

06.30.11

SEMI-ANNUAL REPORT

INTRODUCTION

THANK YOU...for choosing the Ancora Mutual Funds. We have built the Ancora Funds to be unique and to capitalize on the evolving opportunities of the investment landscape. Our management style has centered on building long-term success for our clients and is applied to the management of all of our funds. Our Mutual Fund managers are the principals of the Fund's Investment Adviser and are the original architects of the Mutual Funds they manage. While no mutual fund can guarantee performance, the Ancora Funds do promise that our investment decisions will be based upon dedicated research and careful execution. An Ancora Financial Advisor is at your disposal regardless of the size of your investment.

PERSONAL ASSISTANCE

1-866-6AN-CORA

Please feel free to dial our toll-free number to speak directly to a knowledgeable representative who can answer any questions or assist you with any issues concerning your account.

ONLINE ACCOUNT MANAGEMENT

www.ancora.net

Manage your personal account of Ancora Funds online.



ANCORA FUNDS

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This report and the financial statements contained herein are provided for the general information of the shareholders of the Ancora Funds. Investors should carefully consider before investing each Fund's investment objective, risks and expenses. For a prospectus, which contains that information and more information about each Fund, please call 866-626-2672 or visit our website at www.ancorafunds.com. Please read it carefully before you invest or send money.

LETTER TO SHAREHOLDERS



Richard A. Barone
Chairman

Dear Shareholder:

At the time I write this report parents, teachers and students are preparing to return to school. However, this year it appears that the returning group includes another class of seemingly undereducated individuals. For lack of a better description, let's call them market analysts.

From the depths of the great depression until sometime during the Johnson administration, the economic theory upon which analysts relied was clearly Keynesian. Keynesian theory, which essentially promoted deficit government spending during recessionary periods, relied on the added spending to provide demand and suggested that the multiplier effect of that spending would lift us out of the recession. The thinking behind this theory became commonly known as Fiscal Policy.

In the 1960's a University of Chicago economist by the name of Milton Friedman suggested that the fiscal policy was severely lacking in its ability to provide economic growth and low unemployment. Dr. Friedman suggested that the Federal Reserve, through its ability to expand the money supply and control the level of interest rates, was the perfect vehicle to control recessions as well as inflations and keep the economy on an even keel. The test came in the late 1970's and early 1980's when the general level of relative prices, known as the CPI, reached 12 percent. The newly appointed Fed Chairman, Paul Volker tested the new theory by raising interest rates to unthinkable levels, and as the theory claimed, inflation came under control. The thinking behind this theory became commonly known as Monetary Policy.

Up until recently, it was commonly accepted by market analysts that fiscal policy was ineffective and only monetary policy (i.e. the Federal Reserve) could bring uncontrolled economic activity back to steady growth and full employment. When the Obama Administration took office it was clear that the United States was headed into a recession. That prospect provided the cover to revive the Keynesian model of deficit spending while maintaining a strong reliance on the Federal Reserve. It now appears that both models are failing.

As part of the re-education process, market analysts need to admit that both fiscal and monetary policy have their limitations as well as an understanding that more fiscal stimulus, or a QE3 to resolve our problems, will only cause more pain. What is needed is a new paradigm upon which a more prosperous economic future can be built. To construct that paradigm a new set of building blocks is necessary. That foundation needs to include an emphasis on greater self reliance with a simple clearly defined safety net, a simple fair method of taxation, regulations intended to level the playing field through full and verifiable disclosure instead of being focused on one-off situations, and government policies (not higher taxes) intended to rebuild the middle class.

The Funds

During the first six months of 2011, the stock market, as defined by the S&P 500 Index, rose 6.02% while the bond market, as defined by the Barclay's Aggregate Bond Index, rose 1.92%. Our three Equity Funds lagged their respective indices as well as the S&P 500 during this period. This was primarily due to a greater degree of caution on behalf of the Funds' respective managers.

The Ancora Equity Fund Class C and Class D shares advanced 4.53% and 4.80% respectively. The Fund continues to focus on healthcare and technology and on the return to normalized earnings in general.

The Ancora Special Opportunity Fund went through this period with an overabundance of cash. In recent months this has proved to have been a correct strategy, but during the six months ending June 30, 2011 the Fund's performance was slightly negative compared to the Wilshire 500 Index which was up 6.09% during the same period. The focus of the Ancora Special Opportunity Fund has been companies with significant earnings recovery potential.

