CATHOLIC UNITED INVESTMENT TRUST

Equity Funds

CUIT Balanced Fund
CUIT Value Equity Fund
CUIT Core Equity Index Fund
CUIT Growth Fund
CUIT Small Capitalization Equity Index Fund
CUIT International Equity Fund

Fixed Income Funds

CUIT Short Bond Fund*
CUIT Intermediate Diversified Bond Fund*

Cash Fund

CUIT Flex Cash Fund*

OFFERING MEMORANDUM

This Offering Memorandum is dated January 3, 2012.

Catholic United Investment Trust

*Shares in these funds are not expected to be offered as series of Catholic United Investment Trust until the end of the first quarter 2012 and may not be available in some states until a later date.

Catholic United Investment Trust

SET FORTH BELOW ARE LEGENDS THAT ARE REQUIRED TO BE INCLUDED UNDER THE SECURITIES LAWS OF CERTAIN STATES. SUCH LEGENDS APPLY ONLY TO INVESTORS LOCATED IN SUCH STATES. THE SECURITIES LAWS OF MOST OTHER STATES DO NOT REQUIRE SUCH LEGENDS.

THIS OFFERING IS SUBJECT TO CERTAIN RISKS.

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THESE SECURITIES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER SECTION 37(h) OF THE ALABAMA SECURITIES ACT AND SECTION 3(a)(4) OF THE SECURITIES ACT OF 1933. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE ALABAMA SECURITIES COMMISSION OR WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION. NEITHER THE ALABAMA SECURITIES COMMISSION NOR THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION HAS PASSED UPON THE VALUE OF THESE SECURITIES, MADE ANY RECOMMENDATIONS AS TO THEIR PURCHASE, APPROVED OR DISAPPROVED THE OFFERING, OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

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IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE DISCLOSURE, MERITS, AND RISKS

INVOLVED.

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FOR TENNESSEE INVESTORS:

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISK OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

FOR WASHINGTON INVESTORS:

ANY PROSPECTIVE PURCHASER IS ENTITLED TO REVIEW FINANCIAL STATEMENTS OF THE ISSUER WHICH SHALL BE FURNISHED UPON REQUEST. RECEIPT OF NOTICE OF EXEMPTION BY THE WASHINGTON ADMINISTRATOR OF SECURITIES DOES NOT SIGNIFY THAT THE ADMINISTRATOR HAS APPROVED OR RECOMMENDED THESE SECURITIES, NOR HAS THE ADMINISTRATOR PASSED UPON THE OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THE RETURN OF THE FUNDS OF THE PURCHASER IS DEPENDENT UPON THE FINANCIAL CONDITION OF THE ORGANIZATION.

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CATHOLIC UNITED INVESTMENT TRUST

SUMMARY

Catholic United Investment Trust ("CUIT") was established originally in 1983 as an Illinois common law trust and converted to a Delaware statutory trust on December 30, 2011. CUIT currently consists of nine no-load pooled investment vehicles (each, a "Fund" and together, the "Funds"):

CUIT Balanced Fund (the "Balanced Fund")
CUIT Value Equity Fund (the "Value Fund")
CUIT Core Equity Index Fund (the "Index Fund")
CUIT Growth Fund (the "Growth Fund")
CUIT Small Capitalization Index
Equity Fund (the "Small Cap Index Fund")
CUIT International Equity Fund (the "International Fund")
CUIT Flex Cash Fund (the "Flex Cash Fund")
CUIT Short Bond Fund (the "Short Bond Fund")
CUIT Intermediate Diversified Bond Fund (the "Intermediate Bond Fund")

The investment objectives, strategies and policies of each Fund are described elsewhere in this Offering Memorandum. See "Investment Objectives" and "Investment Strategies and Policies."

The Funds are designed to suit the needs of entities that are members or subsidiary organizations of the Roman Catholic Church in the U.S., its territories, or its possessions, that are, or are eligible to be, listed in the Kenedy *Official Catholic Directory* (also referred to as "Participating Organizations") by providing a means for the long-term investment of assets for retirement, endowment, welfare and similar purposes.

Interests in the Funds ("Shares") are sold and redeemed at net asset value. There are no sales or redemption charges. The full amounts paid by investors are invested in Shares of the selected Funds.

CUIT relies on an exemption from registration under the Investment Company Act of 1940 and an exemption from having to register the Shares under the Securities Act of 1933. In connection with its organization, CUIT received a no-action letter from the staff of the U.S. Securities and Exchange Commission confirming that such exemptions are available to entities such as CUIT and the Funds.

In connection with its organization, CUIT received a Letter of Determination from the Internal Revenue Service qualifying it for tax-exempt status. Accordingly, CUIT, following its conversion to a Delaware statutory trust, also should be able to qualify for

tax-exempt status. Because CUIT and all eligible Participating Organizations in the Funds are tax-exempt entities, the performance of the Funds does not take into account the effect of any income taxes payable by Participating Organizations on income, dividends, and capital gain distributions.

Each Fund will take reasonable risks in seeking its investment objectives. However, there is no assurance that any Fund will be successful in meeting its objectives in that inherent risks exist in the ownership of all securities. See "Investment Strategies and Policies" and "Risk Factors and Special Considerations."

Investors should read this Offering Memorandum and the Declaration of Trust in their entirety before investing in the Funds. This Offering Memorandum and the Declaration of Trust should be retained to access information about each Fund. Both the Offering Memorandum and the Declaration of Trust are available on the CBIS website, www.cbisonline.com, and upon request by writing or calling CUIT at the number and address below.

The address of CUIT is 20 North Wacker Drive, Ste 2000, Chicago, IL 60606-3002. The telephone number is (800) 321-7194.

INVESTMENT OBJECTIVES

The Funds adhere to the Christian Brothers Investment Services, Inc. ("CBIS") Commitment to Socially Responsible Investing as endorsed by the Board and available on the CBIS website, www.cbisonline.com. See "Socially Responsible Investing and Other Common Investment Policies." For further information regarding the investment strategies and policies of the Funds and risks associated with an investment in the Funds, see "Investment Strategies and Policies" and "Risk Factors and Special Considerations."

The Equity Funds

Balanced Fund. The Balanced Fund seeks to achieve current income and long-term appreciation through investments in equity securities primarily issued by companies with large market capitalizations, as well as U.S. government securities (and securities of its agencies and instrumentalities) and other fixed income securities. The assets of the Balanced Fund are generally allocated 60% to equity securities and 40% to fixed income securities.

Value Fund. The Value Fund seeks to achieve long-term capital appreciation by investing primarily in a broadly diversified portfolio of equity securities of large and established companies that are believed to be undervalued.

Index Fund. The Index Fund seeks to replicate the aggregate price and yield performance of the S&P 500® Index, an index which emphasizes large-capitalization companies. However, the Index Fund will adhere to the CBIS Commitment to Socially Responsible Investing. The correlation between the performance of the Index Fund and

the S&P 500 Index is expected to be at least 0.95, with a tracking tolerance of ± .50% annually. *"S&P 500" is a registered trademark of McGraw-Hill. Neither McGraw-Hill nor Standard & Poor's is a sponsor of, or affiliated in any way with, the Index Fund and neither endorses the Index Fund.*

Growth Fund. The Growth Fund seeks to achieve long-term capital appreciation by investing primarily in equity securities of well-established, medium to large companies that are believed to have above-average market appreciation potential.

Small Cap Index Fund. The Small Cap Fund seeks to replicate the total return of the Russell 2000® Index, an index emphasizing small capitalization common stocks. It is designed for long-term investors seeking the advantages of a low-cost, "passive" approach for investing in a diversified portfolio of common stocks.

International Fund. The International Fund seeks to achieve long-term capital appreciation by investing primarily in a broadly diversified portfolio of equity securities of well-established companies based in those countries included in the Morgan Stanley Capital International Europe, Australia and Far East Index ("EAFE") and Canada that are believed to have above-average market appreciation potential. The International Fund will adhere to the CBIS Commitment to Socially Responsible Investing, to the extent reasonably feasible and practicable given the different legal standards that may prevail in foreign countries or the degree of information that may be available to CBIS regarding foreign securities.

The Fixed Income Funds

Short Bond Fund. The Short Bond Fund seeks maximum current income to the extent consistent with preservation of capital. Its portfolio effective duration will be similar to that of its benchmark, the Merrill Lynch 1-3 Year Treasury Index, generally one to two years. The Fund invests primarily in fixed income obligations issued by the U.S. government or its agencies, fixed income obligations issued by corporations, mortgage-backed and asset-backed securities.

Intermediate Bond Fund. The Intermediate Bond Fund seeks current income and long-term capital appreciation. Its portfolio effective duration will be similar to that of its benchmark, the Barclays Capital Aggregate Bond Index, generally four to six years. The Fund invests primarily in fixed income obligations issued by the U.S. government or its agencies, obligations issued by corporations, mortgage-backed and asset-backed securities.

