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 Chairman and 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. The Adviser receives from each of the Ave Maria Catholic Values Fund, the Ave Maria Growth Fund, the Ave Maria Opportunity Fund and the Ave Maria World Equity Fund a quarterly fee at the annual rate of 0.95% 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 its advisory fees or reimburse a portion of operating expenses until at least May 1, 2014 so that: the net expenses of the Ave Maria Catholic Values Fund, the Ave Maria Growth Fund and the Ave Maria World Equity Fund do not exceed 1.50% per annum 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% per annum of average daily net assets; and the net expenses of the Ave Maria Bond Fund do not exceed 0.70% per annum of average daily net assets. For the year ended December 31, 2012, the Adviser reduced its investment advisory fees by \$67,326 with respect to the Ave Maria Opportunity Fund; reduced its investment advisory fees by \$29,651 with respect to the Ave Maria World Equity Fund; and reduced its investment advisory fees by \$9,941 with respect to the Ave Maria Bond Fund.

# AVE MARIA MUTUAL FUNDS

## NOTES TO FINANCIAL STATEMENTS

### (Continued)

Any fee reductions or expense reimbursements by the Adviser are subject to repayment by the Funds for a period of three years from the end of the fiscal year during which 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. During the year ended December 31, 2012, the Adviser recouped previous investment advisory fee reductions and expense reimbursements of \$79,351 from the Ave Maria Catholic Values Fund, \$101,846 from the Ave Maria Growth Fund and \$5,691 from the Ave Maria Bond Fund. As of December 31, 2012, the amounts of fee reductions available for reimbursement to the Adviser are as follows:

Ave Maria Growth Fund .....	\$	10,260
Ave Maria Opportunity Fund .....	\$	247,786
Ave Maria World Equity Fund .....	\$	125,312
Ave Maria Bond Fund .....	\$	137,076

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

	December 31, 2013	December 31, 2014	December 31, 2015
Ave Maria Growth Fund .....	\$ 10,260	\$ —	\$ —
Ave Maria Opportunity Fund .....	\$ 108,644	\$ 71,816	\$ 67,326
Ave Maria World Equity Fund .....	\$ 46,665	\$ 48,996	\$ 29,651
Ave Maria Bond Fund .....	\$ 101,299	\$ 25,836	\$ 9,941

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

JLB & Associates, Inc. (“JLB”) has been retained by the Adviser to manage the investments of the Ave Maria Growth Fund pursuant to the terms of a Sub-Advisory Agreement. The Adviser (not the Fund) pays JLB a fee at an annual rate of 0.30% of the average value of the Fund’s daily net assets. JLB’s fees are reduced on a pro rata basis to the extent that the Adviser reduces its advisory fees or reimburses expenses of the Ave Maria Growth Fund.

# AVE MARIA MUTUAL FUNDS

## NOTES TO FINANCIAL STATEMENTS

### (Continued)

Pursuant to a Mutual Fund Services Agreement between the Trust and Ultimus, Ultimus supplies regulatory and compliance services, calculates the daily net asset value per share of each Fund, 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, the Ave Maria Opportunity Fund and the Ave Maria World Equity Fund pays Ultimus a monthly fee at an annual rate of 0.15% of its average daily net assets. The fee payable to Ultimus by each Fund is subject to a minimum monthly fee of \$4,000.

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

The Ave Maria Catholic Values Fund, the Ave Maria Growth Fund and the Ave Maria Bond Fund have adopted a Shareholder Servicing Plan (the "Plan") under Section 12(b) of the Investment Company Act of 1940 and Rule 12b-1 thereunder, which allows such 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. During the year ended December 31, 2012, the total expenses incurred pursuant to the Plan were \$441,129, \$426,892 and \$153,037 for the Ave Maria Catholic Values Fund, the Ave Maria Growth Fund and the Ave Maria Bond Fund, respectively.

### 3. Investment Transactions

During the year ended December 31, 2012, 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 World Equity Fund	Ave Maria Bond Fund
Purchases of investment securities .....	\$ 47,403,528	\$ 60,207,998	\$ 145,071,133	\$ 27,930,212	\$ 7,852,411	\$ 24,797,424
Proceeds from sales of investment securities .....	\$ 69,181,698	\$ 62,519,980	\$ 98,752,250	\$ 26,805,320	\$ 6,886,177	\$ 14,063,122

# AVE MARIA MUTUAL FUNDS

## NOTES TO FINANCIAL STATEMENTS

### (Continued)

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#### 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.

