



WWW.CORNERCAP.COM

888-813-8637





ANNUAL REPORT

CORNERCAP BALANCED FUND

CORNERCAP SMALL-CAP VALUE FUND

CORNERCAP CONTRARIAN FUND

March 31, 2006

TABLE *of* CONTENTS

Manager's Report to the Shareholders	2
CornerCap Balanced Fund	4
CornerCap Small-Cap Value Fund	6
CornerCap Contrarian Fund	8
<hr/>	
Fund Expenses	10
<hr/>	
Statement of Investments	11
CornerCap Balanced Fund	11
CornerCap Small-Cap Value Fund	18
CornerCap Contrarian Fund	22
<hr/>	
Statement of Assets and Liabilities	26
CornerCap Balanced Fund	26
CornerCap Small-Cap Value Fund	27
CornerCap Contrarian Fund	28
<hr/>	
Statement of Operations	29
CornerCap Balanced Fund	29
CornerCap Small-Cap Value Fund	30
CornerCap Contrarian Fund	31
<hr/>	
Statement of Change in Net Assets	32
CornerCap Balanced Fund	32
CornerCap Small-Cap Value Fund	33
CornerCap Contrarian Fund	34
<hr/>	
Financial Highlights	36
CornerCap Balanced Fund	36
CornerCap Small-Cap Value Fund	38
CornerCap Contrarian Fund	40
<hr/>	
Notes to Financial Statements	42

MANAGER'S REPORT TO SHAREHOLDERS

Dear Shareholders:

In a few months, the CornerCap Group of Funds will complete its fourteenth year under the management of CornerCap Investment Counsel. Original shareholders might remember that on September 30, 1992, the trustees of the Sunshine Growth Trust approved the transition of this fund to our management. We targeted taking over this particular mutual fund because (1) it had a large tax loss carry forward that we could use to benefit our shareholders, and (2) the Sunshine Growth Trust performance was so poor that the trustees and management were ready to move on. We initially called the fund the Cornerstone Growth Fund. The current name for this fund is the CornerCap Small Cap Value Fund, and we have used the same investment strategy over this entire period.

We hope that our shareholders are pleased with the results over the years of the fund and with the addition of our other two funds. Please review the attached audited financial statements for a more detailed analysis of your mutual fund company, which includes the investment performance of the funds. You may also want to refer back to our recent quarter-end report to learn more about our funds' performance and the thoughts of our portfolio managers.

In addition to providing good long-term returns over time, an important objective for each of our funds is to hold down short-term volatility, i.e., to manage risks. We accomplish this by holding around 40 to 50 approximately equal-weighted equities in each fund. To control risks further, we work to diversify these holdings broadly across industries and sectors. Also, in selecting the equity investments for our mutual funds, our quantitative investment discipline forces us to target lower price/earnings and price/free cash-flow stocks, which we believe offer a margin of safety that lower downside risks over time.

We continue to work to reduce the costs to our shareholders. We have fixed the expense ratios for our three funds, using 1.5% per year for the

two all-equity funds and 1.3% per year for the balanced fund. We allow no brokerage load charges or 12(b)1 fees for any of our funds, which are significant cost items for many other mutual fund shareholders. Another cost item, one that is unseen by mutual fund shareholders, is the cost of buying and selling securities in the process of managing the funds. For the fiscal year of this report, the commission charge for each of our three funds was under one quarter of 1%, an amount that we do not consider material. Again, our goal is to continue bringing the mutual fund costs down over time for our shareholders.

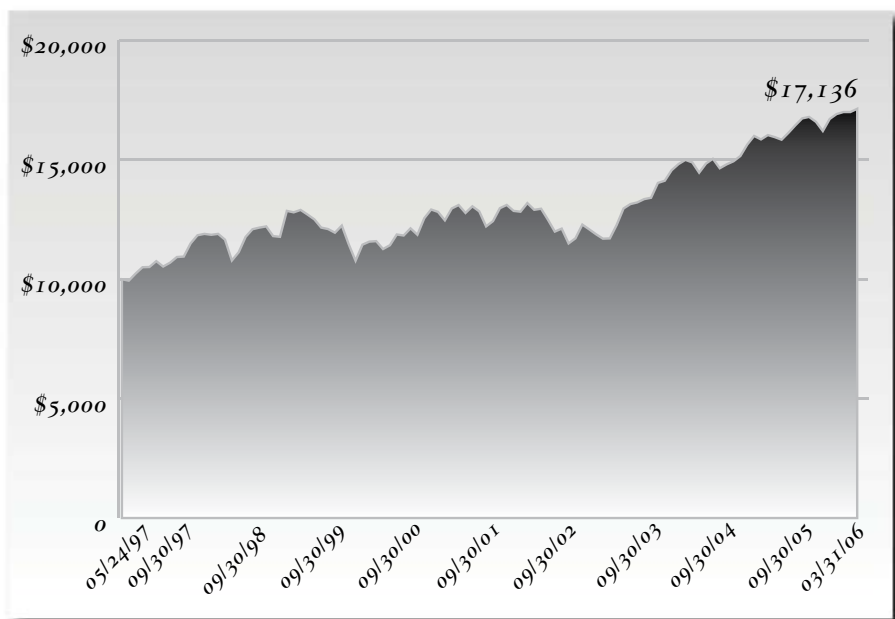
An important event for our mutual fund company last year was the outsourcing of our transfer agent, fund accounting, and regulatory administration services to ALPS Mutual Fund Services, Inc., in Denver, Colorado. Fund administration is ALPS' sole business, and now we can say that investment management is CornerCap's sole business. With this targeted focus, we believe that our shareholders have been and will continue to be better served. We hope that you have been pleased with the services that you have received, and we look forward to continuing to be of service to our shareholders.

CornerCap Investment Counsel
May 30, 2006

MANAGER'S REPORT TO SHAREHOLDERS

CORNERCAP BALANCED FUND

Investment Performance *through March 31, 2006 (In Thousands)*



Average Annual Total Return *for periods ended March 31, 2006*

	1 Year	3 Years	Since Inception^b
CornerCap Balanced Fund^a	7.43%	13.53%	6.36%
Russell 1000 Value Index ^c	13.31%	21.77%	9.23%
Combined 60% Stocks/40% Bond Index ^d	8.70%	11.77%	6.92%

^a The Fund's total returns include the reinvestment of dividend and capital gain distributions, but have not been adjusted for any income taxes payable by shareholders on these distributions.

^b The Balanced Fund began operations May 24, 1997.

^c The Russell 1000 Value Index measures the performance of those companies out of the 1,000 largest U.S. companies (based on total market capitalization) that have lower price-to-book ratios and lower forecasted growth values.

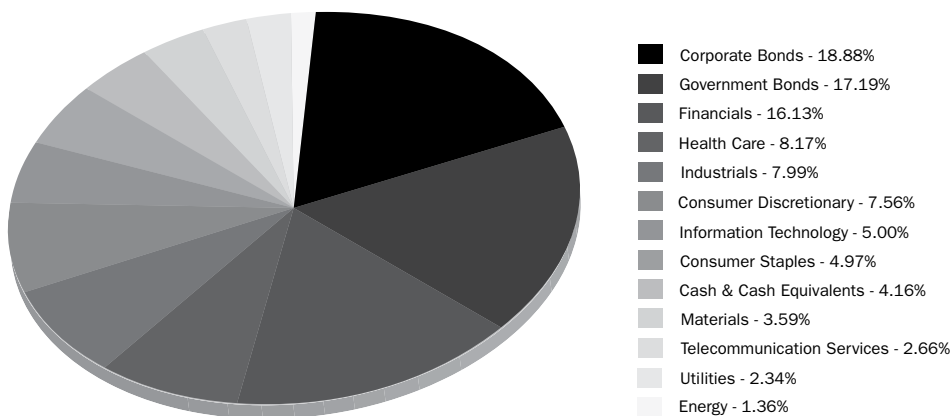
MANAGER'S REPORT TO SHAREHOLDERS

CORNERCAP BALANCED FUND

d The Balanced Fund has elected to balance the comparative index – 60% the Russell 1000 Value Index and 40% the Lehman Brothers Government/Corporate Bond Index. The Russell 1000 Value Index is described under (c) above. The Lehman Brothers Government/Corporate Bond Index measures the general performance of fixed-income securities by tracking publicly issued U.S. Treasury and debt obligations (excluding mortgage-backed securities), fixed-rate, non-convertible, investment-grade corporate debt securities, and U.S. dollar-denominated, SEC-registered non-convertible debt issued by foreign governmental entities or international agencies. Index returns include dividends and/or interest income and, unlike Fund returns, do not reflect fees or expenses.

Past performance does not guarantee future results. Investment return and share price will fluctuate with market conditions, and investors may have a gain or loss when shares are sold. Mutual fund performance changes over time and currently may be significantly lower than stated above. Performance is updated and published monthly. Visit the Fund's web site at www.cornercap.com or call 888-813-8637 for current performance figures.