The Cash Fund

Flex Cash Fund. The Flex Cash Fund invests in high quality short-term money market instruments in a portfolio with a weighted average maturity of less than 90 days consistent with its specific objective of seeking optimal current income consistent with the preservation of capital.

SUITABILITY

The Trustees believe that an investment in one or more of the Funds is a suitable component of a diversified investment strategy. See "Investment Strategies and Policies" and "Risk Factors and Special Considerations". An investment in a particular Fund can be considered part of a balanced investment program. In no event should an investment in a single Fund be viewed as a complete investment program.

The Equity Funds

The Growth Fund, the Value Fund and the International Fund each stress long-term capital growth and do not emphasize current income. Moreover, as growth portfolios and value portfolios generally do not move in tandem, adding the Value Fund to your portfolio of growth stocks or growth funds or, conversely, adding the Growth Fund to your portfolio of value stocks or value funds, may increase diversification and balance overall investment risk. Similarly, adding the International Fund to your portfolio of domestic investments may balance overall investment risk.

Although the Balanced Fund's investment objective considers the potential for capital appreciation, the Balanced Fund also seeks current income. Therefore, investors should not expect capital appreciation comparable to that of funds with capital appreciation as their sole objective.

The Small Cap Index Fund may be appropriate for investors seeking to replicate the total return of the Russell 2000 Index, an index emphasizing small capitalization common stocks. It is designed for long-term investors seeking the advantages of a low-cost, "passive" approach for investing in a diversified portfolio of common stocks. Unlike other equity investment funds, which generally seek to beat stock market averages with unpredictable results, the Small Cap Index Fund seeks to correspond to the Russell 2000 Index and consequently is expected to provide a highly predictable return relative to its benchmark, the Russell 2000 Index. The Small Cap Index Fund is intended to be a long-term investment vehicle and is not designed to provide investors with a means of speculating on short-term market movements.

The Index Fund may be appropriate for investors seeking to replicate the total return of the S&P 500 Index, an index emphasizing large capitalization common stocks. It is designed for long-term investors seeking the advantages of a low-cost, "passive" approach for investing in a diversified portfolio of common stocks. Unlike other equity investment funds, which generally seek to beat stock market averages with unpredictable results, the Index Fund seeks to correspond to the S&P 500 Index and consequently is expected to provide a highly predictable return relative to its benchmark, the S&P 500 Index. The Index Fund is intended to be a long-term investment vehicle and is not designed to provide investors with a means of speculating on short-term market movements.

Each Equity Fund is designed for long-term stock investors who can afford to tolerate changes in the stock market and who are comfortable with assuming the specific risks associated with such Equity Fund in return for the possibility of long-term rewards. An investment in a given Equity Fund is not suitable for entities which cannot afford the risks described herein. See "Risk Factors and Special Considerations."

The Fixed Income Funds

Short Bond Fund. The Short Bond Fund may be appropriate for investors seeking above-average returns while minimizing their exposure to principal fluctuations. An investment in the Fund is an appropriate choice for enhancing return on excess cash balances, as well as providing a suitable low-volatility component of a diversified investment strategy for long-term investors. It is anticipated that the value of the Fund's shares will fluctuate. At redemption, the Shares held by a Participating Organization may be worth more or less than the amount paid for them. Accordingly, an investment in the Fund is appropriate for investors who have little need to call upon principal. An investment in the Fund is not suitable for entities unable to take on the risks described herein. An investment in the Fund can be considered a component of a long-term balanced investment program. In no event should an investment in the Fund be viewed as a complete investment program.

Intermediate Bond Fund. The Intermediate Bond Fund may be a suitable component of a diversified investment strategy for long-term investors. The Fund is designed for investors whose primary goal is a level of current income higher than is generally provided by a money market fund or a bond fund with an average portfolio maturity of five years or less and who can accept the generally greater price volatility associated with investments in longer term bonds. At redemption, the Shares held by a Participating Organization may be worth more or less than the amount paid for them. Accordingly, an investment in the Fund is appropriate for investors who have little need to call upon principal. An investment in the Fund is not suitable for entities unable to take on the risks described herein. An investment in the Fund can be considered a component of a long-term balanced investment program. In no event should an investment in the Fund be viewed as a complete investment program.

The Cash Fund

Flex Cash Fund. The Flex Cash Fund may be suitable for investors who are seeking current income and who are reluctant to accept significant stock or bond market risk. The Flex Cash Fund may be appropriate for investors seeking liquidity and who are concerned about the stability of principal.

INVESTMENT ADVISER AND SUB-ADVISERS

Christian Brothers Investment Services, Inc. ("CBIS") acts as investment adviser for the Funds. CBIS may engage investment sub-advisers from time to time to manage the assets of the Funds. The sub-advisers that CBIS currently engages to manage the day-

to-day investment portfolios of the Funds can be found on the CBIS website at www.cbisonline.com.

CBIS and the sub-advisers also act as investment advisers for other investment funds and/or other institutional accounts. The advice given to other clients will be based on the investment objectives, strategies, policies and restrictions of those other clients and may be different from the advice given to the Funds. See "Christian Brothers Investment Services, Inc. - Investment Adviser and Administrator."

FEES AND EXPENSES

The following table describes the fees and expenses a Participating Organization may pay if a Participating Organization buys and holds Shares of a Fund. As provided in the Investment Management Agreement between the Trust and CBIS, to the extent the CBIS voluntarily agrees to waive fees and/or reimburse expenses, the Trust, on behalf of such Series, may reimburse CBIS for any of its fee waivers and/or expense reimbursements up to the amount waived or reimbursed during the preceding three-year period.

Annual Fund Operating Expenses

(Expenses that you pay each year as a percentage of the value of your investment)

	Balanced Fund	Value Fund—Class A	Value Fund—Class B	Index Fund—Class A	Index Fund—Class B	Growth Fund—Class A	Growth Fund—Class B	Small Cap Index—Class A	Small Cap Index—Class B
Management Fees	0.80%	1.00%	0.65%	0.35%	0.15%	1.10%	0.80%	0.50%	0.20%
Other Expenses[1]	0.09%	0.04%	0.04%	0.03%	0.03%	0.07%	0.07%	0.05%	0.05%
Total Operating Expenses	0.89%	1.04%	0.69%	0.38%	0.18%	1.17%	0.87%	0.55%	0.25%

[1] "Other expenses," which are borne by the Funds, include: costs associated with the holding of Board meetings; expenses relating to the issuance, registration, and qualification of Shares of the Funds in appropriate states (so-called blue sky registrations); fees and expenses of the custodian; auditing fees; fees and expenses of legal counsel; license fees paid to providers of investment indices; expenses related to transfer agency, shareholder servicing and fund accounting; fees associated with the benchmark index and performance analytics software used to assess Fund performance.

	International Fund—Class A	International Fund—Class B	Flex Cash Fund	Short Bond Fund	Intermediate Bond Fund—Class A	Intermediate Bond Fund—Class B
Management Fees	1.40%	1.00%	0.50%	0.30%	0.50%	0.35%
Other Expenses[1]	0.10%	0.11%	N/A	N/A	N/A	N/A
Total Operating Expenses	1.50%	1.11%	N/A	N/A	N/A	N/A

PORTFOLIO TURNOVER

Each Equity Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs. These costs are not reflected in annual fund operating expenses and can reduce the Fund's performance. During the most recent fiscal year, the portfolio turnover rate for the Equity Funds was as follows:

	Balanced Fund	Value Fund	Index Fund	Growth Fund	Small Cap Index	International Fund
Portfolio Turnover Rate for the Year Ended December 31, 2010	17.00%	38.80%	21.20%	58.20%	18.80%	86.80%

CLASSES OF SHARES

The CUIT Declaration of Trust provides that the Trustees may establish one or more classes of Shares representing interests in the portfolio of any such Fund. All classes of Shares in a specific Fund shall share in the common investment portfolio of such fund. Subject to the approval of the Trustees, different classes of Shares may bear different fees.

With respect to each Fund (other than the Balanced Fund, Flex Cash Fund, and Short Bond Fund), the Trustees have established two classes of Shares, designated "Class A Shares" and "Class B Shares." The Class A Shares are issued to investors who have less than or equal to the Class B Threshold (as defined below) in assets invested in one of these funds. The Class B Shares are issued to investors who have greater than the Class B Threshold invested in one of the funds. The "Class B Threshold" is currently: $10 million for the Value Fund, Growth Fund and Intermediate Bond Fund; $5 million for the

[1] "Other expenses," which are borne by the Funds, include: costs associated with the holding of Board meetings; expenses relating to the issuance, registration, and qualification of Shares of the Funds in appropriate states (so-called blue sky registrations); fees and expenses of the custodian; auditing fees; fees and expenses of legal counsel; license fees paid to providers of investment indices; expenses related to transfer agency, shareholder servicing and fund accounting; fees associated with the benchmark index and performance analytics software used to assess Fund performance.