#### 5. Sector Risk

If a Fund has significant investments in the securities of issuers in industries within a particular sector, any development affecting that sector will have a greater impact on the value of the net assets of the Fund than would be the case if the Fund did not have significant investments in that sector. In addition, this may increase the risk of loss of an investment in the Fund and increase the volatility of the Fund's net asset value per share. As of December 31, 2012, the Ave Maria Growth Fund and the Ave Maria Rising Dividend Fund had 28.4% and 26.6%, respectively, of the value of their net assets invested in stocks within the industrials sector. From time to time, circumstances may affect a particular sector and the companies within such sector. For instance, economic or market factors, regulation or deregulation, and technological or other developments may negatively impact all companies in a particular sector and therefore the value of the Funds' portfolios will be adversely affected.

#### 6. Subsequent Events

The Funds are required to recognize in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed as of the date of the Statements of Assets and Liabilities. For non-recognized subsequent events that must be disclosed to keep the financial statements from being misleading, the Funds are required to disclose the nature of the event as well as an estimate of its financial effect, or a statement that such an estimate cannot be made. Management has evaluated subsequent events through the issuance of these financial statements and has noted no such events.

# **AVE MARIA MUTUAL FUNDS**

## **REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

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

We have audited the accompanying statements of assets and liabilities, including the schedules of investments, of the Ave Maria Catholic Values Fund, Ave Maria Growth Fund, Ave Maria Rising Dividend Fund, Ave Maria Opportunity Fund, Ave Maria World Equity Fund, and Ave Maria Bond Fund (the “Funds”), each a series of Schwartz Investment Trust, as of December 31, 2012, and the related statements of operations for the year then ended, the statements of changes in net assets of each of the two years in the period then ended, and the financial highlights for each of the periods presented. These financial statements and financial highlights are the responsibility of the Funds’ management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Funds are not required to have, nor were we engaged to perform, an audit of their internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds’ internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2012, by correspondence with the custodian and brokers; where replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Ave Maria Catholic Values Fund, Ave Maria Growth Fund, Ave Maria Rising Dividend Fund, Ave Maria Opportunity Fund, Ave Maria World Equity Fund, and Ave Maria Bond Fund as of December 31, 2012, the results of their operations for the year then ended, the changes in their net assets for each period then ended, and the financial highlights for the respective stated periods, in conformity with accounting principles generally accepted in the United States of America.

/s/ DELOITTE & TOUCHE LLP

Chicago, Illinois  
February 16, 2013

# AVE MARIA MUTUAL FUNDS

## BOARD OF TRUSTEES AND EXECUTIVE OFFICERS

### (Unaudited)

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

Trustee/Officer	Address	Year of Birth	Position Held with the Trust	Length of Time Served
<b><i>Interested Trustees:</i></b>				
* George P. Schwartz, CFA	3707 W. Maple Road, Bloomfield Hills, MI	1944	Chairman of the Board/President/Trustee	Since 1992
<b><i>Independent Trustees:</i></b>				
John E. Barnds	3707 W. Maple Road, Bloomfield Hills, MI	1932	Trustee	Since 2005
Louis C. Bosco, Jr.	3707 W. Maple Road, Bloomfield Hills, MI	1936	Trustee	Since 2008
Donald J. Dawson, Jr.	3707 W. Maple Road, Bloomfield Hills, MI	1947	Trustee	Since 1993
Joseph M. Grace	3707 W. Maple Road, Bloomfield Hills, MI	1936	Trustee	Since 2007
<b><i>Executive Officers:</i></b>				
* Richard L. Platte, Jr., CFA	3707 W. Maple Road, Bloomfield Hills, MI	1951	Vice President and Secretary	Since 1993
* Timothy S. Schwartz, CFA	3707 W. Maple Road, Bloomfield Hills, MI	1971	Treasurer	Since 2000
* Cathy M. Stoner, CPA, IACCP	3707 W. Maple Road, Bloomfield Hills, MI	1970	Chief Compliance Officer	Since 2010

\* George P. Schwartz, Richard L. Platte, Jr., Timothy S. Schwartz and Cathy M. Stoner, as affiliated persons of Schwartz Investment Counsel, Inc., the Fund's investment adviser, are "interested persons" of the Trust within the meaning of Section 2(a)(19) of the Investment Company Act of 1940. George P. Schwartz is the father of Timothy S. Schwartz.



# **AVE MARIA MUTUAL FUNDS**

## **BOARD OF TRUSTEES AND EXECUTIVE OFFICERS**

### **(Unaudited) (Continued)**

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

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

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

Louis C. Bosco, Jr. retired in April 2012. Prior to his retirement, he was a partner in Bosco Development Company (a real estate firm).

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

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

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

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

Cathy M. Stoner, CPA, IACCP is Chief Compliance Officer and Operations Manager of Schwartz Investment Counsel, Inc. Prior to July 2009, she was an Audit Manager with Deloitte & Touche LLP.