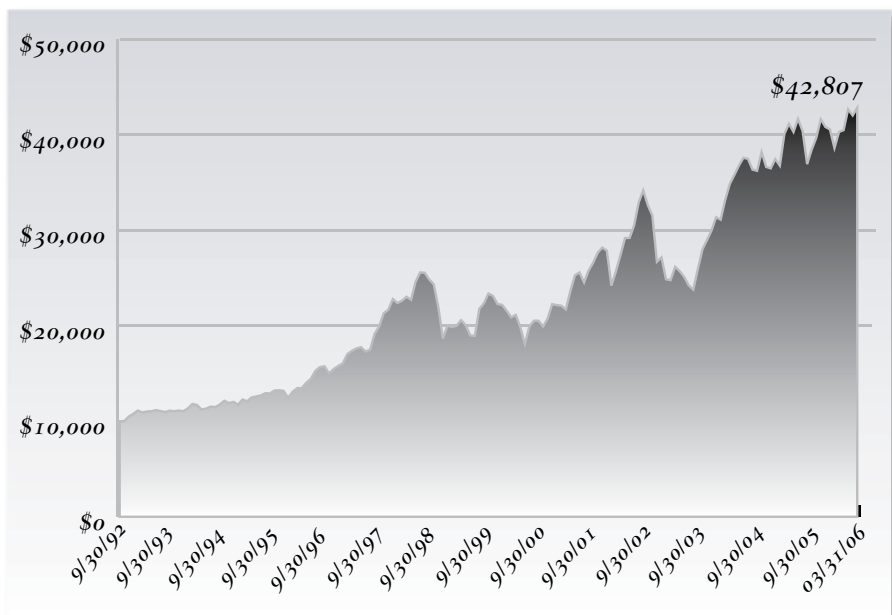
Asset Allocation for periods ended March 31, 2006



MANAGER'S REPORT TO SHAREHOLDERS

CORNERCAP SMALL-CAP VALUE FUND

Investment Performance *through March 31, 2006 (In Thousands)*



Average Annual Total Return *for periods ended March 31, 2006*

	1 Year	3 Years	10 Years	Since Inception
CornerCap Small-Cap Value Fund^a	6.05%	21.65%	11.48%	11.37%
Russell 2000 Value Index ^b	23.77%	30.75%	14.03%	15.17%
Russell 2000 Index ^c	25.85%	29.53%	10.15%	12.26%

^a The Fund's total returns include the reinvestment of dividend and capital gain distributions, but have not been adjusted for any income taxes payable by shareholders on these distributions.

^b The Russell 2000 Value Index measures the 2,000 smallest of the 3,000 largest U.S. Companies (based on total market capitalization) that have lower price-to-book ratios and lower forecasted growth values. Index returns include dividends and/or interest income and, unlike Fund returns, do not reflect fees or expenses.

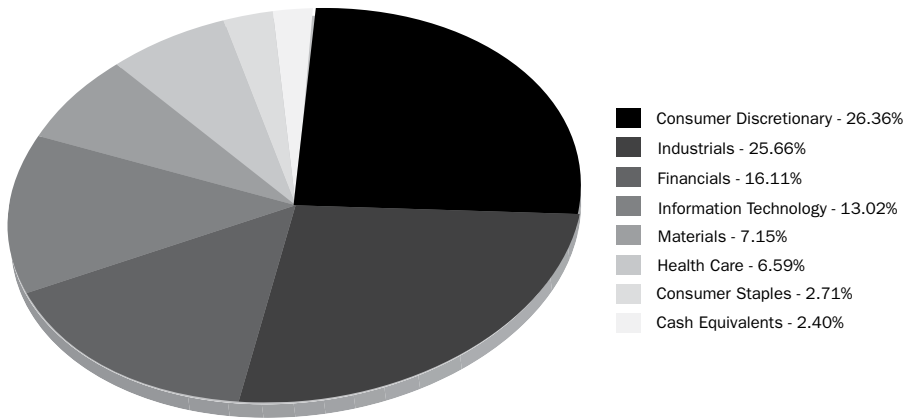
^c The Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index. As of the latest reconstitution, the average market capitalization was approximately \$664.9 million; the median market capitalization was approximately \$539.5 million. The largest company in the index had an approximate market capitalization of \$1.8 billion.

MANAGER'S REPORT TO SHAREHOLDERS

CORNERCAP SMALL-CAP VALUE FUND

Past performance does not guarantee future results. Investment return and share price will fluctuate with market conditions, and investors may have a gain or loss when shares are sold. Mutual fund performance changes over time and currently may be significantly lower than stated above. Performance is updated and published monthly. Visit the Fund's web site at www.cornercap.com or call 888-813-8637 for current performance figures.

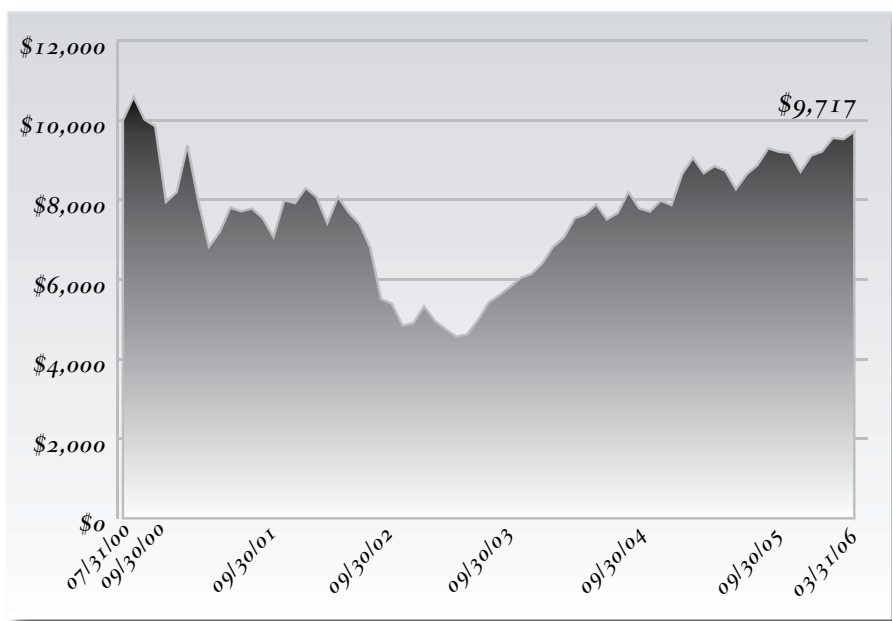
Asset Allocation *for periods ended March 31, 2006*



MANAGER'S REPORT TO SHAREHOLDERS

CORNERCAP CONTRARIAN FUND

Investment Performance *through March 31, 2006 (In Thousands)*



Average Annual Total Return *for periods ended March 31, 2006*

	1 Year	3 Years	Since Inception ^b
CornerCap Contrarian Fund ^a	11.27%	28.15%	(0.51)%
Russell Midcap Value Index ^c	20.30%	29.23%	15.34%

^a The Fund's total returns include the reinvestment of dividend and capital gain distributions, but have not been adjusted for any income taxes payable by shareholders on these distributions.

^b Prior to October 11, 2004, the CornerCap Contrarian Fund was known as the CornerCap Micro-Cap Fund. The performance figures include figures for the Cornerstone Micro-Cap Fund, L.P., a private, unregistered fund that began operations in August 31, 1996, and transferred all its assets to the Micro-Cap Fund on July 27, 2000. The Cornerstone Micro-Cap Fund was managed by the same Adviser as the Micro-Cap Fund. It pursued the same objectives and employed the same strategies as the Micro-Cap Fund. As of December 11, 2004, the Fund's strategy was changed to multi-cap contrarian.

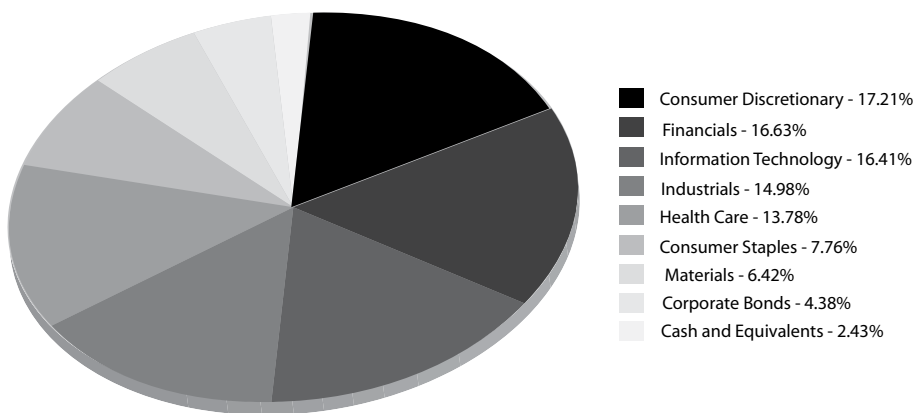
MANAGER'S REPORT TO SHAREHOLDERS

CORNERCAP CONTRARIAN FUND

^c The Russell Midcap Value Index measures the 800 smallest companies in the Russell 1000 Index with lower price-to-book ratios and higher forecasted growth values. (The Russell 1000 Index measures the performance of those companies out of the 1,000 largest U.S. companies, based on total market capitalization.) Index returns include dividends and/or interest income and, unlike Fund returns, do not reflect fees or expenses.

Past performance does not guarantee future results. Investment return and share price will fluctuate with market conditions, and investors may have a gain or loss when shares are sold. Mutual fund performance changes over time and currently may be significantly lower than stated above. Performance is updated and published monthly. Visit the Fund's web site at www.cornercap.com or call 888-813-8637 for current performance figures.

Asset Allocation *for periods ended March 31, 2006*



FUND EXPENSES

As a shareholder of The Fund, you incur two types of costs: direct costs, such as wire fees and low balance fees; and indirect costs, including management fees, and other fund operating expenses. This example is intended to help you understand your indirect costs, also referred to as “ongoing costs,” (in dollars) of investing in The Fund, and to compare these costs with the ongoing costs of investing in other mutual funds.

This example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire six-month period of October 1, 2005 through March 31, 2006.

Actual Expenses The first line of the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested at the beginning of the period, to estimate the expenses that you paid over the period. 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 in the first line under the heading “Expenses Paid During Period” to estimate the expenses you paid on your account during this period.