International Fund; and $3 million for the Index Fund and Small Cap Index Fund. Generally, the assets of Related Investors (as defined below) will be aggregated in order to determine whether an investor has greater than the Class B Threshold invested in a fund. CBIS generally defines "Related Investors" as organizations that, in the judgment of CBIS, are closely affiliated by reasons of structure or operations. For example, such organizations may have consolidated their financial and investment decision-making process under a single group of individuals (e.g. board, committee, council) who represent a discrete serviceable and reporting entity to CBIS. The group may have authority over multiple pools of assets serving multiple purposes and operating under a single or multiple tax identification or CBIS master organization numbers, but which are consolidated for investment purposes at CBIS.

Accounts that fall below the minimum for investment in Class B Shares due solely to investment performance may continue to hold Class B Shares. Accounts that fall below the minimum due to withdrawals or redemptions may continue to hold Class B Shares so long as the accounts are restored to a value exceeding the B Threshold within the period established from time to time by CBIS following the withdrawal or redemption that caused the accounts to fall below the minimum. Notwithstanding the foregoing, CBIS reserves the right to cause the exchange of Class B Shares for Class A Shares in any case where the account or accounts are below the minimum (for whatever reason) for more than 60 days. Generally, determinations regarding eligibility for Class B Shares will be made monthly, as of the last business day of the month.

The Funds also pay the custodial fees and expenses of the master custodian and certain other expenses of the Funds. See "Christian Brothers Investment Services, Inc. – Investment Adviser and Administrator."

PURCHASES AND REDEMPTIONS OF SHARES

Shares of the Funds are purchased and redeemed at net asset value, with no sales or redemption charges, commissions, or underwriting discounts. Purchase orders for Shares are received subject to acceptance by the Funds. Each Fund has the right, upon thirty (30) days written notice, to redeem involuntarily at net asset value any Participating Organization's investment in a particular Fund's Shares.

REINVESTMENT OF INCOME

All net investment income of each Fund may be reinvested in additional Shares of such Fund.

Any income distributions will be automatically reinvested in additional Shares of the respective Funds at net asset value, unless the Participating Organization elects by written notice to receive income distributions in cash. Any income distributions shall be processed with a record and payable date of the last business day of the period to which the distribution applies. Participating Organizations that have elected to receive distributions in cash will receive their distributions by check or wire transfers generally

sent on the first business day of the next month. Any income distributions in the Balanced Fund are paid monthly. Any income distributions in the Index Fund, the Value Fund and any other Fund which may make an income distribution are paid quarterly.

INVESTMENT OBJECTIVE STRATEGIES AND POLICIES - BALANCED FUND

The Balanced Fund's investment objective is to achieve current income and long-term appreciation by investing in equity securities primarily issued by companies with large market capitalizations, other common stocks, or securities convertible into or exchangeable for common stocks (such as convertible preferred stocks or convertible debentures) as well as fixed income securities such as U.S. government securities (and securities of its agencies and instrumentalities), bonds and debentures of corporations which are believed to have above-average market appreciation potential and income and mortgage-backed securities.

The assets of the Balanced Fund are generally allocated 60% to equity securities and 40% to fixed income securities. The Balanced Fund may temporarily invest up to 100% of its assets in cash equivalents and high quality short-term debt securities or hold cash when a temporary defensive posture in the market is appropriate.

The Balanced Fund may purchase or sell exchange-traded Treasury bond futures in approved strategies to control overall portfolio duration in a cost effective manner. Futures will not be employed to leverage portfolio return, but with the intent to more effectively transact among sectors or issues and to more effectively manage yield curve and duration risks.

In pursuit of its objective, the Balanced Fund may invest in securities (equities as well as bonds and debt instruments) of seasoned, established companies as well as in securities of relatively small new companies. Portfolio securities may have limited marketability or may be widely traded. Investments by the Balanced Fund may be in existing as well as new issues of securities and may be subject to wide fluctuations in market value. The Balanced Fund does not intend to concentrate its investments in any particular industry. The Balanced Fund may invest in below investment grade rated corporate issues, and retain corporate issues downgraded below investment grade, so long as corporate issues below investment grade do not exceed 10% of the Balanced Fund's total fixed income portfolio value at the time of investment in an issue that is below investment grade.

From time to time, a portion of the Balanced Fund's assets may be indexed to the S&P 500. The S&P 500 Index is composed of 500 selected common stocks, most of which are listed on the New York Stock Exchange and all of which trade in the U.S. The composition of the S&P 500 Index is determined by Standard & Poor's, a division of the McGraw-Hill Companies, Inc. ("McGraw-Hill"), and is based on such factors as the market capitalization and trading activity of each stock and its adequacy as a representation of stocks in a particular industry group. Standard & Poor's chooses the

stocks to be included on the S&P 500 Index solely on a statistical basis. Accordingly, Standard & Poor's may change the S&P 500 Index's composition from time to time. However, inclusion of a stock in the S&P 500 Index in no way implies an opinion by Standard & Poor's as to its attractiveness as an investment, nor is Standard & Poor's a sponsor of or in any way affiliated with the Index Fund. *"S&P 500" is a registered trademark of McGraw-Hill. Neither McGraw-Hill nor Standard & Poor's is a sponsor of, or affiliated in any way with, the Index Fund and neither endorses the Index Fund.*

INVESTMENT OBJECTIVE, STRATEGIES AND POLICIES - VALUE FUND

The Value Fund's investment objective is to achieve long-term capital appreciation by investing primarily in a broadly diversified portfolio of equity securities of large and established companies that are believed to be undervalued. Portfolio securities may have limited marketability or may be widely traded. Investments by the Value Fund may be in existing as well as new issues of equity securities and may be subject to wide fluctuations in market value. The Value Fund does not intend to concentrate its investments in any particular industry.

In pursuit of its objective, the Value Fund may invest in equity securities of large companies that the investment sub-advisers believe are undervalued in the marketplace in relation to current and estimated future earnings and dividends, as well as factors such as the issuing company's assets, earnings or growth potential. Such companies will generally have one or more of the following attributes: (1) valuable fixed assets; (2) valuable consumer or commercial franchises or potentially valuable transportation routes; (3) securities selling at low market valuations of assets relative to the securities market in general, or current earnings demonstrating a very low return on assets but which have the potential to achieve higher returns if conditions in the industry improve; (4) securities undervalued in relation to their potential for growth in earnings, dividends, and book value; or (5) recently changed management or control and having the potential for a "turnaround" in earnings.

While a broad range of investments is considered, only those investments that, in an investment sub-adviser's opinion, are selling at comparatively large discounts to intrinsic value will be purchased for the Value Fund. It is anticipated that the prices of the Value Fund's investments will rise as a result of both earnings growth and rising price-earnings ratios over time.

Although the Value Fund primarily invests in equity securities, in the event an investment sub-adviser considers it appropriate, the Value Fund may also invest a portion of its assets in cash equivalents and high quality short-term debt securities. The Value Fund may temporarily invest up to 100% of its assets in such instruments or hold cash when an investment sub-adviser believes that a temporary defensive posture in the market is appropriate. The Value Fund may also invest in other fixed-income securities in the discretion of an investment sub-adviser.

INVESTMENT OBJECTIVE, STRATEGIES AND POLICIES - INDEX FUND

The Index Fund is not managed according to the traditional methods of "active" investment management, which involve the buying and selling of securities based upon economic, financial and market analysis and investment judgment. Rather, the Index Fund utilizes a "passive" or "indexing" investment approach, attempting to duplicate the investment performance of the S&P 500 Index through statistical procedures. See "Suitability."

The Index Fund's investment objective is to replicate the price and yield performance of the S&P 500 Index, an index which emphasizes large-capitalization companies. The S&P 500 Index is composed of 500 selected common stocks, most of which are listed on the New York Stock Exchange and all of which trade in the U.S. The composition of the S&P 500 Index is determined by Standard & Poor's, a division of the McGraw-Hill Companies, Inc. ("McGraw-Hill"), and is based on such factors as the market capitalization and trading activity of each stock and its adequacy as a representation of stocks in a particular industry group. Standard & Poor's chooses the stocks to be included on the S&P 500 Index solely on a statistical basis. Accordingly, Standard & Poor's may change the S&P 500 Index's composition from time to time. However, inclusion of a stock in the S&P 500 Index in no way implies an opinion by Standard & Poor's as to its attractiveness as an investment, nor is Standard & Poor's a sponsor of or in any way affiliated with the Index Fund. *"S&P 500" is a registered trademark of McGraw-Hill. Neither McGraw-Hill nor Standard & Poor's is a sponsor of, or affiliated in any way with, the Index Fund and neither endorses the Index Fund.*

The weightings of stocks in the S&P 500 Index are based upon each stock's relative total market capitalization; that is, its market price per share times the number of shares outstanding. In pursuit of the Index Fund's objective, its investment sub-adviser will attempt over time to allocate the Index Fund's portfolio among common stocks in approximately the same proportions as they are represented in the S&P 500 Index.