# AVE MARIA MUTUAL FUNDS CATHOLIC ADVISORY BOARD (Unaudited)

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

Member	Address	Year of Birth	Length of Time Served
Lou Holtz	5818 El Camino Real, Carlsbad, CA	1937	Since 2007
Lawrence Kudlow	1375 Kings Hwy. East, Suite 260, Fairfield, CT	1947	Since 2005
Thomas S. Monaghan	One Ave Maria Drive, Ann Arbor, MI	1937	Since 2001
Michael Novak	1150 17th Street, NW, Suite 1100, Washington, DC	1933	Since 2001
Fr. John Riccardo, STL	1062 Church St., Plymouth, MI	1965	Since 2011
Paul R. Roney	One Ave Maria Drive, Ann Arbor, MI	1957	Since 2001
Phyllis Schlafly	7800 Bonhomme, St. Louis, MO	1924	Since 2001

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

Lawrence Kudlow is the host of CNBC’s “The Kudlow Report” and a nationally syndicated columnist.

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

Michael Novak is a theologian, author, and former U.S. ambassador. He is the George Frederick Jewett Chair (emeritus) in Religion, Philosophy, and Public Policy at the American Enterprise Institute.

Fr. John Riccardo, STL is a priest of the Archdiocese of Detroit and is the pastor of Our Lady of Good Counsel Catholic Church in Plymouth, Michigan. He is also the host of the radio show “Christ is the Answer,” which can be heard on Catholic radio stations throughout the country.

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

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

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

# AVE MARIA MUTUAL FUNDS

## ABOUT YOUR FUNDS' EXPENSES

### (Unaudited)

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We believe it is important for you to understand the impact of costs on your investment. As a shareholder of the Funds, you incur ongoing costs, including management fees and other Fund expenses. The following examples are intended to help you understand your ongoing costs (in dollars) of investing in the Funds and to compare these costs with the ongoing costs of investing in other mutual funds.

A mutual fund's ongoing costs are expressed as a percentage of its average net assets. This figure is known as the expense ratio. The ongoing costs reflected in the tables below are based on an investment of \$1,000 made at the beginning of the most recent semi-annual period (July 1, 2012) and held until the end of the period (December 31, 2012).

The tables that follow illustrate each Fund's ongoing 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' ongoing 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 (the “SEC”) requires all mutual funds to calculate expenses based on a 5% return. You can assess each Fund's ongoing 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 MUTUAL FUNDS

## ABOUT YOUR FUNDS' EXPENSES

### (Unaudited) (Continued)

#### Ave Maria Catholic Values Fund

	Beginning Account Value July 1, 2012	Ending Account Value December 31, 2012	Expenses Paid During Period*
Based on Actual Fund Return	\$1,000.00	\$1,057.60	\$7.50
Based on Hypothetical 5% Return (before expenses)	\$1,000.00	\$1,017.85	\$7.35

\* Expenses are equal to the Ave Maria Catholic Values Fund's annualized expense ratio of 1.45% for the period, multiplied by the average account value over the period, multiplied by 184/366 (to reflect the one-half year period).

#### Ave Maria Growth Fund

	Beginning Account Value July 1, 2012	Ending Account Value December 31, 2012	Expenses Paid During Period*
Based on Actual Fund Return	\$1,000.00	\$1,054.20	\$7.75
Based on Hypothetical 5% Return (before expenses)	\$1,000.00	\$1,017.60	\$7.61

\* Expenses are equal to the Ave Maria Growth Fund's annualized expense ratio of 1.50% for the period, multiplied by the average account value over the period, multiplied by 184/366 (to reflect the one-half year period).

#### Ave Maria Rising Dividend Fund

	Beginning Account Value July 1, 2012	Ending Account Value December 31, 2012	Expenses Paid During Period*
Based on Actual Fund Return	\$1,000.00	\$1,075.70	\$5.11
Based on Hypothetical 5% Return (before expenses)	\$1,000.00	\$1,020.21	\$4.98

\* Expenses are equal to the Ave Maria Rising Dividend Fund's annualized expense ratio of 0.98% for the period, multiplied by the average account value over the period, multiplied by 184/366 (to reflect the one-half year period).

# AVE MARIA MUTUAL FUNDS

## ABOUT YOUR FUNDS' EXPENSES

### (Unaudited) (Continued)

#### Ave Maria Opportunity Fund

	Beginning Account Value July 1, 2012	Ending Account Value December 31, 2012	Expenses Paid During Period*
Based on Actual Fund Return	\$1,000.00	\$1,011.50	\$6.32
Based on Hypothetical 5% Return (before expenses)	\$1,000.00	\$1,018.85	\$6.34

\* Expenses are equal to the Ave Maria Opportunity Fund's annualized expense ratio of 1.25% for the period, multiplied by the average account value over the period, multiplied by 184/366 (to reflect the one-half year period).