Hypothetical example for comparison purposes The second line of the table provides information about hypothetical account values and hypothetical expenses based on The Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not The Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare ongoing costs of investing in The Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any direct costs, such as wire fees or low balance fees. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these direct costs were included, your costs would be higher.

	Beginning Account Value 10/01/05	Ending Account Value 3/31/06	Expense Paid During Period*
CornerCap Balanced Fund			
Actual Fund Return	\$1,000	\$1,033	\$6.59
Hypothetical Fund Return	\$1,000	\$1,018	\$6.54
CornerCap Small-Cap Value Fund			
Actual Fund Return	\$1,000	\$1,056	\$7.69
Hypothetical Fund Return	\$1,000	\$1,017	\$7.54
CornerCap Contrarian Fund			
Actual Fund Return	\$1,000	\$1,058	\$7.70
Hypothetical Fund Return	\$1,000	\$1,017	\$7.54

* These calculations are based on the expenses incurred in the most recent fiscal half-year. The period’s annualized six-month expense ratio for Balanced Fund is 1.30%; Small-Cap Value and Contrarian Funds are 1.50%, respectively. The dollar amounts shown as “Expenses Paid” are equal to the annualized expense ratios multiplied by the average account value over the period, multiplied by the number of days in the most recent half-year, and then divided by 365.

SCHEDULE *of* INVESTMENTS

CORNERCAP BALANCED FUND

	Shares	Value
COMMON STOCK - 59.76%		
Aerospace & Defense - 1.33%		
Goodrich Corp.	4,500	\$ <u>196,245</u>
Auto Components - 1.37%		
Johnson Controls, Inc.	2,650	<u>201,215</u>
Beverages - 1.31%		
Anheuser-Busch Co I	4,500	<u>192,465</u>
Chemicals - 1.27%		
PPG Industries, Inc.	2,950	<u>186,883</u>
Commercial Banks - 7.27%		
Bank of America Corp.	3,664	166,858
The Bank of New York Company, Inc.	5,100	183,804
Comerica, Inc.	3,250	188,402
US Bancorp	6,350	193,675
Wachovia Corp.	3,150	176,557
Washington Mutual, Inc.	3,800	<u>161,956</u>
		<u>1,071,252</u>
Communications Equipment - 0.88%		
UTStarCom Inc.*	20,700	<u>130,203</u>
Commercial Services & Supplies - 2.60%		
Convergys Corp.*	10,900	198,489
R.R. Donnelley & Sons Co.	5,650	<u>184,868</u>
		<u>383,357</u>
Consumer Finance - 1.31%		
Countrywide Financial Corp.	5,248	<u>192,602</u>
Containers & Packaging - 1.10%		
Owens-Illinois Inc.*	9,300	<u>161,541</u>
Diversified Consumer Services - 1.20%		
H&R Block, Inc.	8,150	<u>176,447</u>

SCHEDULE *of* INVESTMENTS

CORNERCAP BALANCED FUND

	Shares	Value
Diversified Financial Services - 3.99%		
Allied Capital, Inc.	5,650	\$ 172,890
Bear Stearns & Co., Inc.	1,600	221,920
Fannie Mae	3,750	192,750
		<u>587,560</u>
Diversified Telecommunications - 1.25%		
Telefonos de Mexico SA de C.V.	8,200	<u>184,336</u>
Electronic Equipment & Instruments - 1.27%		
Diebold, Inc.	4,550	<u>187,005</u>
Electric Utilities - 2.34%		
DTE Energy Co.	4,450	178,400
FirstEnergy Corp.	3,400	166,260
		<u>344,660</u>
Food Products - 2.56%		
ConAgra Foods Inc.	9,100	195,286
Sara Lee Corp.	10,150	181,482
		<u>376,768</u>
Food & Staples Retailing - 1.10%		
Safeway, Inc.	6,450	<u>162,024</u>
Health Care Equipment & Supplies - 1.14%		
Boston Scientific Corp.*	7,250	<u>167,112</u>
Health Care Providers & Services - 4.47%		
Cigna Corp.	2,150	280,833
Quest Diagnostics, Inc.	3,400	174,420
Unitedhealth Group Inc.	3,622	202,325
		<u>657,578</u>
Industrial Conglomerates - 1.31%		
Tyco International, Ltd.	7,165	<u>192,595</u>
Insurance - 3.55%		
Everest Re Group, Ltd.	1,800	168,066
Marsh & McLennan Co., Inc.	5,600	164,416
St. Paul Travelers Cos. Inc.	4,550	190,145
		<u>522,627</u>

SCHEDULE *of* INVESTMENTS

CORNERCAP BALANCED FUND

	Shares	Value
Leisure Equipment and Products - 1.28%		
Brunswick Corp.	4,850	\$ <u>188,471</u>
Machinery - 2.75%		
Eaton Corp.	2,600	189,722
Timken Co.	6,650	<u>214,596</u>
		<u>404,318</u>
Media - 1.06%		
Gannett Co., Inc.	2,600	<u>155,792</u>
Metals & Mining - 1.22%		
Alcoa, Inc.	5,900	<u>180,304</u>
Oil & Gas - 1.36%		
Marathon Oil Corp.	2,621	<u>199,642</u>
Pharmaceuticals - 2.56%		
Pfizer, Inc.	7,350	183,162
Wyeth	4,000	<u>194,080</u>
		<u>377,242</u>
Semiconductors & Equipment - 2.84%		
LSI Logic Corp.*	20,450	236,402
Intel Corp.	9,400	<u>181,890</u>
		<u>418,292</u>
Telecommunications - 1.41%		
Bellsouth Corp.	6,000	<u>207,900</u>
Textiles & Apparel - 2.66%		
Jones Apparel Group, Inc.	5,750	203,378
VF Corp.	3,300	<u>187,770</u>
		<u>391,148</u>
Total Common Stock (Cost \$7,181,230)		<u><u>8,797,584</u></u>

SCHEDULE *of* INVESTMENTS

CORNERCAP BALANCED FUND

	Principal Amount	Value
CORPORATE BONDS - 16.55%		
Banks - Money Center - 1.72%		
Norwest Financial, 6.25%, 12/15/2007	\$ 150,000	\$ 152,803
Wells Fargo Financial, 5.50%, 8/01/2012	100,000	<u>100,235</u>
		<u>253,038</u>
Banks - Super Regional - 2.16%		
Citigroup Inc., 7.25%, 10/01/2010	165,000	176,578
Wells Fargo & Co., 3.125%, 4/01/2009	150,000	<u>141,052</u>
		<u>317,630</u>
Finance - 1.90%		
General Electric Capital Notes, 5.45%, 1/15/2013	140,000	139,895
International Lease Financial Corp., 5.75%, 10/15/2006	140,000	<u>140,241</u>
		<u>280,136</u>
Chemical - 0.65%		
E. I. du Pont de Nemours & Co., 4.125%, 4/30/2010	100,000	<u>95,254</u>
Household Products - 0.69%		
Pepsico, Inc., 5.70%, 11/01/2008	100,000	<u>101,143</u>
Investment Services - 2.41%		
Goldman Sachs Group, Inc., 5.125%, 1/15/2015	170,000	162,472
Berkshire Hathaway Inc., 4.625%, 10/15/2013	100,000	94,686
Morgan Stanley, 5.05%, 1/21/2011	100,000	<u>98,027</u>
		<u>355,185</u>
Pharmaceuticals - 1.12%		
Eli Lilly & Co., 6.00%, 3/15/2012	160,000	<u>164,667</u>

SCHEDULE *of* INVESTMENTS

CORNERCAP BALANCED FUND

	Principal Amount	Value
Retailers- Other - 3.04%		
Home Depot Inc., 4.625%, 8/15/2010	\$ 100,000	\$ 97,396
Quicksilver Inc., 4.95%, 8/15/2014	200,000	193,554
Wal-Mart Stores, Inc., 6.875%, 8/10/2009	150,000	<u>157,266</u>
		<u>448,216</u>
Securities Broker - 1.05%		
Merrill Lynch & Co, Inc., 6.375%, 10/15/2008	150,000	<u>153,976</u>
Telecom - Other - 1.04%		
Bell South Telecom, 6.00%, 10/15/2011	150,000	<u>152,773</u>
Wireless Communications - 0.77%		
Verizon VA Inc., 4.625%, 3/15/2013	125,000	<u>114,207</u>
Total Corporate Bonds (Cost \$2,502,402)		<u><u>2,436,225</u></u>

SCHEDULE *of* INVESTMENTS

CORNERCAP BALANCED FUND

	Principal Amount	Value
GOVERNMENT BONDS - 12.74%		
US Treasury - 12.74%		
US Treasury, 6.50%, 10/15/2006	\$ 100,000	\$ 100,832
US Treasury, 3.50%, 11/15/2006	75,000	74,367
US Treasury, 3.375%, 5/15/2007	75,000	74,596
US Treasury, 6.125%, 8/15/2007	100,000	101,641
US Treasury, 3.00%, 2/15/2008	150,000	145,096
US Treasury, 3.375%, 12/15/2008	100,000	96,363
US Treasury, 5.50%, 5/15/2009	200,000	203,992
US Treasury, 5.75%, 8/15/2010	150,000	155,467
US Treasury, 5.00%, 2/15/2011	100,000	100,811
US Treasury, 5.00%, 8/15/2011	190,000	191,670
US Treasury, 4.875%, 2/15/2012	180,000	180,281
US Treasury, 4.25%, 8/15/2013	150,000	144,270
US Treasury, 4.00%, 2/15/2014	155,000	146,148
US Treasury, 4.00%, 2/15/2015	170,000	159,315
		<u>1,874,849</u>
Total Government Bonds (Cost \$1,898,434)		<u><u>1,874,849</u></u>
US GOVERNMENT AGENCY SECURITIES - 4.30%		
Federal Farm Credit Bank (FFCB), 4.875%, 9/24/2014	150,000	146,538
Federal Home Loan Bank (FHLB), 3.50%, 11/15/2007	150,000	146,315
Federal Home Loan Mortgage Corp. (FHLMC), 4.50%, 1/15/2015	150,000	142,801
Federal National Mortgage Association (FNMA), 4.75%, 1/02/2007	100,000	99,660
Federal National Mortgage Association (FNMA), 4.0%, 9/02/2008	100,000	97,389
		<u>632,703</u>
Total US Government Securities (Cost \$648,844)		<u><u>632,703</u></u>