However, since the Index Fund's investments adhere to CBIS' Commitment to Socially Responsible Investing, there may be circumstances where, because of the principles set forth in the Commitment to Socially Responsible Investing, the Index Fund is unable to invest in a security that is included in the S&P 500 Index. See "Socially Responsible Investing and Other Common Investment Policies." In such circumstances, the Index Fund's investment sub-adviser will, optimize the remaining securities in the Fund to closely match significant characteristics of the S&P 500 Index.

Further, because of the difficulty and expense of executing relatively small stock transactions, the Index Fund may not always be invested in the less heavily weighted S&P 500 Index stocks and may at times have its portfolio weighted differently from the S&P 500 Index. The Index Fund may omit or remove an S&P 500 Index stock from its portfolio if, following objective criteria, the Index Fund's investment sub-adviser judges the stock to be insufficiently liquid or believes the merit of the investment has been substantially impaired by extraordinary events or financial conditions. The investment

sub-adviser may purchase stocks that are not included in the S&P 500 Index to compensate for these differences if it believes that their prices will move together with the prices of S&P 500 Index stocks omitted from the portfolio.

Regardless of the above-described deviations from the S&P 500 Index, the correlation between the performance of the Index Fund and the S&P 500 Index is expected to be at least .95. A figure of 1.00 would indicate perfect correlation. CBIS monitors the correlation between the performance of the Index Fund and the S&P 500 Index on a regular basis.

Cash flow considerations represent another potential obstacle to the Index Fund's ability to meet its investment objective. The Index Fund's ability to meet its investment objective of replicating the investment performance of the S&P 500 Index depends in part on its cash flow because investments and redemptions by Participating Organizations generally will require the Index Fund to purchase or sell portfolio securities. A low level of transactions by Participating Organizations will keep cash flow manageable and enhance the Index Fund's ability to track the S&P 500 Index. The investment sub-adviser will make investment changes that it deems advisable to accommodate cash flow in an attempt to maintain the similarity of the Index Fund's portfolio to the composition of the S&P 500 Index.

You should also be aware that the performance of the S&P 500 Index is a hypothetical number which does not take into account the expenses borne by the Index Fund. See "Investment Adviser" and "Christian Brothers Investment Services, Inc. - Investment Adviser and Administrator."

The Index Fund intends to remain fully invested, to the extent practicable, in a pool of securities which duplicate the investment characteristics of the S&P 500 Index. Nevertheless, the Index Fund may, from time to time, also invest a portion of its assets in cash equivalents and high quality short-term debt securities.

INVESTMENT OBJECTIVE, STRATEGIES AND POLICIES - GROWTH FUND

The Growth Fund's investment objective is to achieve long-term capital appreciation by investing primarily in a broadly diversified portfolio of equity securities of well-established, medium to large companies that are believed to have above-average market appreciation potential.

In pursuit of its objective, the Growth Fund may invest in equity securities of seasoned, established companies as well as in equity securities of relatively small new companies. Portfolio equity securities may have limited marketability or may be widely traded. Investments by the Growth Fund may be in existing as well as new issues of equity securities and may be subject to wide fluctuations in market value. The Growth Fund does not intend to concentrate its investments in any particular industry. Although the Growth Fund primarily invests in equity securities, it may also invest a portion of its assets in cash equivalents and high quality short-term debt securities. The Growth Fund

may temporarily invest up to 100% of its assets in such instruments or hold cash when the investment sub-adviser believes that a temporary defensive posture in the market is appropriate. The Growth Fund may also invest in fixed-income securities for the purpose of capital appreciation, such as bonds traded at substantial discount.

INVESTMENT OBJECTIVE, STRATEGIES AND POLICIES – SMALL CAPITALIZATION EQUITY INDEX FUND

The Small Capitalization Equity Index Fund ("Small Cap Index Fund") is not managed according to the traditional methods of "active" investment management, which involve the buying and selling of securities based upon economic, financial and market analysis and investment judgment. Rather, the Small Cap Index Fund utilizes a "passive" or "indexing" investment approach, attempting to duplicate the investment performance of the Russell 2000 Index through statistical procedures. See "Suitability".

The Small Cap Index Fund's investment objective is to replicate the price and yield performance of the Russell 2000 Index, an index which emphasizes small-capitalization companies. The Russell 2000 Index is an index of 2000 small company stocks that is created by taking the largest 3,000 companies in the United States and eliminating the largest 1,000 of those companies.

In pursuit of the Small Cap Index Fund's objective, its investment sub-adviser will attempt over time to allocate the Small Cap Index Fund's portfolio among common stocks in approximately the same proportions as they are represented in the Russell 2000 Index. However, since the Index Fund's investments adhere to CBIS' Commitment to Socially Responsible Investing, there may be circumstances where, because of the principles set forth in the Commitment to Socially Responsible Investing, the Small Cap Index Fund is unable to invest in a security that is included in the Russell 2000 Index. In such circumstances, the Small Cap Index Fund's investment sub-adviser will, to the extent possible, attempt to identify investment opportunities in companies which are of comparable size, capitalization and market position, and which are engaged in the same or a related industry, although the securities of such companies may not be included in the Russell 2000 Index.

Further, because of the difficulty and expense of executing relatively small stock transactions, the Small Cap Index Fund may at times have its portfolio weighted differently from the Russell 2000 Index. The Small Cap Index Fund may omit or remove a Russell 2000 Index stock from its portfolio if, following objective criteria, the Small Cap Index Fund's investment sub-adviser judges the stock to be insufficiently liquid or believes the merit of the investment has been substantially impaired by extraordinary events or financial conditions. The investment sub-adviser may purchase stocks that are not included in the Russell 2000 Index to compensate for these differences if it believes that their prices will move together with the prices of Russell 2000 Index stocks omitted from the portfolio.

Regardless of the above-described deviations from the Russell 2000 Index, the correlation between the performance of the Small Cap Index Fund and the Russell 2000 Index is expected to be at least .95. A figure of 1.00 would indicate perfect correlation. CBIS monitors the correlation between the performance of the Small Cap Index Fund and the Russell 2000 Index on a regular basis.

Cash flow considerations represent another potential obstacle to the Small Cap Index Fund's ability to meet its investment objective. The Small Cap Index Fund's ability to meet its investment objective of replicating the investment performance of the Russell 2000 Index depends in part on its cash flow because investments and redemptions by Participating Organizations generally will require the Small Cap Index Fund to purchase or sell portfolio securities. A low level of transactions by Participating Organizations will keep cash flow manageable and enhance the Small Cap Index Fund's ability to track the Russell 2000 Index. The investment sub-adviser will make investment changes that it deems advisable to accommodate cash flow in an attempt to maintain the similarity of the Small Cap Index Fund's portfolio to the composition of the Russell 2000 Index.

You should also be aware that the performance of the Russell 2000 Index is a hypothetical number which does not take into account the expenses borne by the Small Cap Index Fund. See "Investment Adviser" and "Christian Brothers Investment Services, Inc. - Investment Adviser and Administrator."

Although the Small Cap Index Fund intends to remain fully invested, to the extent practicable, in a pool of securities which duplicate the investment characteristics of the Russell 2000 Index, the Small Cap Index Fund may, from time to time, also invest a portion of its assets in cash equivalents and high quality short-term debt securities.

The Russell 2000 Index is a trademark/servicemark, and Russell is a trademark, of the Frank Russell Company. The Small Cap Index Fund is not sponsored, endorsed, sold or promoted by the Frank Russell Company, and the Frank Russell Company makes no representation regarding the advisability of investing in the Small Cap Index Fund.

INVESTMENT OBJECTIVE, STRATEGIES AND POLICIES - INTERNATIONAL FUND

The International Fund's investment objective is to achieve long-term capital appreciation by investing primarily in a broadly diversified portfolio of equity securities of well-established companies based in those countries included in the Morgan Stanley Capital International Europe, Australia and the Far East Index ("EAFE") and Canada that are believed to have above-average market appreciation potential.

The International Fund diversifies its investments widely among regions, countries and sectors in the portfolio. The International Fund primarily invests in companies located in the countries of Europe, Australia, the Far East and Canada;

additionally, the International Fund may invest up to 15% of total assets in less-developed non-U.S. markets. The International Fund may also, but is not obligated to, enter into forward foreign currency exchange contracts intended to protect against uncertainty in the level of future foreign exchange rates.