#### Ave Maria World Equity Fund

	Beginning Account Value July 1, 2012	Ending Account Value December 31, 2012	Expenses Paid During Period*
Based on Actual Fund Return	\$1,000.00	\$1,098.20	\$7.91
Based on Hypothetical 5% Return (before expenses)	\$1,000.00	\$1,017.60	\$7.61

\* Expenses are equal to the Ave Maria World Equity Fund's annualized expense ratio of 1.50% for the period, multiplied by the average account value over the period, multiplied by 184/366 (to reflect the one-half year period).

#### Ave Maria Bond Fund

	Beginning Account Value July 1, 2012	Ending Account Value December 31, 2012	Expenses Paid During Period*
Based on Actual Fund Return	\$1,000.00	\$1,022.20	\$3.56
Based on Hypothetical 5% Return (before expenses)	\$1,000.00	\$1,021.62	\$3.56

\* Expenses are equal to the Ave Maria Bond Fund's annualized expense ratio of 0.70% for the period, multiplied by the average account value over the period, multiplied by 184/366 (to reflect the one-half year period).

# **AVE MARIA MUTUAL FUNDS**

## **FEDERAL TAX INFORMATION**

### **(Unaudited)**

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In accordance with federal tax requirements, the following provides shareholders with information concerning certain ordinary income dividends paid by the Ave Maria Catholic Values Fund, the Ave Maria Rising Dividend Fund, the Ave Maria Opportunity Fund, the Ave Maria World Equity Fund and the Ave Maria Bond Fund and distributions from net realized gains made by the Ave Maria Catholic Values Fund, the Ave Maria Rising Dividend Fund and the Ave Maria Bond Fund during the fiscal year end December 31, 2012. On December 28, 2012, the Ave Maria Catholic Values Fund declared and paid a ordinary income dividend and a long-term capital gain distribution of \$0.0641 and \$0.5064 per share, respectively, the Ave Maria Rising Dividend Fund declared and paid a long-term capital gain distribution of \$0.7003 per share, the Ave Maria Opportunity Fund declared and paid an ordinary income dividend of \$0.0294 per share, the Ave Maria World Equity Fund declared and paid an ordinary income dividend of \$0.0481 per share, and the Ave Maria Bond Fund declared and paid both a short-term capital gain distribution and a long-term capital gain distribution of \$0.0045 and \$0.1442 per share, respectively. Periodically throughout the year, the Ave Maria Rising Dividend Fund paid ordinary income dividends totaling \$0.2332 per share. Periodically throughout the year, the Ave Maria Bond Fund paid ordinary income dividends totaling \$0.1811 per share. As provided by the Jobs and Growth Tax Relief Reconciliation Act of 2003, 100% of the long-term capital gain distributions of \$0.5064, \$0.7003 and \$0.1442 for the Ave Maria Catholic Values Fund, the Ave Maria Rising Dividend Fund and the Ave Maria Bond Fund, respectively, and a percentage (100%, 100%, 100%, 100% and 39.76%) of the ordinary income dividends paid for the Ave Maria Catholic Values Fund, the Ave Maria Rising Dividend Fund, the Ave Maria Opportunity Fund, the Ave Maria World Equity Fund and the Ave Maria Bond Fund, respectively, may be subject to a maximum tax rate of 15%. Early in 2013, as required by federal regulations, shareholders received notification of their portion of the Funds' taxable gain distribution, if any, paid during the 2012 calendar year.

## **AVE MARIA MUTUAL FUNDS**

### **OTHER INFORMATION (Unaudited)**

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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 SEC's website at <http://www.sec.gov>. Information regarding how the Funds voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is also available without charge upon request by calling toll-free (888) 726-9331, or on the SEC's website at <http://www.sec.gov>.

The Trust files a complete listing of portfolio holdings for each of the Funds with the SEC as of the end 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.

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Ave Maria Catholic Values Fund  
Ave Maria Growth Fund  
Ave Maria Rising Dividend Fund  
Ave Maria Opportunity Fund  
Ave Maria World Equity Fund  
Ave Maria Bond Fund

**Ave Maria Mutual Funds**

series of Schwartz Investment Trust  
3707 W. Maple Road  
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Bloomfield Hills, Michigan 48301

**Board of Trustees**

George P. Schwartz, CFA, Chairman  
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Cincinnati, Ohio 45202

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