SCHEDULE *of* INVESTMENTS

CORNERCAP BALANCED FUND

	Shares		Value
SHORT TERM INVESTMENTS - 6.21%			
Certificate of Deposits - 2.03%			
Colony Bank Inc., Ashburn, 3.85%, 09/19/2006	55,000	\$	54,709
Community Bank GA, 3.90%, 7/28/2006	55,000		54,798
Sterling Bank, 3.85%, 9/21/2006	95,000		94,437
Treasury Bank, 3.95%, 8/07/2006	95,000		94,678
			<u>298,622</u>
Money Market Securities - 4.18%			
Federal Treasury Obligation Money Market, 4.46%**	615,044		<u>615,044</u>
Total Short Term Investments (Cost \$915,044)			<u><u>913,666</u></u>
Total Investments (Cost \$13,145,953)	99.56%		<u>14,655,027</u>
Total Assets in Excess of Liabilities	0.44%		<u>65,326</u>
Total Net Assets	100.00%		<u><u>14,720,353</u></u>

* Non-Income producing securities.

** Variable Rate Security; the rate shown represents the rate at March 31, 2006

The accompanying notes to the financial statements are an integral part of the financial statements.

SCHEDULE *of* INVESTMENTS

CORNERCAP SMALL-CAP VALUE FUND

	Shares	Value
COMMON STOCK - 97.61%		
Aerospace & Defense - 5.96%		
Armor Holdings Inc.*	11,925	\$ 695,108
Curtiss-Wright Corp.	7,800	516,360
		<u>1,211,468</u>
Auto Components - 4.76%		
American Axle & Manufacturing Holdings Inc.	19,200	328,896
Arvinmeritor, Inc.	24,650	367,532
Superior Industries International, Inc.	14,050	272,008
		<u>968,436</u>
Building Products - 8.19%		
Apogee Enterprises, Inc.	33,000	557,040
Crane Co.	15,025	616,175
ElkCorp	14,550	491,062
		<u>1,664,277</u>
Chemicals - 4.67%		
Headwaters Inc.*	13,050	519,260
Olin Corp.	20,000	429,400
		<u>948,660</u>
Commercial Banks - 6.60%		
FirstMerit Corp.	17,300	426,618
Washington Federal, Inc.	17,794	430,615
Webster Financial Corp.	10,000	484,600
		<u>1,341,833</u>
Commercial Services & Supplies - 4.22%		
ABM Industries, Inc.	25,100	481,167
John H. Harland Co.	9,600	377,280
		<u>858,447</u>
Communications Equipment - 1.95%		
Plantronics, Inc.	11,200	396,816
Discount Retail - 2.08%		
Fred's Inc.	31,850	422,331

SCHEDULE *of* INVESTMENTS

CORNERCAP SMALL-CAP VALUE FUND

	Shares		Value
Electronic Equipment & Instruments - 6.55%			
CTS Corp.	33,500	\$	448,230
Orbotech Ltd.*	21,300		524,619
Technitrol Inc.	15,000		359,700
			<u>1,332,549</u>
Food Products - 0.99%			
American Italian Pasta Co.	32,300		<u>202,198</u>
Health Care Providers & Services - 6.58%			
Apria Healthcare Group, Inc.*	17,032		391,395
Cooper Cos. Inc.	9,000		486,270
Dionex Corp.*	7,500		461,100
			<u>1,338,765</u>
Hotels, Restaurants & Leisure - 2.59%			
Ruby Tuesday Inc.	16,400		<u>526,112</u>
Household Durables - 8.03%			
Beazer Homes USA, Inc.	8,900		584,730
Blyth, Inc.	10,450		219,659
Helen of Troy, Ltd.*	24,450		518,340
Libbey Inc.	43,730		309,608
			<u>1,632,337</u>
Industrial Conglomerates - 2.43%			
Standex International Corp.	15,600		<u>493,896</u>
Insurance - 7.47%			
Clark Inc.	33,550		396,225
HCC Insurance Holdings Inc.	18,637		648,568
Reinsurance Group of America, Inc.	10,000		472,900
			<u>1,517,693</u>
Internet Software & Services - 2.45%			
Sabre Holdings Corp.	21,200		<u>498,836</u>
Leisure Equipment & Products - 4.22%			
K2, Inc.*	35,730		448,412
Polaris Industries, Inc.	7,500		409,200
			<u>857,612</u>

SCHEDULE *of* INVESTMENTS

CORNERCAP SMALL-CAP VALUE FUND

	Shares	Value
Machinery - 2.21%		
Briggs & Stratton Corp.	12,700	\$ <u>449,199</u>
Metals & Mining - 2.49%		
Brush Engineered Materials, Inc.*	25,600	<u>505,600</u>
Real Estate - 2.05%		
Friedman, Billings, Ramsey Group, Inc. Class A	44,350	<u>416,003</u>
Semiconductors & Equipment - 2.06%		
Adaptec, Inc.*	75,800	<u>419,174</u>
Specialty Retail - 2.18%		
Regis Corp.	12,850	<u>443,068</u>
Textiles & Apparel - 2.50%		
Kellwood Co.	16,200	<u>508,518</u>
Tobacco - 1.72%		
Universal Corp.	9,500	<u>349,315</u>
Trucking - 2.66%		
Arkansas Best Corp.	13,800	<u>539,856</u>
Total Common Stock (Cost \$17,139,359)		<u><u>19,842,999</u></u>

SCHEDULE *of* INVESTMENTS

CORNERCAP SMALL-CAP VALUE FUND

	Shares	Value
SHORT TERM INVESTMENTS - 2.36%		
Money Market Securities - 2.36%		
Federated Treasury Obligations		
Money Market, 4.46%**	480,392	\$ 480,392
Total Short-Term Investments (Cost \$480,392)		<u>480,392</u>
Total Investments (Cost \$17,619,751)	99.97%	<u>20,323,391</u>
Total Assets in Excess of Liabilities	0.03%	<u>5,272</u>
Total Net Assets	100.00%	<u><u>20,328,663</u></u>

* Non-Income producing securities.

** Variable Rate Security; the rate shown represents the rate at March 31, 2006

The accompanying notes to the financial statements are an integral part of the financial statements.

SCHEDULE *of* INVESTMENTS
 CORNERCAP CONTRARIAN FUND

	Shares	Value
COMMON STOCK - 93.19%		
Aerospace & Defense - 2.43%		
Curtiss-Wright Corp.	1,825	\$ <u>120,815</u>
Auto Components - 3.06%		
ArvinMeritor, Inc.	5,550	82,750
Superior Industries International, Inc.	3,585	<u>69,406</u>
		<u>152,156</u>
Beverages - 1.90%		
Anheuser-Busch Co I	2,200	<u>94,094</u>
Building Products - 6.18%		
Ameron, International Corp.	2,400	175,752
Crane Co.	3,200	<u>131,232</u>
		<u>306,984</u>
Commercial Banks - 6.41%		
Bank of America Corp.	2,304	104,924
Popular Inc.	4,900	101,724
The Bank of New York Company, Inc.	3,100	<u>111,724</u>
		<u>318,372</u>
Commercial Services & Supplies - 4.28%		
Cendant Corp	5,800	100,630
SOURCECORP Inc.*	4,650	<u>112,111</u>
		<u>212,741</u>
Communications Equipment - 1.38%		
UTStarcom Inc.*	10,900	<u>68,561</u>
Container & Packaging - 1.96%		
Owens-Illinois Inc.*	5,600	<u>97,272</u>
Diversified Consumer Services - 5.48%		
Corinthian Colleges Inc.*	6,100	87,840
H&R Block Inc.	3,800	82,270
Stewart Enterprises Inc.	17,840	<u>101,866</u>
		<u>271,976</u>

SCHEDULE *of* INVESTMENTS
CORNERCAP CONTRARIAN FUND

	Shares	Value
Diversified Financial Services - 1.92%		
Fannie Mae	1,850	\$ 95,090
Electronic Equipment & Instruments - 4.27%		
Diebold Inc.	2,400	98,640
Orbotech Ltd.*	4,600	113,298
		<u>211,938</u>
Food Products - 1.49%		
American Italian Pasta Co.	11,800	73,868
Food & Staples Retailing - 2.38%		
Safeway, Inc.	4,700	118,064
Health Care Equipment & Supplies - 2.23%		
Boston Scientific Corp.*	4,800	110,640
		<u>110,640</u>
Health Care Providers & Services - 7.44%		
Cigna Corp.	1,275	166,541
Cooper Cos. Inc.	2,100	113,463
Health Mgmt Assoc Inc.	4,150	89,516
		<u>369,520</u>
Household Durables - 3.33%		
Helen of Troy, Ltd.*	5,130	108,756
Libbey Inc.	8,000	56,640
		<u>165,396</u>
Industrial Conglomerates - 2.08%		
Tyco International Ltd.	3,850	103,488
Internet Software & Services - 4.66%		
Open Text Corp.*	7,500	123,225
Sabre Holdings Corp.	4,600	108,238
		<u>231,463</u>
Insurance - 6.36%		
Marsh & McLennan Companies, Inc.	3,400	99,824
The St. Paul Travelers Companies, Inc.	2,500	104,475
UnumProvident Corp.	5,450	111,616
		<u>315,915</u>