In pursuit of its objective, the International Fund may invest in equity securities of seasoned, well-established companies as well as in equity securities of relatively small new companies. Portfolio equity securities may have limited marketability or may be widely traded. Investments by the International Fund may be in existing as well as new issues of equity securities and may be subject to wide fluctuations in market value. The International Fund does not intend to concentrate its investments in any particular industry.

Although the International Fund primarily invests in equity securities, it may also invest a portion of its assets in cash equivalents and high quality short-term debt securities. The International Fund may temporarily invest up to 100% of its assets in such instruments or hold cash when the investment sub-adviser believes that a temporary defensive posture in the market is appropriate. Although the assets of the International Fund will not generally be invested in other fixed-income securities, the International Fund may, in the discretion of the investment sub-adviser, invest in such securities for defensive purposes.

INVESTMENT OBJECTIVE, STRATEGIES AND POLICIES — FLEX CASH FUND

The Flex Cash Fund seeks to provide Participating Organizations safety, liquidity and stability of capital and, consistent therewith, to provide current income. The policy of the Flex Cash Fund is to invest in high-quality, short-term cash and debt obligations having a weighted average maturity of 90 days or less.

The Flex Cash Fund may invest in a portfolio of securities having such weighted average maturity, and may include securities having a credit rating from Standard & Poor's, Moody's and Fitch Investment Services in one of the two highest short-term rating categories, i.e. investment grade. These may include U.S. Treasury notes, bonds, bills and other securities issued or guaranteed by the U.S. Government, its agencies or instrumentalities, in debt obligations of banks, bank holding companies, savings and loan associations and U.S. corporations, and in dollar-denominated debt obligations of foreign institutions and corporations, supranational and sovereign issuers, asset-backed and mortgage-backed securities, repurchase agreements, and money market securities such as certificates of deposit, time deposits, bankers acceptances and Eurodollar securities.

The Flex Cash Fund intends to meet the needs of Participating Organizations with the aim of providing liquidity and income through cash management services. This portfolio seeks to maintain a stable net asset value of $1.00 per Share, although under certain circumstances this may not be possible. The Flex Cash Fund will take reasonable

risks in seeking to achieve its investment objective. However, there is no assurance the Flex Cash Fund will be able to maintain a stable net asset value of $1.00 per share, nor can there be assurance that the Flex Cash Fund will be successful in meeting its objectives in that inherent risks exist in the ownership of all securities.

INVESTMENT OBJECTIVE, STRATEGIES AND POLICIES—SHORT BOND FUND

The investment objective of the Short Bond Fund is to seek a high level of current income consistent with preservation of capital by investing primarily in a diversified portfolio of securities issued by the U.S. government, its agencies and instrumentalities, fixed income obligations corporations, mortgage-backed and asset-backed securities. Under normal market conditions, the Short Bond Fund seeks to maintain an effective duration within 20% of the Merrill Lynch 1-3 Year Treasury Index.

Depending on market conditions, the Short Bond Fund may invest a substantial portion of its assets in mortgage-backed debt securities issued by the Government National Mortgage Association ("GNMA"), the Federal National Mortgage Association ("FNMA"), and the Federal Home Loan Mortgage Corporation ("FHLMC"); the Short Bond Fund may also invest in other types of U.S. government securities, including collateralized mortgage obligations ("CMO's") issued by U.S. government agencies or instrumentalities thereof, and may also invest in other mortgage-backed and asset-backed securities, as well as enter into repurchase agreements covering the securities described.

U.S. government securities are generally viewed as being among the safest of debt securities with respect to the timely payment of principal and interest (though not with respect to any premium paid on purchase), but generally return a lower rate of interest than corporate debt securities. Both government and corporate obligations are subject to market risk like other debt securities, e.g., the current market value of such securities typically declines when market interest rates rise. Therefore the Short Bond Fund 's Shares can be expected to fluctuate in value.

The frequency of portfolio transactions and the Short Bond Fund's turnover rate will vary from year to year depending upon market conditions and purchase and redemption patterns of the Short Bond Fund 's shareholders. Typically funds with higher turnover tend to generate higher transaction costs.

While the Short Bond Fund will normally invest its assets in accordance with its investment objective, the Short Bond Fund reserves the right to, and may, temporarily invest up to 100% of its assets in cash equivalents and high quality short-term debt securities or hold cash when a temporary defensive posture in the market is appropriate. The constraints on portfolio effective duration are designed to help minimize the extent of fluctuation in the value of the Short Bond Fund's Shares. Short Bond Fund will be concentrated on securities whose prices are anticipated to be relatively less sensitive to changes in broad-based interest rates. To further reduce the risk of market fluctuations,

the Short Bond Fund intends to diversify its investments. However, none of these measures will eliminate risk.

Portfolio securities may have limited marketability or may be widely and publicly traded. The Short Bond Fund does not intend to concentrate its investments in any particular type of debt obligations of the U.S. government or its agencies.

INVESTMENT OBJECTIVE, STRATEGIES AND POLICIES--INTERMEDIATE BOND FUND

The Intermediate Bond Fund's investment objective is to achieve current income and long-term capital appreciation through investments primarily in U.S. government securities, securities issued by U.S. government agencies, fixed income obligations of corporations and mortgage-backed securities. The Intermediate Bond Fund's strategy will generally be to combine economic and fundamental research to capture inefficiencies in the valuation of market sectors and individual securities. It is anticipated that, under normal market conditions, the portfolio will have an effective duration of four to six years. The Intermediate Bond Fund portfolio is expected to have a dollar-weighted quality portfolio rating of at least "A" or its equivalent.

The effective duration of the Intermediate Bond Fund portfolio may be adjusted in response to expected changes in interest rates. During periods of rising interest rates, the effective duration of the portfolio may be shortened in order to reduce the effect of bond price declines on the Intermediate Bond Fund's net asset value. When interest rates are falling, the effective duration may be lengthened. Generally, a longer effective duration of the portfolio will result in higher yield and greater price volatility; conversely, a shorter effective duration, generally produces a lower yield and lesser price volatility.

Depending on market conditions, the Intermediate Bond Fund may invest a substantial portion of its assets in mortgage-backed debt securities and asset-backed securities. The Intermediate Bond Fund may also invest in other types of U.S. government securities, including securities issued by U.S. government agencies or instrumentalities thereof, and including collateralized mortgage obligations ("CMO's). The Intermediate Bond Fund also anticipates entering into repurchase agreements covering the foregoing securities.

U.S. government securities are generally viewed as being among the safest of debt securities with respect to the timely payment of principal and interest (but not with respect to any premium paid on purchase), but generally bear a lower rate of interest than corporate debt securities. However, they are subject to market risk like other debt securities, and therefore the Intermediate Bond Fund's Shares can be expected to fluctuate in value.

The Intermediate Bond Fund may temporarily invest up to 100% of its assets in cash equivalents and high quality short-term debt securities or hold cash when a temporary defensive posture in the market is appropriate. The Intermediate Bond Fund

will take reasonable risks in seeking to achieve its investment objective. There is no assurance that the Intermediate Bond Fund will be successful in meeting its objective because inherent risks, such as fluctuating market conditions, exist in the ownership of all securities. To reduce the extent of market fluctuations, the Intermediate Bond Fund intends to diversify its investments. This diversification will not eliminate risk.

Portfolio securities may have limited marketability or may be widely and publicly traded. Investments by the Intermediate Bond Fund may be in existing as well as new issues of securities and may be subject to wide fluctuations in market value. The Intermediate Bond Fund does not intend to concentrate its investments in any particular industry.

SOCIALLY RESPONSIBLE INVESTING AND OTHER COMMON INVESTMENT POLICIES

The Funds adhere to the CBIS Commitment to Socially Responsible Investing, which is available on the CBIS website at www.cbisonline.com. The International Fund adheres to the CBIS Commitment to Socially Responsible Investing, to the extent reasonably feasible and practicable given the different legal standards that may prevail in foreign countries or the degree of information that may be available to CBIS regarding foreign securities.

In addition, the equity investments of each Fund will generally reflect the following characteristics, although it should be noted that not every equity investment held by a CUIT fund will possess such characteristics:

1. Shares in well-established companies with a proven track record for sales, earnings, and payment of dividends over a long period of time. Attention will be given to those companies with a successful record of strong management, financial strength and aggressive offering of services and products;

2. Shares in well-established companies and companies less well-established which are believed to have considerable growth potential because of the underlying value of company assets, changes in management or circumstances which could have a favorable impact on earnings or market price of the company's shares; or

3. Shares in companies with growth potential due to technological advances or discoveries, new methods in marketing or production, the offering of new or unique products or services, changes in demand for products or services or other significant new developments.