LETTER TO SHAREHOLDERS (CONTINUED)

After outperforming The Russell Microcap Index again in the first quarter of 2011 the Ancora Microcap Fund succumbed to the negative market environment and risk aversion of the second quarter underperforming the index by a little over 3%. Many of the technology names which propelled prior gains retreated in the face of economic slowdown fears. While these companies have maintained excellent balance sheets and still sell at relatively modest price earnings ratios they corrected a significant portion of their prior advance. Since inception nearly three years ago, Ancora Microcap has advanced approximately 10% annually against the index which was up approximately 4% annually.

For the six months ending in June, the Ancora Income Fund advanced over 5% against the Index which was up 1.92%. Since inception, your Fund continues to exceed its index in providing a meaningful total return to shareholders. The vast majority of its holdings are concentrated on investment grade debt held in the form of trust certificates and closed-end investment companies selling at discounts to net asset value.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Richard A. Barone', with a stylized flourish at the end.

Richard A Barone
Chairman

INTRODUCTION

ANCORA'S LEGACY

Ancora Advisors was incorporated in 2003, although its lineage dates back to 1973 when Richard Barone founded The Maxus Investment Group. In 1985, the original Maxus Mutual Fund was founded and in the mid 1990's the Maxus Investment Group merged with Gelfand Partners. Since the acquisition of Maxus by a well-known regional bank in early 2001, many of the former principals have reunited "Once Again". In January 2004, the Ancora Family of Funds commenced operation and, as we have done in the past, we will again strive to build long-term success for our clients.

| FUNDS | TICKER SYMBOL | INCEPTION DATE |
|--|---------------|----------------|
| ANCORA INCOME FUND | | |
| CLASS C | ANICX | 1/5/2004 |
| CLASS D | ANIDX | 1/5/2004 |
| ANCORA EQUITY FUND | | |
| CLASS C | ANQCX | 1/5/2004 |
| CLASS D | ANQDX | 1/5/2004 |
| ANCORA MICROCAP FUND | | |
| CLASS C | ANCCX | 9/2/2008 |
| CLASS D | ANCDX | 9/2/2008 |
| ANCORA SPECIAL OPPORTUNITY FUND | | |
| CLASS C | ANSCX | 1/5/2004 |
| CLASS D | ANS DX | 1/5/2004 |

Distinguishing Features of Ancora:

Consistent investment process:

Each portfolio manager applies a consistent investment philosophy and process to building and managing the funds. We employ in-house research to identify companies we believe are currently trading at a substantial discount to what we consider to be their underlying business value.

Do not over-diversify:

Our portfolios generally hold a smaller number of stocks in the portfolio (25-60 stocks, for example, rather than 100-150) which is important to our investment philosophy. By building focused portfolios, our managers' best ideas can have a meaningful impact on investment performance.

Client Focus

Our commitment to our clients is to help them reach their financial objectives by making investments in our people and technology, maintaining high standards of excellence in performance, ethics and accuracy, and to always keep our clients' interests above all others.

Independence and Stability

As an employee-owned, full-service investment firm that has operated privately since our founding, we have the independence and objectivity to focus on what we believe is best for our clients.

Experienced Investment Team

Our investment management team consists of several senior professionals involved in both equity and fixed-income management. Our professional staff averages in excess of twenty years of investment experience.

ANCORA INCOME FUND

ANCORA INCOME FUND

INVESTMENT OBJECTIVE:

THE ANCORA INCOME FUND SEEKS TO PROVIDE INVESTORS A HIGH LEVEL OF CURRENT INCOME WITH A SECONDARY OBJECTIVE OF CAPITAL APPRECIATION.



PORTFOLIO MANAGER:

Richard A. Barone
Chairman, Ancora Advisors

PORTFOLIO MANAGEMENT EXPERIENCE:
45 Years

RICHARD A. BARONE is Chairman of Ancora Advisors and oversees or manages a variety of investment strategies for the firm including the investments for the Ancora Funds.