SCHEDULE *of* INVESTMENTS
CORNERCAP CONTRARIAN FUND

	Shares	Value
Leisure Equipment & Products - 1.62%		
K2, Inc.*	6,400	\$ <u>80,320</u>
Media - 1.87%		
Gannett Co., Inc.	1,550	<u>92,876</u>
Metals & Mining - 4.46%		
Alcoa, Inc.	3,500	106,960
Brush Engineered Materials, Inc.*	5,800	<u>114,550</u>
		<u>221,510</u>
Pharmaceuticals - 4.11%		
Pfizer, Inc.	4,100	102,172
Wyeth	2,100	<u>101,892</u>
		<u>204,064</u>
Real Estate - 1.95%		
Friedman, Billings, Ramsey Group, Inc. Class A	10,300	<u>96,614</u>
Textiles & Apparel - 1.85%		
Jones Apparel Group, Inc.	2,600	<u>91,962</u>
Tobacco - 2.00%		
Universal Corp/Richm	2,700	<u>99,279</u>
Semiconductors & Equipment - 6.09%		
Adaptec, Inc.*	16,700	92,351
Intel Corp.	5,000	96,750
LSI Logic Corp.*	9,800	<u>113,288</u>
		<u>302,389</u>
Common Stock Total (Cost 4,322,919)		<u><u>4,627,367</u></u>

SCHEDULE *of* INVESTMENTS
 CORNERCAP CONTRARIAN FUND

	Principal Amount		Value
CORPORATE BONDS - 4.36%			
Ford Motor Credit Co., 4.50%, 3/20/2009	120,000	\$	98,798
General Motors Acceptance Corp. (GMAC), 5.25%, 8/15/2009	140,000		<u>117,836</u>
Total Corporate Bonds (Cost \$232,208)			<u><u>216,634</u></u>
SHORT TERM INVESTMENTS - 1.86%			
Money Market Securities - 1.86%			
Federated Treasury Obligations Money Market, 4.46%**	92,306		<u>92,306</u>
Total Short Term Investments (Cost \$92,306)			<u><u>92,306</u></u>
Total Investments (Cost \$4,647,432)	99.41%		<u>4,936,307</u>
Total Assets in Excess of Liabilities	0.59%		<u>29,460</u>
Total Net Assets	100.00%		<u><u>4,965,767</u></u>

* Non-Income producing securities.

** Variable Rate Security; the rate shown represents the rate at
 March 31, 2006

The accompanying notes to the financial statements are an integral part of the financial statements.

STATEMENT *of* ASSETS *and* LIABILITIES

CORNERCAP BALANCED FUND

Assets:

Investments, at market value, (Cost \$13,145,953)	\$ 14,655,027
Dividends and interest receivable	80,808
Prepaid and other assets	1,515
Total assets	14,737,350

Liabilities:

Payable for fund shares	84
Advisory fee payable	13,010
Service fee payable	3,903
Total liabilities	16,997

Net assets \$ 14,720,353

Net asset value per share:

Price per share	
(\$14,720,353 / 1,051,678 Shares)*	\$ 14.00

Net assets

As of March 31, 2006, net assets consisted of:

Paid in capital	\$ 12,702,436
Undistributed net investment income	225,230
Accumulated net realized gain on investments	283,613
Net unrealized appreciation in value of investments	1,509,074
	\$ 14,720,353

* A fee of 1% is imposed on all redemptions made within sixty days of initial purchase.

The accompanying notes to the financial statements are an integral part of the financial statements.

STATEMENT *of* ASSETS *and* LIABILITIES

CORNERCAP SMALL-CAP VALUE FUND

Assets:

Investments, at market value, (Cost \$17,619,751)	\$ 20,323,391
Dividends and interest receivable	21,594
Prepaid and other assets	11,109
Total assets	20,356,094

Liabilities:

Advisory fee payable	18,287
Service fee payable	9,144
Total liabilities	27,431

Net assets \$ 20,328,663

Net asset value per share:

Price per share	
(\$20,328,663 / 1,518,639)*	\$ 13.39

Net assets

As of March 31, 2006, net assets consisted of:

Paid in capital	\$ 16,834,449
Undistributed net investment income	6,683
Accumulated net realized gain on investments	783,891
Net unrealized appreciation in value of investments	2,703,640
	\$ 20,328,663

* A fee of 1% is imposed on all redemptions made within sixty days of initial purchase.

The accompanying notes to the financial statements are an integral part of the financial statements.

STATEMENT *of* ASSETS *and* LIABILITIES

CORNERCAP CONTRARIAN FUND

Assets:

Investments, at market value, (Cost \$4,647,432)	\$ 4,936,307
Dividends and interest receivable	6,058
Receivable for investments sold	66,330
Total assets	5,008,695

Liabilities:

Payable for investments purchased	36,341
Advisory fee payable	4,391
Service fee payable	2,196
Total liabilities	42,928

Net assets \$ 4,965,767

Net asset value per share:

Price per share	
(\$4,965,767 / 458,455)*	\$ 10.83

Composition of net assets:

As of March 31, 2006, net assets consisted of:

Paid in capital	\$ 4,896,388
Undistributed net investment income	8,655
Accumulated net realized gain on investments	(228,151)
Net unrealized appreciation in value of investments	288,875
	\$ 4,965,767

* A 2% fee is imposed on all redemptions made within one year of initial purchase.

The accompanying notes to the financial statements are an integral part of the financial statements.

STATEMENT *of* OPERATIONS

CORNERCAP BALANCED FUND

Investment income:

Dividends	\$	157,927
Interest		237,047

Total income 394,974

Expenses:

Advisory fees		130,572
Service fees		39,172

Total expenses 169,744

Net investment income 225,230

Realized and unrealized gain on investments:

Net realized gain on investments		549,788
Change in net unrealized appreciation/ (depreciation) of investments		149,472

Net gain on investments 699,260

Net increase in net assets resulting from operations \$ 924,490

The accompanying notes to the financial statements are an integral part of the financial statements.

STATEMENT *of* OPERATIONS
CORNERCAP SMALL-CAP VALUE FUND

Investment income:

Dividends	\$	288,625
Interest		22,655

Total income 311,280

Expenses:

Advisory fees		203,065
Service fees		101,532

Total expenses 304,597

Net investment income 6,683

Realized and unrealized gain/(loss) on investments:

Net realized gain on investments		2,217,817
Change in net unrealized appreciation/ (depreciation) of investments		(1,033,043)

Net gain on investments 1,184,774

Net increase in net assets resulting from operations \$ 1,191,457

The accompanying notes to the financial statements are an integral part of the financial statements.

STATEMENT *of* OPERATIONS
CORNERCAP CONTRARIAN FUND

Investment income:

Dividends	\$	60,243
Interest		26,730

Total income 86,973

Expenses:

Advisory fees	45,855
Service fees	22,928

Total expenses 68,783

Net investment income 18,190

Realized and unrealized gain on investments:

Net realized gain on investments	365,067
Change in net unrealized appreciation/ ____ (depreciation) of investments	113,918

Net gain on investments 478,985

Net increase in net assets resulting from operations \$ 497,175

The accompanying notes to the financial statements are an integral part of the financial statements.

STATEMENT *of* CHANGES *in* NET ASSETS

CORNERCAP BALANCED FUND

	Year Ended March 31, 2006	Year Ended March 31, 2005
Operations:		
Net investment income	\$ 225,230	\$ 206,830
Net realized gain/(loss) on investments	549,788	344,244
Change in net unrealized appreciation/ (depreciation) of investments	149,472	123,409
Increase in net assets resulting from operations	924,490	674,483
Distributions to shareholders:		
Net investment income	-	(349,258)
Capital gains	(200,020)	-
	(200,020)	(349,258)
Capital share transactions		
Increase in net assets resulting from capital share transactions	2,992,801	981,328
Total increase in net assets	3,717,271	1,306,553
Net assets:		
Beginning of year	11,003,082	9,696,529
End of year (including undistributed net investment income of \$225,230 and \$0, respectively)	\$ 14,720,353	\$ 11,003,082

The accompanying notes to the financial statements are an integral part of the financial statements.

STATEMENT *of* CHANGES *in* NET ASSETS

CORNERCAP SMALL-CAP VALUE FUND

	Year Ended March 31, 2006	Year Ended March 31, 2005
Operations:		
Net investment Income	\$ 6,683	\$ (52,980)
Net realized gain/(loss) on investments	2,217,817	2,587,151
Change in net unrealized appreciation/ (depreciation) of investments	(1,033,043)	(1,056,569)
Increase in net assets resulting from operations	1,191,457	1,477,602
Distributions to shareholders:		
Net investment income	-	(696,258)
Capital gains	(3,365,089)	-
	(3,365,089)	(696,258)
Capital share transactions		
Increase in net assets resulting from capital share transactions	1,650,372	1,429,890
Total increase (decrease) in net assets	(523,260)	2,211,234
Net assets:		
Beginning of year	20,851,923	18,640,689
End of year (including undistributed net investment income of \$6,683 and \$0, respectively)	\$ 20,328,663	\$ 20,851,923

The accompanying notes to the financial statements are an integral part of the financial statements.