To the extent that a Fund invests in fixed income securities in order to meet its investment objectives (particularly in the case of the Balanced Fund) or for defensive purposes or otherwise, it is anticipated that such securities will primarily be U.S. government securities, including U.S. Treasury and agency issues, many of which, such

as U.S. Treasury bonds and selected agency debt, but not all, will be guaranteed as to both principal and interest by the United States of America; corporate bonds of investment grade, i.e., rated in the four highest rating categories by Moody's Investors Service or Standard & Poor's, a division of the McGraw-Hill Companies, Inc.; obligations of foreign institutions or corporations, or supranational agencies, of investment grade and payable in U.S. dollars or hedged against currency risk; mortgage-backed securities; and other securities which may be included in the Lehman Aggregate Index, the benchmark for CUIT fixed income investment sub-advisers, and representative of the high-quality, investment grade U.S. bond market.

RISK FACTORS AND SPECIAL CONSIDERATIONS

Each Fund takes reasonable risks in seeking to achieve its respective investment objective. There is, of course, no assurance that any Fund will be successful in meeting its respective objective as inherent risks, such as fluctuating market conditions, exist in the ownership of all securities. To reduce the risk of market fluctuations, each Fund intends to diversify its investments. However, such diversification will not eliminate risk.

In addition, certain additional risks should be considered in connection with the investment objective and policies of the Funds. For example, if a Fund were to assume substantial positions in particular securities with limited marketability, the activities of such Fund could have an adverse effect upon the liquidity and marketability of such securities and the Fund might not be able to dispose of its holdings in these securities at then current market prices. Circumstances could also exist (to satisfy redemptions, for example) when portfolio securities might have to be sold by a Fund at prices lower than it expected to realize. Also, with respect to each Fund, the character of the Fund, the permissibility of borrowing for certain limited investment purposes, the right to invest in foreign securities, as well as the ability to write covered call options, are other risk factors which an investor should consider. Flexibility of investment and consideration of potential for capital appreciation may involve a greater portfolio turnover rate than that of investment funds whose objective, for example, is generation of current income. The rate of portfolio turnover cannot be predicted with assurance and may vary from year to year.

In addition, investors should consider carefully the following specific risks associated with investing in a specific Fund.

Index Fund. As the Index Fund will be investing primarily in common stocks, the Index Fund is subject to market fluctuation (i.e., the possibility that common stock prices will decline, perhaps substantially, over short or even extended periods). The U.S. stock market tends to be cyclical, with periods when stock prices generally rise and periods when stock prices generally decline. Investors who engage in excessive account activity may generate additional costs which are borne by all of the Index Fund's participants.

Although the Index Fund generally seeks to invest for the long term, the Index Fund retains the right to sell securities irrespective of how long they have been held. However, because of the "passive" investment management approach of the Index Fund,

the portfolio turnover rate for the Index Fund is expected to be under 25%, a generally lower turnover rate than for most other investment funds. A portfolio turnover rate of 25% would occur if one quarter of the Index Fund's securities were sold within one year. Ordinarily, securities will be sold from the Index Fund only to reflect certain administrative changes in the S&P 500 Index (including mergers or changes in the composition of the S&P500 Index) or to accommodate cash flows into and out of the Index Fund while maintaining the similarity of the Index Fund to the S&P 500 Index.

Small Cap Fund. As the Small Cap Index Fund will be investing primarily in common stocks, the Small Cap Index Fund is subject to market fluctuation (i.e., the possibility that common stock prices will decline, perhaps substantially, over short or even extended periods). The U.S. stock market tends to be cyclical, with periods when stock prices generally rise and periods when stock prices generally decline. Investors who engage in excessive account activity may generate additional costs which are borne by all of the Small Cap Index Fund's participants.

Although the Small Cap Index Fund generally seeks to invest for the long term, the Small Cap Index Fund retains the right to sell securities irrespective of how long they have been held. However, because of the "passive" investment management approach of the Small Cap Index Fund, the portfolio turnover rate for the Small Cap Index Fund is expected to be under 25%, a generally lower turnover rate than for most other investment funds. A portfolio turnover rate of 25% would occur if one quarter of the Small Cap Index Fund's securities were sold within one year. Ordinarily, securities will be sold from the Small Cap Index Fund only to reflect certain administrative changes in the Russell 2000 Index or to accommodate cash flows into and out of the Small Cap Index Fund while maintaining the similarity of the Small Cap Index Fund to the Russell 2000 Index.

In addition to the risk associated with market fluctuation, certain additional risks should be considered in connection with the Small Cap Index Fund's investment objective and policies. For example, smaller capitalization companies may have limited product lines, markets or financial resources or lack of management depth. These conditions may make them more susceptible to setbacks and reversals. Consequently, their securities may be subject to more abrupt or erratic price movements than securities of larger companies. Small capitalization stocks as a group may not respond to general market rallies or downturns as much as other types of equity securities and may be more likely to be adversely affected by poor economic conditions.

International Fund. The International Fund is subject to risks unique to international investing. For example, securities of non-U.S. issuers may be more volatile and less liquid than comparable U.S. securities. Other risks of international investing include the following:

Currency Exchange Risks. Transactions in foreign securities are conducted in local currencies, so U.S. dollars must be exchanged for another currency each time a stock is bought or sold or a dividend is paid. Likewise, share price quotations and total

return information reflect conversion into U.S. dollars. As a result, fluctuations in foreign exchange rates can significantly increase or decrease the U.S. dollar value of a foreign investment, boosting or offsetting its local market return.

Costs and Pricing. It is more expensive for U.S. investors to trade in foreign markets than in the U.S. While investment funds offer an efficient way for investors to invest abroad, the overall expense ratios of international stock funds are usually somewhat higher than those of typical domestic stock funds. Also, portfolio securities may be listed on foreign exchanges that are open on days when the International Fund does not compute its prices. As a result, the International Fund's net asset value may be significantly affected.

Political, Economic, Regulatory and Legal Considerations. The economies, markets and political structures of the countries in which the International Fund can invest may not compare favorably with the U.S. in terms of wealth and stability. Therefore, investments in these countries may be riskier, and may be subject to increased likelihood of erratic and abrupt price movements. Among the risks that may adversely affect U.S. investors in foreign markets are possible seizure or nationalization of the issuers of portfolio securities, the assets of portfolio companies or foreign deposits, and the withholding of taxes assessed on, or the adoption of governmental restrictions affecting, the payment of dividends, principal and interest to investors located outside the country of the issuers, whether from currency blockage or otherwise. Should the need arise, the International Fund may find it difficult or impossible to pursue legal remedies and obtain or enforce judgments in foreign countries. Furthermore, the accounting, auditing, financial reporting and information disclosure standards of certain portfolio countries may be different from, and less stringent than, comparable standards in the U. S. Certain portfolio countries may have less governmental supervision of the financial markets than in the U.S. and may have settlement practices which include delays and subject the International Fund to risks of loss not customary in U.S. markets.

Flex Cash Fund. In addition to the risk associated with market fluctuations, certain additional risks should be considered in connection with Flex Cash Fund's investment objective and policies. To the extent the investment manager invests in securities with limited marketability, the Flex Cash Fund might not be able to dispose of some or all of holdings in these securities at then current market prices. Circumstances could also exist (to satisfy redemptions, for example) when portfolio securities would have to be sold by the Flex Cash Fund at prices lower than it expected to realize. The Flex Cash Fund itself is not backed or guaranteed by the U.S. government.

The Short Bond Fund and Intermediate Bond Fund . If the Intermediate Bond Fund were to assume substantial positions in particular securities with limited marketability, such concentration in the Intermediate Bond Fund could have an adverse effect upon the liquidity and marketability of such securities, and the Intermediate Bond Fund might not be able to dispose of its holding in these securities at then current market prices.

Neither the Short Bond Fund nor the Intermediate Bond Fund is a money market fund. The value of each Fund's portfolio can be expected to fall when prevailing interest rates rise and to increase when such interest rates fall. Sub-advisors of the Short Bond Fund or Intermediate Bond Fund may purchase or sell exchange-traded U.S. Treasury Bond futures contracts to manage/control overall portfolio duration in a cost-effective manner. The authorization to purchase or sell such futures contracts is limited to the purpose of management of risks related to yield curve movements and risks related to duration of bond portfolio maturities. Zero coupon bonds, (i.e., discount debt obligations that do not make periodic interest payments) may be subject to greater market fluctuations in periods of changing interest rates than debt securities that pay interest currently. In addition to the risk associated with market fluctuations, certain additional risks should be considered in connection with the investment objectives and policies of the Short Bond Fund and the Intermediate Bond Fund. The emphasis on capital preservation may at times result in any or all of these portfolios providing lesser yield and total return opportunity than other funds invested in longer-term or lower quality bonds or other debt securities. Circumstances could also exist (to satisfy redemptions, for example) when portfolio securities would have to be sold by any or all of these portfolios at prices lower than it expected to realize. Further, no Fund is backed by the U.S. government. The value and yield of the Shares of the Short Bond Fund and the Intermediate Bond Fund will vary from day to day based on, among other things, interest rates, market conditions, political and economic news and the liquidity, quality and maturity of its portfolio securities.