Mr. Barone is the former Chief Executive Officer of Maxus Investment Group which he founded in 1973. Maxus became one of the oldest and largest privately held investment advisory and securities brokerage firms in the Midwest before the business was sold in January, 2001. Since 1973, Mr. Barone has managed a variety of proprietary mutual funds as well as the investment portfolios for institutional clients and high net worth individuals.

Mr. Barone was born in 1942 and is a graduate of Georgetown University with a degree in Economics. He has undertaken extensive graduate studies and independent research at Georgetown University, Northwestern University and Case Western Reserve University.

FUND STATISTICS:

NET ASSETS:

\$19.9 MILLION*

INCEPTION DATE:

JANUARY 5, 2004

TICKERS:

**CLASS C – ANICX
CLASS D – ANIDX**

MINIMUM INITIAL INVESTMENT:

**CLASS C – \$20,000
CLASS D – \$1,000,000**

* As of June 30, 2011

ANCORA INCOME FUND

INVESTMENT STRATEGY

■ Portfolio invests primarily in investment grade, income-producing securities, including securities of closed end funds having portfolios consisting primarily of income-producing securities.

■ To preserve investor's capital through its active participation in the market.

■ Seeks to optimize return potential while maintaining moderate risk exposure

■ Utilizes bonds from well-established corporations and government agencies

■ Seeks to add value by actively managing duration

■ Sell discipline helps to manage risk

INVESTOR PROFILE

■ This Fund may be suitable for investors who seek to maximize current income from a high quality investment portfolio.

Six Months Ended 06/30/11

Best Performing Securities:

- Hancock J Patriot II
- The GLD Fund
- Prologis Trust G - 6.750%
- U.S. Bancorp - 7.189%
- Rivus Bond

Worst Performing Securities

- CorTS Trust Xerox - 8.000%
- Federated Enhanced Treasury Income Fund
- Prologis Trust S - 6.750%, Series S
- BB&T Capital Trust VII - 8.100%
- The Gabelli Global Deal Fund - 8.500%

TOP HOLDINGS: JUNE 30, 2011 ^(d)

| NAME | % OF NET ASSETS |
|--|-----------------|
| John Hancock Premium Dividend Fund | 6.3% |
| First American Government Obligations | 5.3% |
| The Gabelli Global Deal Fund - 8.5% | 4.0% |
| Corporate-Backed Trust Bristol Myers Squibb - 6.800% | 3.9% |
| Equity Residential - 6.480%, Series N | 3.6% |
| Preferredplus Trust Verizon - 7.625% | 3.5% |
| Rivus Bond | 3.3% |
| Public Storage - 7.000%, Series G | 3.3% |
| Strategic Global Income | 3.2% |
| Kimco Realty - 6.900%, Series H | 3.2% |

SECTOR DIVERSIFICATION: JUNE 30, 2011 ^(d)