STATEMENT *of* CHANGES *in* NET ASSETS

CORNERCAP CONTRARIAN FUND

	Year Ended March 31, 2006	Year Ended March 31, 2005
Operations:		
Net investment Income	\$ 18,190	\$ 12,476
Net realized gain/(loss) on investments	365,067	988,054
Change in net unrealized appreciation/ (depreciation) of investments	113,918	(595,953)
Increase in net assets resulting from operations	497,175	404,577
Distributions to shareholders:		
Net investment income	(22,011)	-
	(22,011)	-
Capital share transactions		
Increase in net assets resulting from capital share transactions	160,522	34,702
Total increase in net assets	635,686	439,279
Net assets:		
Beginning of year	4,330,081	3,890,802
End of year (including undistributed net investment income of \$8,655 and \$12,476, respectively)	\$ 4,965,767	\$ 4,330,081

The accompanying notes to the financial statements are an integral part of the financial statements.

CORNERCAP GROUP OF FUNDS

This Page Intentionally Left Blank

FINANCIAL HIGHLIGHTS

CORNERCAP BALANCED FUND

Selected data for each share of beneficial interest outstanding throughout the periods indicated:

Per share operating performance

Net asset value, beginning of the period

Income from investment operations:

Net investment income/(loss)

Net realized and unrealized gain/(loss) on investments

Total income /(loss) from investment operations

Dividends and distributions to stockholders

Distributions from net investment income

Distributions from net realized gain on investments

Total dividends and distributions to shareholders

Net asset value, end of period

Total return

Ratios and supplemental data

Net assets, end of period (in 000s)

Ratios to average net assets

Expenses

Net investment income/(loss)

Portfolio turnover rate

- * *A portfolio turnover rate is, in general, the percentage computed by taking the lesser of purchases or sales of portfolio securities (excluding securities with a maturity date of one year or less at the time of acquisition) for a period and dividing it by the monthly average of the market value of such securities during the period.*

Years Ended March 31,				
2006	2005	2004	2003	2002
\$13.22	\$12.80	\$10.18	\$11.72	\$11.28
0.21	0.31	0.14	0.20	0.14
0.77	0.56	2.65	(1.52)	0.52
0.98	0.87	2.79	(1.32)	0.66
0.00	(0.45)	(0.17)	(0.22)	(0.22)
(0.20)	0.00	0.00	0.00	0.00
(0.20)	(0.45)	(0.17)	(0.22)	(0.22)
\$14.00	\$13.22	\$12.80	\$10.18	\$11.72
7.43%	6.86%	27.48%	(11.29)%	5.89%
\$14,720	\$11,003	\$9,697	\$6,107	\$6,198
1.30%	1.30%	1.30%	1.30%	1.30%
1.72%	2.07%	1.70%	2.17%	1.75%
19.87%*	18.55%	12.19%	21.88%	26.77%

The accompanying notes to the financial statements are an integral part of the financial statements.

FINANCIAL HIGHLIGHTS

CORNERCAP SMALL-CAP VALUE FUND

Selected data for each share of beneficial interest outstanding throughout the periods indicated:

Per share operating performance

Net asset value, beginning of the period

Income from investment operations:

Net investment income/(loss)

Net realized and unrealized gain/(loss) on investments

Total income /(loss) from investment operations

Dividends and distributions to stockholders

Distributions from net investment income

Distributions from net realized gain on investments

Total dividends and distributions to shareholders

Net asset value, end of period

Total return

Ratios and supplemental data

Net assets, end of period (in 000s)

Ratios to average net assets

Expenses

Net investment income/(loss)

Portfolio turnover rate

* A portfolio turnover rate is, in general, the percentage computed by taking the lesser of purchases or sales of portfolio securities (excluding securities with a maturity date of one year or less at the time of acquisition) for a period and dividing it by the monthly average of the market value of such securities during the period.

Years Ended March 31,				
2006	2005	2004	2003	2002
\$15.13	\$14.55	\$9.33	\$13.70	\$10.80
0.04	(0.04)	(0.03)	(0.01)	0.00
0.79	1.15	5.38	(3.75)	3.62
0.83	1.11	5.35	(3.76)	3.62
0.00	0.00	0.00	0.00	(0.06)
(2.57)	(0.53)	(0.13)	(0.61)	(0.66)
(2.57)	(0.53)	(0.13)	(0.61)	(0.72)
\$13.39	\$15.13	\$14.55	\$9.33	\$13.70
6.05%	7.71%	57.43%	(27.74)%	34.33%
\$20,329	\$20,852	\$18,641	\$12,021	\$16,335
1.50%	1.50%	1.50%	1.50%	1.50%
0.03%	(0.27)%	(0.23)%	(0.13)%	0.01%
27.23%*	38.37%	22.09%	31.89%	40.71%

The accompanying notes to the financial statements are an integral part of the financial statements.

FINANCIAL HIGHLIGHTS

CORNERCAP CONTRARIAN FUND

Selected data for each share of beneficial interest outstanding throughout the periods indicated:

Per share operating performance

Net asset value, beginning of the period

Income from investment operations:

Net investment income/(loss)

Net realized and unrealized gain/(loss) on investments

Total income /(loss) from investment operations

Dividends and distributions to stockholders

Distributions from net investment income

Distributions from net realized gain on investments

Total Dividends and Distributions to shareholders

Net asset value, end of period

Total return

Ratios and supplemental data

Net assets, end of period (in 000s)

Ratios to average net assets

Expenses

Expenses before waiver

Net investment income/(loss)

Net investment income/(loss) before waiver

Portfolio turnover rate

- * A portfolio turnover rate is, in general, the percentage computed by taking the lesser of purchases or sales of portfolio securities (excluding securities with a maturity date of one year or less at the time of acquisition) for a period and dividing it by the monthly average of the market value of such securities during the period.

Years Ended March 31,				
2006	2005	2004	2003	2002
\$9.78	\$8.82	\$5.17	\$9.04	\$9.04
0.04	0.03	(0.08)	(0.09)	(0.13)
1.06	0.93	3.73	(3.78)	1.82
1.10	0.96	3.65	(3.87)	1.69
(0.05)	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	(1.69)
(0.05)	0.00	0.00	0.00	(1.69)
\$10.83	\$9.78	\$8.82	\$5.17	\$9.04
11.27%	10.88%	70.60%	(42.81)%	18.42%
\$4.966	\$4,330	\$3,891	\$2,238	\$3,798
1.50%	1.72%	1.80%	1.77%	1.86%
0.40%	1.80%	(1.12)%	(1.36)%	(1.44)%
	0.32%			
	0.24%			
49.06%*	154.41%	63.79%	69.49%	47.88%

The accompanying notes to the financial statements are an integral part of the financial statements.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The CornerCap Group of Funds (the “Funds”) was organized on January 6, 1986 as a Massachusetts Business Trust and is registered under the Investment Company Act of 1940 as a diversified open-end management investment company. The investment objective of the Funds is to obtain capital appreciation and current income. The following is a summary of significant accounting policies followed by the Funds in the preparation of the financial statements. The policies are in conformity with accounting principles generally accepted in the United States of America.

A. Security Valuation – Portfolio securities that are listed on national securities exchanges or the NASDAQ National Market System are valued at the last sale price as of 4:15 p.m. Eastern time, or in the absence of recorded sales, at the average of readily available closing bid and asked prices on such exchanges or such System. Unlisted securities that are not included in such System are valued at the mean of the quoted bid and asked prices in the over-the-counter-market. Securities and other assets for which market quotations are not readily available are valued at fair value as determined in good faith by the Advisor under procedures established by and under the general supervision and responsibility of the Funds’ Board of Trustees. Short-term investments are valued at amortized cost, if their original maturity was 60 days or less, or by amortizing the values as of the 61st day prior to maturity, if their original term to maturity exceeded 60 days. The ability of issuers of debt securities held by the Funds meet their obligations may be affected by economic and political developments.

B. Security Transactions, Investment Income and Other – Security transactions are recorded on the trade date. Realized gains and losses on sales of investments are calculated on the identified cost basis. Dividend income is recorded on the ex-dividend date and interest income is recorded on the accrual basis. Discounts and premiums on securities purchased are amortized over the lives of the respective securities.

C. Federal Income Taxes – It is the policy of each Fund to meet the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its taxable net income to its shareholders. In addition, each Fund intends to pay distributions as required to avoid imposition of excise tax. Therefore, no federal income tax provision is required.

D. Distributions to Shareholders – Distributions from net investment income and realized gains, if any, are recorded on the ex-dividend date. Income distributions and capital gain distributions are determined in accordance with income tax

NOTES TO FINANCIAL STATEMENTS

regulations which may differ from accounting principles generally accepted in the United States of America.