Quality and Concentration Limitations for the Short Bond Fund and Intermediate Bond Fund. The Fixed Income Funds may invest, without limitation, in securities rated "BBB" or higher by two of the three national recognized statistical rating organizations (e.g., Fitch, Moody's and S&P). No Fund may include obligations of any one issuer (excluding U.S. Government obligations or Agencies) in excess of 5% of the net asset value of the Fund. Bond issues that meet investment-grade criteria at the time acquired may be retained, through downgraded below investment grade thereafter. The Intermediate Bond Fund may invest in corporate securities rated below investment grade at the time acquired, but may not be comprised of more than 10% of below investment-grade issues, whether resulting from downgrade or credit rating at the time of purchase.

BORROWING/MARGIN

The Funds are not permitted to purchase securities on margin (except in connection with the purchase and sale of exchange-traded Treasury bond futures in order to control overall portfolio duration in the Fixed Income Funds and the fixed income portion of the Balanced Fund). They may borrow money only for extremely limited purposes.

LENDING PORTFOLIO RESTRICTIONS

The Trustees of the Funds may authorize the lending of portfolio securities to select member firms of the Financial Industry Regulatory Authority, registered securities clearing corporations and others in accordance with the Securities Exchange Act of 1934 and the following policies and procedures:

1. The borrower of the securities will deposit cash or collateral with the Fund in an amount equal to a minimum of 100% of the market value of the securities loaned.

2. The Fund will receive as collateral treasury securities or cash. To the extent that the Fund receives collateral in excess of the value of the securities loaned, such excess collateral may be in the form of irrevocable letters of credit or other types of collateral approved by CBIS. The Fund will earn a fee on the market value of the securities loaned.

3. If the value of the deposit drops below the required minimum on any day, the borrower will be called upon to post additional collateral.

4. If the additional collateral is not provided, the loan will become due and the Fund may use the collateral or its cash to replace the securities by purchase in the open market, charging any loss to the borrower.

5. These loans may be terminated by the Fund at any time on notice of five (5) days in accordance with applicable rules and regulations.

6. The Fund will receive any dividends and interest paid on the loaned securities.

Loans of portfolio securities by the Funds will be authorized only to the extent that such activity is in accordance with applicable rules and regulations, including those of the Financial Industry Regulatory Authority. The borrower may not be affiliated, directly or indirectly, with the Funds. A negotiated portion of the income earned on loans of portfolio securities may be paid as a fee to the broker or other person who arranged the loan.

INVESTMENT RESTRICTIONS

The following investment restrictions are fundamental policies of the Funds and cannot be changed without the unanimous approval of the Trustees. Pursuant to these policies, a Fund will not:

1. Hold more than 25% of its assets in securities of companies in any one industry (as classified by Standard & Poor's or a like service). No Fund will invest (i) more than 5% of its total assets (or 2% over the market

weighting for stocks exceeding 3% of the Fund's benchmark index weighting) in any one security, other U.S. Government obligations, except that the Growth Fund may from time to time invest up to 8% of its total assets in any one such security; or (ii) in more than 10% of the outstanding voting securities of any one issuer;

2. Invest in companies for the purpose of exercising control or management;

3. Purchase securities on margin or make short sales of securities (except in connection with the purchase and sale of exchange-traded Treasury bond futures in order to control overall portfolio duration in fixed income funds and the fixed income portion of the Balanced Fund);

4. Borrow money, except from banks for temporary or emergency purposes to enable a Fund to satisfy redemptions in the event of extraordinary redemption activity, in an amount not to exceed 5% of the net value of such Fund;

5. Underwrite securities;

6. Purchase or sell real estate, interests in real estate, interests in real estate investment trusts, or commodities or commodity contracts; however, a Fund may purchase interests in real estate investment trusts or other companies which invest in or own real estate if the securities of such trusts or companies are registered under the Securities Act of 1933 and are readily marketable;

7. Make loans other than through the lending of its portfolio securities in accordance with a given Fund's investment policies, but this restriction shall not prevent such Fund from buying a portion of an issue of bonds, debentures or other obligations which are publicly distributed, or from investing up to an aggregate of 10% of its total assets in portions of issues of bonds, debentures or other obligations of a type privately placed with financial institutions;

8. Purchase more than 3% of the stock of another investment company, or invest more than 5% of a given Fund's net assets in any one other investment company or 10% of such net assets in all other investment companies in the aggregate. Any such purchase will be made only in the open market where no profit to a sponsor or dealer results from the purchase, except for a customary broker's commission. This restriction shall not apply to investment company securities received or acquired by a Fund pursuant to a merger or plan of reorganization or to temporary investments in money market funds;

9. Write, purchase, or sell puts, calls, warrants or options or any combinations thereof; however, a Fund may invest in debt or other securities which have warrants attached (not to exceed 10% of the value of such Fund's total assets) and may write "covered options" (i.e., call options which are written against portfolio securities owned by such Fund) and purchase call options solely for the purpose of closing out a position with respect to a covered option; or

10. Invest in interests in oil, gas, or other mineral exploration or development programs.

The percentage limitations contained in the above investment restrictions are applied solely at the time of a proposed transaction on the basis of values or amounts determined at that time. Unless otherwise specifically stated, a restriction would not be violated if a percentage limitation were exceeded only as a result of changes in values or amounts not resulting from a transaction subject to the restriction.

CHRISTIAN BROTHERS INVESTMENT SERVICES, INC.
INVESTMENT ADVISER AND ADMINISTRATOR

The Board has retained Christian Brothers Investment Services, Inc. ("CBIS") as investment adviser and administrator of the Funds. CBIS is owned by the Districts of the U.S. Region of the Institute of the Brothers of the Christian Schools and by the Center of the Institute. The management contract between the Trustees and CBIS provides that CBIS shall manage the operations of the Funds, subject to policies established by the Trustees for the Funds. Pursuant to the management contract, CBIS manages the Funds' investment portfolios (or engages investment sub-advisers to do so), directs purchases and sales of each Fund's portfolio securities (or engages investment sub-advisers to do so), and reports thereon to the Participating Organizations in each Fund. CBIS also furnishes office space and certain facilities required for conducting the business of the Funds.

As compensation for its services, CBIS is paid a fee each month, based upon a percentage of the average daily value of the net assets of each Fund. See "Fees and Expenses."

Under the management contract, CBIS bears all costs of its operations of the Funds, except the following fees and expenses, which are borne by the Funds: costs associated with the holding of Board meetings; expenses relating to the issuance, registration, and qualification of Shares of the Funds in appropriate states (so-called blue sky registrations); fees and expenses of the custodian; auditing fees; fees and expenses of legal counsel; license fees paid to providers of investment indices; expenses related to transfer agency, shareholder servicing and fund accounting; fees associated with the benchmark index and performance analytics software used to assess Fund performance.

The costs borne by CBIS include interest charges; costs associated with holding Participating Organization meetings; costs associated with preparing reports and notices; costs associated with maintaining trade association memberships; record keeping expenses; and any extraordinary expenses.

The management contract further provides that CBIS will not be liable for any mistake in judgment or in any other event whatsoever so long as such judgment or other event does not constitute misfeasance, bad faith, or negligence in the performance of CBIS' duties or disregard of its obligations and duties under the management contract. The federal securities laws impose liabilities under certain circumstances on persons who act in good faith and therefore the contract provides that nothing contained in it shall constitute a waiver or limitation of any rights under any such laws.

CBIS has sub-contracted and will in the future sub-contract with other investment advisers for the performance of certain duties under the management contract including that of providing portfolio management services. Such investment advisers act as investment sub-advisers for the Funds, and manage the investment and reinvestment of all assets of the Funds in accordance with the investment objectives, policies, and restrictions set forth herein. CBIS pays such investment sub-advisers a fee (generally quarterly) based on the net asset value of the Funds.

CBIS has contracted and will in the future contract with custodians for custodial services related to all or a portion of the assets of the Funds.

The Investment Management Agreement for the Funds was approved by the Board. The current contract has an initial two-year term and may be renewed by the Board thereafter for additional two year terms. The contract may be terminated on thirty (30) days written notice by either party and may be terminated by CUIT if assigned by CBIS.