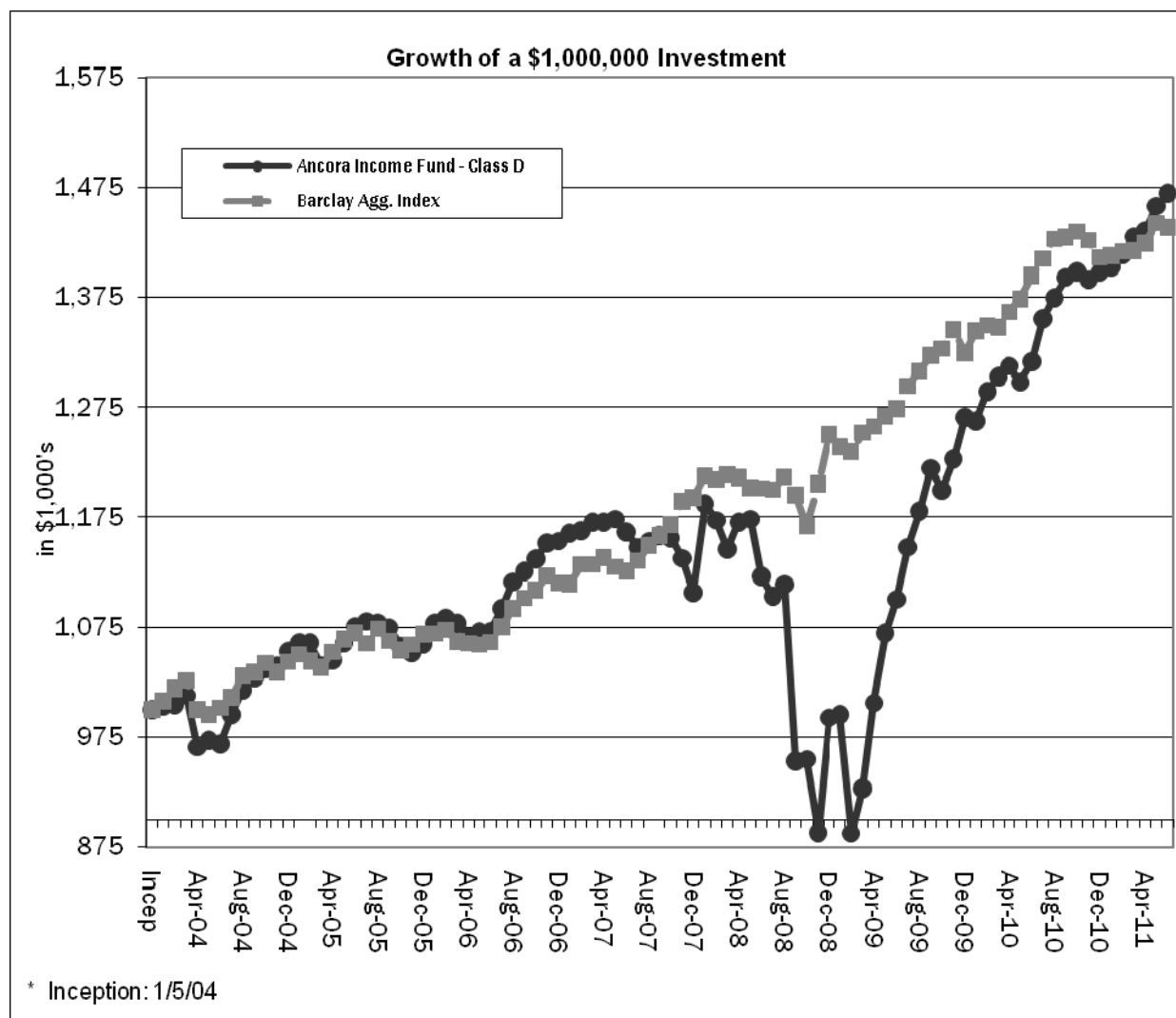
| NAME | % OF NET ASSETS |
|------------------------------------|-----------------|
| Direct Trust Certificates | 22.91% |
| Third Party Trust Certificates | 10.77% |
| Convertible Preferred Securities | 1.37% |
| Closed-End Income Funds | 25.66% |
| Closed-End Fund, Senior Securities | 12.70% |
| REIT Preferred Shares | 21.17% |
| Money Market Securities | 5.26% |
| Other | 0.16% |

TOTAL RETURNS: JUNE 30, 2011 ^(d)

| | YTD 2011 | ONE YEAR | THREE YEARS | FIVE YEARS | INCEP YTD ^(a) |
|---------------------------------------|-------------|-------------|----------------|---------------|-----------------------------|
| ANCORA INCOME FUND - C ^(b) | 5.13% | 11.44% | 9.42% | 6.41% | 5.11% |
| ANCORA INCOME FUND - D ^(b) | 5.17% | 11.66% | 9.67% | 6.67% | 5.35% |
| BARCLAY'S AGG. INDEX ^(c) | 1.92% | 3.10% | 6.19% | 6.27% | 4.96% |

- a) Inception data reflects the annualized return since 1/05/04.
- b) Return figures reflect any change in price per share and assume the reinvestment of all distributions. The Index is an unmanaged benchmark that assumes reinvestment of all distributions and excludes the effect of taxes and fees.
- c) The Barclay's Aggregate Bond Index is a widely recognized unmanaged index of bond prices and is representative of a broader market and range of securities than is found in the Fund's portfolio. Individuals cannot invest directly in the Index.
- d) Data is unaudited.

The performance quoted represents past performance, which does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. The returns shown do not reflect deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Current performance of the Fund may be lower or higher than the performance quoted. The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. Performance data current to the most recent month end may be obtained by calling 1-866-626-2672.