E. Accounting Estimates – In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. SHARES OF BENEFICIAL INTEREST

On March 31, 2006, there was an unlisted number of no par-value shares of beneficial interest authorized for each Fund. Transactions in shares of beneficial interest were as follows:

CornerCap Balanced Fund:

	For the Year Ended March 31, 2006		For the Year Ended March 30, 2005	
	Shares	Value	Shares	Value
Shares Sold	297,966	\$4,075,122	125,799	\$1,635,014
Share Issued in				
Reinvestment of Dividends	14,308	198,171	26,903	349,202
Total	312,274	4,273,293	152,702	1,984,216
Less Shares Redeemed	(93,171)	(1,280,492)	(77,955)	(1,002,888)
Net Increase	219,103	\$2,992,801	74,747	\$981,328

CornerCap Small-Cap Value Fund:

	For the Year Ended March 31, 2006		For the Year Ended March 30, 2005	
	Shares	Value	Shares	Value
Shares Sold	160,696	\$2,279,276	187,770	\$2,796,264
Share Issued in				
Reinvestment of Dividends	247,672	3,207,358	44,580	660,674
Total	408,368	5,486,634	232,350	3,456,938
Less Shares Redeemed	(267,695)	(3,836,262)	(135,652)	(2,027,048)
Net Increase / (Decrease)	140,673	\$1,650,372	96,698	\$1,429,890

CornerCap Contrarian Fund:

	For the Year Ended March 31, 2006		For the Year Ended March 30, 2005	
	Shares	Value	Shares	Value
Shares Sold	26,757	\$277,387	25,200	\$242,598
Share Issued in Reinvestment of Dividends	2,012	20,968	-	-
Total	28,769	\$298,355	25,200	\$242,598
Less Shares Redeemed	(13,037)	(137,833)	(23,390)	(207,896)
Net Increase	15,732	\$160,522	1,810	\$34,702

3. UNREALIZED APPRECIATION AND DEPRECIATION ON INVESTMENTS *(tax basis)*

The amount of net unrealized appreciation and the cost of investment securities for tax purpose, including short-term securities at March 31, 2006 were as follows:

	CornerCap Balanced Fund	CornerCap Small-Cap Value Fund	CornerCap Contrarian Fund
Gross appreciation <i>(excess of value over tax cost)</i>	\$1,809,676	\$4,445,768	\$665,247
Gross depreciation <i>(excess of tax cost over value)</i>	(300,602)	(1,754,081)	(376,372)
Net unrealized appreciation	\$1,509,074	\$2,691,687	\$288,875
Cost of investments for income tax purposes	\$13,145,953	\$17,631,704	\$4,647,432

The difference between book-basis and tax-basis unrealized appreciation is attributable primary to the tax deferral of losses on wash sales.

4. DISTRIBUTIONS TO SHAREHOLDERS

Classifications of Distributions- Net investment income/(loss) and net realized gain/(loss) may differ for financial statement and tax purposes. The character of distributions made during the year from net investment income or net realized gains may differ from its ultimate characterization for federal income tax purposes. Also, due to the timing of dividend distributions, the fiscal year in which amounts are distributed may differ from the fiscal year in which the income or realized gain was recorded by the Fund.

Distributions of net investment income, if any, are distributed annually. Distributions of net realized gains, if any, are declared at least once each year. Distributions to shareholders are recorded on the ex-dividend date.

CornerCap Balanced Fund:

On December 14, 2005, a distribution of \$.20 per share was declared from long term capital gain. The dividend was paid on December 16, 2005, to shareholders of record on December 13, 2005.

The tax character of distributions paid for the years ended March 31, 2006 and 2005 was as follows:

	2006	2005
Distributions paid from:		
Ordinary income	\$ -	\$ 209,555
Long-term capital gains	200,020	139,703
Total	\$ 200,020	\$ 349,258

As of March 31, 2006, the components of distributable earnings on a tax basis were as follows:

Undistributed ordinary income	\$ 268,960
Undistributed long-term gains	239,883
Unrealized appreciation	1,509,074
Total	\$ 2,017,917

NOTES TO FINANCIAL STATEMENTS

CornerCap Small-Cap Value Fund:

On December 14, 2005, a long-term capital gain distribution of \$2.23 per share, and a short-term capital gain distribution of \$0.34 per share were declared. The total dividend was paid on December 16, 2005, to shareholders of record on December 13, 2005.

The tax character of distributions paid for the years ended March 31, 2006 and 2005 was as follows:

	2006	2005
Distributions paid from:		
Ordinary income	\$ -	\$ -
Short-term capital gain	440,024	-
Long-term capital gains	2,925,065	696,258
Total	\$ 3,365,089	\$ 696,258

As of March 31, 2006, the components of distributable earnings on a tax basis were as follows:

Undistributed ordinary income	\$ 34,229
Undistributed long-term gains	768,298
Unrealized appreciation	2,691,687
Total	\$ 3,494,214

CornerCap Contrarian Fund:

On December 14, 2005, an ordinary Income distribution of \$0.05 per share was declared. The dividend was paid on December 16, 2005, to shareholders of record on December 13, 2005.

The tax character of distributions paid for the years ended March 31, 2006 and 2005 was as follows:

	2006	2005
Distributions paid from:		
Ordinary income	\$ 22,011	\$ -
Capital gain	-	-
Total	\$ 22,011	\$ -

NOTES TO FINANCIAL STATEMENTS

As of March 31, 2005, the components of distributable earnings / (accumulated losses) on a tax basis were as follows:

Undistributed ordinary income	\$	8,655
Capital loss carryforward		(228,151)
Unrealized appreciation		288,875
Total	\$	69,379

5. CAPITAL LOSS CARRYFORWARD

Balanced Fund: During the period ended March 31, 2006, the fund used capital loss carry forwards of \$66,155.

Contrarian Fund: At March 31, 2006, the fund had available for federal tax purposes an unused capital loss carry forward of \$228,151, which expires in 2011.

To the extent that this carry forward used to offset future capital gains, it is probable that the amount offset will not be distributed to shareholders.

6. TRANSACTIONS WITH AFFILIATES

INVESTMENT ADVISORY AND ADMINISTRATION AGREEMENTS

A. The Funds have an investment advisory agreement with CornerCap Investment Counsel, Inc. (the “Advisor”), pursuant to which the Advisor receives a fee from the Funds, computed daily and payable monthly, at an annual rate of 1.00% of the average daily net assets. In addition, the Advisor receives an administrator fee, computed daily and payable monthly, at a annual rate of .30%, .50% and .50% of the average daily nets assets of the Balanced Fund, Small-Cap Fund and Contrarian Fund, respectively. Under the terms of the management agreement, the Advisor manages the Funds’ investments subject to the approval of the Board of Trustees. For the period ended March 31, 2006, the Advisor earned an advisory fee of \$130,572, \$203,065, and \$45,855 from the Balanced Fund, Small Cap Fund, and Contrarian Fund, respectively. For the period ended March 31, 2006, the Advisor earned an administrator fee of \$39,172, \$101,532, and \$22,928 from the Balanced Fund, Small Cap Fund, and Contrarian Fund, respectively. At March 31, 2006, the Funds owed the Advisor \$35,688 for advisory fees and 15,243 for the administrator fees.

Board Approval of Management Agreement: The nature, extent, and quality of the services provided by the Adviser (Unaudited). In this regard, the Board considered the Adviser’s investment management experience (including, without limitation, its separate account business) and history as the investment adviser of the Funds since their inception. The Board also considered the Adviser’s various responsibilities on behalf of the Fund under the Operating Services Agreements with the Funds, which include the provision of our arrangement for provision of accounting, administrative, legal, dividend disbursing, transfer agent, registrar, custodial, shareholder reporting, sub accounting and recordkeeping services for the Funds. The Board also considered that the Trust’s officers are employees of the Adviser, and serve as officers of the Trust without additional compensation. After reviewing the foregoing information, further information in the Adviser’s Memorandum (e.g., descriptions of the Adviser’s business and the Adviser’s From ADV), and discussion the Adviser’s services to the Funds with the Adviser, the Board concluded that the quality and nature of the services was satisfactory and adequate for the Funds.

The investment performance of the Funds and Adviser (Unaudited). In this regard, the Board compared the performance of the Funds with the performance of the Funds with the performance of benchmark indices, comparable funds managed by other advisers and comparable peer group indices. The Board also considered the Funds’ investments’ consistency with the Funds’ investment objective and policies, and the Adviser’s use of its proprietary research and methodologies in managing the Funds. Among other things, the board considered

the Funds' short-term and long term performance; however, the Board noted that past performance of the Contrarian Fund was less relevant due to changes in the Fund's investment policies. After comparing the performance of the Funds with benchmark indices, comparable funds and peer group indices, discussing the Funds' performance history with the Adviser and considering the changed investment policies of the Contrarian Fund, the Board concluded that the Funds would benefit from the Adviser's continuing service as their investment adviser.

The costs of the services to be provided and profits to be realized by the Adviser and its affiliates from the relationship with the Funds (Unaudited). In this regard, the Board considered the Adviser's staffing, personnel, and methods of operating; the financial condition of the Adviser and the level of commitment to the Funds and the Adviser by the principals of the Adviser; the Adviser's current and past use of its proprietary models in managing the Funds; the asset levels of the Funds; and the overall fees and expenses of the Funds, including the Funds' unified fee structures and recent fee waivers by the Adviser. The Board then examined and evaluated the Funds' fees paid to the Adviser under the Advisory Agreements. The Board also considered the Funds' fees paid to the Adviser under the Operating Services Agreements, whereby the Funds pay the Adviser a single fee for providing or arranging for the provision of operating services to the Funds, and the Adviser's past and future expected profitability (or lack thereof) with respect to the Funds. The Board also compared the Funds' management fees and overall expense ratios to other funds comparable to the Funds in terms of the type of fund, the style of investment management, the size of fund and the nature of its investment strategy, among other factors. The Board determined that each Funds' management fees and the Fund's expense ratios were lower than some of the comparable funds and higher than others. The Board also considered the fees under the Advisory Agreements with those paid by comparable funds and considering all of the foregoing, the Board concluded that the totality of the fees paid to the Adviser by each Fund were fair and reasonable.