INVESTMENT SUB-ADVISERS

Information about the investment sub-advisers that are engaged by CBIS to provide day-to-day management of the Funds' investment portfolios can be found on the CBIS website at www.cbisonline.com.

BROKERAGE

It is intended that brokerage for the Funds will be handled by brokerage firms (i) that are members of the Financial Industry Regulatory Authority and members of regional or national securities exchanges, and (ii) that have agreed to execute trades at a commission rate equal to or less than their usual and customary commission rate and at a rate in no event higher than the rate generally charged to managed institutional accounts.

TRUSTEES OF CATHOLIC UNITED INVESTMENT TRUST

The list of current Trustees is available on the CBIS website, www.cbisonline.com, and is available upon request.

PURCHASE OF SHARES

Shares of the Funds may be purchased at net asset value (without sales charge) through CBIS Financial Services, Inc., a wholly-owned subsidiary of CBIS, located at PO Box 3238, Denver, CO 80201-4838 The telephone number is (800) 321-7194. Purchases shall be made by check, federal wire transfer, or, under conditions to be established from time to time by CBIS, by the transfer of marketable securities. CBIS Financial Services, Inc. ("CBISFS") receives no commission for acting in this capacity.

The Funds will establish an "Open Account" for each Participating Organization under which all Shares initially or subsequently purchased will be held on deposit rather than issued in certificate form.

Initial and subsequent investments will be made at the net asset value per Share as determined after receipt and acceptance of a valid investment order. All funds will be fully invested in Shares.

Purchase orders are received subject to acceptance by the Funds and are not binding until so accepted. The primary consideration is that a Participating Organization be a member or subsidiary organization of the Roman Catholic Church in the U.S., its territories, or its possessions. Each Fund may from time to time suspend or terminate sales of Shares in order to regulate the flow of capital to such Fund. The Trustees may from time to time set upper and lower limits on the number of Shares for which an entity may subscribe and may limit sales of Shares to then existing Participating Organizations.

REDEMPTION OF SHARES

Flex Cash Fund: A Participating Organization in the Flex Cash Fund may withdraw funds at any time and in any amount by writing a check against the Fund. The investment account balance will be reduced when the payee negotiates such check. Funds may also be withdrawn by wire transfer (at the Participating Organization's direction), or by use of the Cash Resource Card used to obtain cash directly from an Automated Teller Machine ("ATM"), or to make purchases from retailers or other vendors displaying the Visa logo. Participating Organizations have the option to open a Zero Balance Checking Account ("ZBA"), i.e. the checking account balance is maintained at zero in order that all funds may be eligible for earnings in the Participating Organization's investment account. When a check is presented for payment, the exact amount for which the check is written is automatically transferred from the Participating Organization's investment account to its checking account to cover the check. A monthly $7.50 fee is assessed for each ZBA account. A Participating Organization pays the cost to imprint checks, which may be ordered through CBIS. A Participating Organization is also subject to bank charges for

certain account activity. All other bank charges made in respect to these checking accounts are charged against the interest earned by the Fund and reduce the earnings ultimately credited to the accounts of Participating Organizations of the Fund. (See, "Condensed Financial Information"). CUIT may, under special circumstances, temporarily suspend redemptions. (See below).

All Other Funds: Participating Organizations may redeem all or part of their Shares by written request. The sale price will be the next net asset value for the particular Fund determined after a valid written redemption request is received by CBIS, except in the case of a Date-Specific Redemption Request (as defined below). Generally, sale proceeds will be sent within seven (7) days after receipt of a valid redemption request. Redemptions requests for significant amounts may take longer to process. If a Participating Organization requests that redemption occur on a specific date (a "Date-Specific Redemption Request"), the sale price will be the net asset value determined on the date designated in writing and accepted by CBIS the day prior to the specific date requested. Generally, seven (7) days notice is required for a Date-Specific Redemption Request. Sale proceeds may be sent by check or by wire transfer to a bank account predesignated by a Participating Organization. Under unusual circumstances, in order to protect the interests of remaining Participating Organizations, or to accommodate a request by a particular Participating Organization that does not adversely affect the interests of the remaining Participating Organizations, CUIT reserves the right to pay part or all the redemption proceeds in marketable securities instead of cash. In such cases, CBIS, in its discretion, would determine the securities to be delivered in the redemption. If the Participating Organization later wishes to convert the securities to cash, it might incur brokerage or other transaction costs.

To expedite processing of all redemptions, such requests and all related documents are to be sent directly to CBIS Financial Services, Inc., PO Box 3238, Denver, CO 80201-4838.

The Funds may suspend the right of redemption during any period when (i) trading on the New York Stock Exchange is restricted or such Exchange is closed, other than customary weekend and holiday closing; or (ii) the Securities and Exchange Commission has by order permitted such suspension, making disposal of portfolio securities or determination of the value of net assets of a particular Fund not reasonably practicable.

The Funds reserve the right not to mail redemption proceeds for any Shares until checks (including certified checks or cashier's checks) received in payment for such Shares have cleared.

The Funds also have the right, upon thirty (30) days written notice, to redeem involuntarily in cash at net asset value any Participating Organization's investment in Shares of a given Fund. Notice of redemption by a Fund does not preclude a Participating Organization from exercising its right of redemption prior to the expiration of the thirty-day notice period.

The value of Shares on redemption may be more or less than the investor's cost, depending on the net asset value of a particular Fund's Shares at the time of redemption.

DETERMINATION OF NET ASSET VALUE

Each Fund calculates its net asset value ("NAV") per share each business day as of the close of trading on the New York Stock Exchange (NYSE) (normally 4:00 p.m. Eastern time). The Funds do not calculate NAV on days the NYSE is closed for trading, which include New Year's Day, Martin Luther King Jr. Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

All Funds other than the Flex Cash Fund

The NAV of each Fund is determined by deducting the Fund's liabilities from the total assets of the portfolio. A Fund's NAV per share is determined by dividing the total NAV of the Fund's share class by the applicable number of shares outstanding per share class.

Portfolio securities listed or traded on national securities exchanges are valued at the last sale price, or if there have been no sales on that day, at the most recent bid price. Securities traded only in the over-the-counter market are valued at their last sale or latest bid price as reported by the reporting system for securities covered by that system and, for other over-the-counter securities, at the last sale or latest bid price. Securities that are traded among dealers, such as fixed-income securities, generally are valued based on information furnished by an independent pricing service. Short-term debt instruments may be valued on the basis of amortized cost. If market quotations are not readily available, portfolio securities and other assets are valued as the Trustees, or their designees, in good faith deem appropriate to reflect the fair value thereof.

The application of fair value pricing procedures represents a good faith determination based upon specifically applied procedures. There can be no assurance that a Fund could obtain the fair value assigned to a security if it were able to sell the security at approximately the time at which the Fund determines its NAV per share.

Flex Cash Fund

The Flex Cash Fund seeks to maintain a net asset value of $1.00 per share. The securities of the Flex Cash Fund are priced on an amortized cost basis (which means that a security is valued at its original cost basis plus the constant amortization of premium or discount to its maturity). The impact of price changes due to changes in interest rates is not reflected by this pricing method. Periodically the trust administrator verifies this valuation by calculating the market value of the Flex Cash Fund's securities and compares this to their amortized cost values. There can be no guarantee that it will achieve its objective or that it will maintain a net asset value of $1.00 per share, but the Flex Cash Fund has maintained a $1.00 net asset value per Share since its inception.

SECURITIES REGULATION

The Funds are not registered under and are not subject to certain restrictions contained in the Investment Company Act of 1940 and the Shares are not registered under the Securities Act of 1933. CUIT, which was organized and is operated for religious, charitable and educational purposes, is exempt from the registration requirements of such laws. The Funds are subject to certain provisions of federal and state securities laws from which there is no exemption, including the anti-fraud provisions.

FEDERAL INCOME TAX

At the time it was organized as an Illinois common law trust, CUIT received a ruling from the Internal Revenue Service dated February 18, 1983 that it is (and therefore the Funds sponsored by CUIT are) exempt from federal income taxation. No provisions, therefore, are made for the payment of taxes on interest or dividend income and/or realized capital gains.

OTHER INFORMATION

CBIS Financial Services, Inc. ("CBIS-FS"), a wholly-owned subsidiary of CBIS, acts as distributor and redemption agent for the Funds. CBIS-FS is a registered member of the Financial Industry Regulatory Authority and a broker-dealer registered with the Securities and Exchange Commission.

CBIS-FS distributes Shares for the Funds and provides ongoing services to participants. CBIS-FS receives no compensation from CUIT for its services.

The accounts of the Funds are audited annually by an independent auditor selected by the Trustees.

Participating Organizations receive monthly reports showing the current net asset value of their Shares of the appropriate Funds. Participating Organizations also receive audited financial statements of the Funds in which they have invested.