The extent to which economies of scale would be realized as the Funds grow and whether Advisory fee levels reflect these economies of scale for the benefits of the Funds' investors (Unaudited). In this regard, the Board considered that the Adviser has been subsidizing the Funds' operating expenses for several years in an effort to keep the expense ratio at a reasonable and fair level in light of the Funds' relatively small asset base. The Board also considered that the Funds' fee structure does not allow for economies of scale to benefit the Funds' shareholders as assets grow, but noted that the Adviser has subsidized the Funds' expenses for a number of years, and that the Adviser had voluntarily recommended and agreed to the lowering of fees for two of the Funds on two occasions to keep these Funds' expense ratios at a more competitive level. Following further discussion of the Funds' asset levels, expectations for growth and

levels of fees, the Board determined that each Fund's fee arrangements were fair and reasonable, and that each Fund's unified fee structure provided for savings and protection for shareholders at lower asset levels.

B. On August 1st, 2005, The Funds and the Advisor entered into a 1) Fund Accounting and Administration Agreement with ALPS Mutual Funds Services, Inc. to provide day-to-day operational services to The Funds including, but not limited to, accounting, administrative, bookkeeping and pricing services. 2) Transfer Agency and Service Agreement with ALPS Mutual Funds Services, Inc. to provide day-to-day operational services to The Funds including, but not limited to, transfer agent, dividend distributing, and bookkeeping services. 3) Distribution Agreement with ALPS Distributors, Inc. to provide distribution services to The Funds. ALPS Distributors, Inc. serves as underwriter/distributor of the Funds.

Certain officers and directors of the Funds are also officers and directors of the Advisor.

7. PURCHASES AND SALES OF SECURITIES

CornerCap Balanced Fund: For the year ended March 31, 2006, the cost of purchases and the proceeds from sales of securities, excluding short-term securities, were \$5,340,103 and \$2,455,062, respectively.

CornerCap Small-Cap Value Fund: For the year ended March 31, 2006, the cost of purchases and the proceeds from sales of securities, excluding short-term securities, were \$5,392,152 and \$6,759,399, respectively.

CornerCap Contrarian Fund: For the year ended March 31, 2006, the cost of purchases and the proceeds from sales of securities, excluding short-term securities, were \$2,408,693 and \$2,162,122, respectively.

To The Shareholders and
Board of Trustees of
The CornerCap Group of Funds

We have audited the accompanying statements of assets and liabilities of the CornerCap Group of Funds, comprised of the CornerCap Balanced Fund, CornerCap Small-Cap Value Fund, and CornerCap Contrarian Fund, including the schedule of investments, as of March 31, 2006, the related statements of operations for the year then ended, and the statement of changes in net assets and the financial highlights for each of the two periods then ended. 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. The financial highlights for the periods indicated prior to March 31, 2005 were audited by other auditors, who expressed unqualified opinions on those statements.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of March 31, 2006 by correspondence with the Funds' custodian and brokers. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. 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 each of the funds constituting the CornerCap Group of Funds as of March 31, 2006, the results of their operations for the year then ended, and the changes in their net assets and their financial highlights for each of the two periods then ended, in conformity with accounting principles generally accepted in the United States of America.

Cohen McCurdy, Ltd.
Westlake, Ohio
May 11, 2006

1. BENEFICIAL OWNERSHIP

The beneficial ownership, either directly or indirectly, of 25% or more of the voting securities of a Funds creates a presumption of control of the Funds, under Section 2(a)(9) of the Investment Company Act of 1940. As of March 31, 2006, Charles Schwab & Co. held approximately 27.74% of the CornerCap Balanced Fund's shares, approximately 24.13% of the CornerCap Small-Cap Value Fund's shares, and STATVEST, LP held approximately 26.90% of the CornerCap Contrarian Fund's shares.

2. PROXY VOTING POLICY (Unaudited)

A copy 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 the Funds toll-free at (888)-813-8637; or on the Securities and Exchange Commission's (SEC) website at <http://www.sec.gov>. Information regarding how the Funds voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is also available without charge, upon request, by calling the Funds toll-free at (888)-813-8637; and on the SEC's website at <http://www.sec.gov>.

3. AVAILABILITY OF QUARTERLY PORTFOLIO SCHEDULE (Unaudited)

Each of the Funds files its complete schedule of positions with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Funds' Form N-Q is available on the SEC website at <http://www.sec.gov>. The Funds' Form N-Q may be reviewed and copied at the Commission's Public Reference Room in Washington, D.C., and information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. If any of the Funds make the information on Form N-Q available to shareholders on its website or upon request, the information may be obtained by calling the Funds toll-free at (888)-813-8637.

4. COMPENSATION OF TRUSTEES (Unaudited)

The Independent Trustees of the Fund receive a quarterly \$1,000 per meeting paid by the Advisor. The Trustees are paid \$750 per meeting for the Audit Committee meetings. The Audit Committee Chairman is paid \$1,000 per meeting. The Audit Committee is expected to meet typically twice a year.

5. TAX DESIGNATIONS (Unaudited)

The Funds designate the following for federal income tax purposes for the year ended March 31, 2006:

Dividends Received Deduction

Balanced Fund	0%
Small-Cap Fund	0%
Contrarian Fund	100%

Qualified Dividend Income

Balanced Fund	0%
Small-Cap Fund	0%
Contrarian Fund	100%

6. Other

A special meeting of the Cornercap Group of Fund's shareholders was held on March 15, 2005, for the purpose of:

1. Approval of the Election of the following five (5) nominees for director: Thomas Quinn, Richard Boger, Laurin McSwain, Leslie Gates, and Jerry Hufton.

Proposals passed by the required majority of shareholders are described in the table below.

Proposal	Shares Voted FOR Proposal	Shares WITHHELD	Shares WITHHELD AUTHORITY
To approve the following five (5) nominees for director: Thomas Quinn, Richard Boger, Laurin McSwain, Leslie Gates, and Jerry Hufton			
Cornercap Group of Funds	2,018,100	7,186	10,092

7. TRUSTEES AND OFFICERS (Unaudited)

The business affairs of CornerCap Group of Funds (the "Funds") are managed under the direction of the Funds Board of Trustees in accordance with the laws of the State of Massachusetts. Information pertaining to the Trustees and Officers of the Funds are set forth below. Trustees who are not deemed to be "interested persons" of the trust as defined in the Investment Company Act of 1940, as amended (the "1940 Act"), are referred to as "Independent Trustees." Trustees who are deemed to be interested persons of Funds as defined in the 1940 Act are referred to as "Interested Trustees". The Funds Statement of Additional Information includes additional information about the trustees and is available upon request by calling toll-free 1-888-813-8637.

ADDITIONAL INFORMATION

INTERESTED TRUSTEES

Name and Address	Position with Trust, Term of Office and Tenure
-------------------------	---

Thomas E. Quinn
Age: 60
The Peachtree, Suite 1700
1355 Peachtree St. NE
Atlanta, GA 30309

Trustee, President, Chief Financial
Officer, and Treasurer since 1992

INDEPENDENT TRUSTEES

Name and Address	Position with Trust, Term of Office and Tenure
-------------------------	---

Richard L. Boger
Age: 59
3350 Riverwood Pkwy
Suite 1900
Atlanta, GA 31339

Trustee since 1992

Laurin M. McSwain
Age: 54
Eleven Piedmont Center,
Suite 806
3495 Piedmont Road
Atlanta, GA 30305

Trustee since 1994

Leslie W. Gates
Age: 50
5490 Glen Errol Road
Atlanta, GA 30327

Trustee since 2006

Jerry W. Hufton
Age: 63
228 Winged Elm Circle
Aiken, South Carolina 29803

Trustee since 2006

ADDITIONAL INFORMATION

Number of Funds in Complex Overseen	Principal Occupation(s) during past 5 years	Other Trusteeships/ Directorships by Trustee
3	Chief Executive Officer, CornerCap Investment Counsel, since inception	None

Number of Funds in Complex Overseen	Principal Occupation(s) during past 5 years	Other Trusteeships/ Directorships by Trustee
3	President & CEO, Lex-Tek International, Inc. 1997 - present; Pres. & CEO, Export Insurance Services, Inc. 1989 – 2002	Gray Television, Inc.

3	Attorney, Lefkoff, Duncan, Grimes, Miller & McSwain, 2003 - present; Attorney, Bloodworth & McSwain 1996 – 2003	None
---	---	------

3	Retired, 2004-present; Partner, Williams Benator & Libby, LLP, 1989-2004; Member, WBL Services, LLC, February 2004 - December 2004	None
---	--	------

3	Retired, 2004-present; Director of Taxes, Berkshire Hathaway Inc., 1991-2004	None
---	---	------

ADDITIONAL INFORMATION

OFFICERS

Name and Address

**Position with Trust,
Term of Office and Tenure**

Richard T. Bean
Age: 43
The Peachtree, Suite 1700
1355 Peachtree St. NE
Atlanta, GA 30309

Vice President of the Funds,
since 1996

John A. Hackney
Age: 39
The Peachtree, Suite 1700
1355 Peachtree St. NE
Atlanta, GA 30309

Chief Compliance Officer,
Secretary of the Funds,
since 1999

Gene A. Hoots
Age: 66
The Peachtree, Suite 1700
1355 Peachtree St. NE
Atlanta, GA 30309

Vice President of the Funds,
since 1992

ADDITIONAL INFORMATION

Number of Funds in Complex Overseen	Principal Occupation(s) during past 5 years	Other Trusteeships/ Directorships by Trustee
3	Vice President, CornerCap Investment Counsel, since inception	N/A
3	Chief Compliance Officer, CornerCap Investment Counsel, since inception	N/A
3	Vice President of the Funds and Chairman Emeritus of the Adviser, since inception	N/A

CORNERCAP GROUP OF FUNDS

This Page Intentionally Left Blank

CORNERCAP GROUP OF FUNDS

This Page Intentionally Left Blank

CORNERCAP GROUP OF FUNDS

This Page Intentionally Left Blank