The chart above assumes an initial investment of \$1,000,000 made on January 5, 2004 (commencement of Fund operations) and held through June 30, 2011. THE FUND'S RETURN REPRESENTS PAST PERFORMANCE AND DOES NOT GUARANTEE FUTURE RESULTS. The returns shown assume the reinvestment of all distributions and do not reflect deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Investment returns and principal values will fluctuate so that your shares, when redeemed, may be worth more or less than their original purchase price.

Past performance is no guarantee of future results. Performance is unaudited.

ANCORA INCOME FUND

SCHEDULE OF INVESTMENTS (unaudited)

| SHARES | | VALUE | % ASSETS |
|---|--|------------|----------|
| Corporate Bond Trust Certificates | | | |
| Direct Trust Certificates | | | |
| 12,000 | BAC Capital Trust III - 7.0% | \$ 301,200 | |
| 15,000 | BB&T Capital Trust VII - 8.10% | 392,700 | |
| 10,000 | Bank One Capital VI - 7.20% | 257,300 | |
| 17,000 | Comcast Corp SR NT - 7.00% | 433,500 | |
| 23,000 | General Electric Capital - 6.625% | 593,860 | |
| 12,000 | Keycorp Cap X - 8.0% | 307,200 | |
| 12,000 | MBNA Capital D - 8.125% | 304,800 | |
| 12,000 | Merrill Lynch - 7.0% | 295,200 | |
| 6,500 | Partnerre Ltd Pfd E 7.25% | 165,035 | |
| 12,000 | PNC Capital Trust E - 7.75% | 311,640 | |
| 5,000 | Qwest Corp 7.375% Notes | 128,400 | |
| 500 | U.S. Bancorp - 7.189% | 420,000 | |
| 14,500 | United States Cellular Corp Sr Nt 6.95% | 363,225 | |
| 12,000 | Viacom - 6.85% | 304,440 | |
| | | 4,578,500 | 22.91% |
| Third Party Trust Certificates | | | |
| 29,000 | Corporate-Backed Trust Bristol Myers Squibb - 6.800% | 778,070 | |
| 4,400 | CorTS Trust Xerox - 8.000% | 113,300 | |
| 53,000 | Lehman Fed Ex - 7.750% | 572,400 | |
| 26,000 | Preferredplus Trust Verizon - 7.625% | 689,000 | |
| | | 2,152,770 | 10.77% |
| TOTAL CORPORATE BOND TRUST CERTIFICATES (Cost \$6,402,782) | | 6,731,270 | 33.68% |
| Convertible Preferred Securities | | | |
| 3,000 | Chesapeake Energy Corp PFD D 4.500% | 276,060 | |
| TOTAL CONVERTIBLE PREFERRED SECURITIES (Cost \$172,368) | | 276,060 | 1.37% |
| Investment Companies | | | |
| Closed-End Income Funds | | | |
| 60,000 | AllianceBernstein Income | 473,400 | |
| 25,000 | Blackrock Income Opportunity | 242,000 | |
| 100,000 | John Hancock Premium Dividend | 1,259,000 | |
| 48,000 | MFS Charter Income | 449,280 | |
| 70,000 | MFS Intermediate Income | 442,400 | |
| 70,000 | MFS Multimarket Income | 478,100 | |
| 35,000 | Rivus Bond | 652,050 | |
| 55,000 | Strategic Global Income | 631,400 | |
| 40,000 | Western Asset Claymore Inflation-Linked Opportunity & Income | 500,800 | |
| | | 5,128,430 | 25.66% |

* See accompanying notes which are an integral part of the financial statements

ANCORA INCOME FUND

SCHEDULE OF INVESTMENTS (unaudited) (continued)

| SHARES | | VALUE | % ASSETS |
|--|--|---------------|----------|
| Closed-End Funds, Senior Securities | | | |
| 23,500 | Gabelli Dividend & Income Trust - 5.875% | 592,905 | |
| 23,000 | Gabelli Equity Trust - 6.20% | 582,820 | |
| 15,000 | The Gabelli Global Deal Fund - 8.5% | 802,500 | |
| 22,100 | Royce Value Trust - 5.9% | 557,583 | |
| | | 2,535,808 | 12.70% |
| TOTAL INVESTMENT COMPANIES (Cost \$6,553,955) | | 7,664,238 | 38.36% |
| REIT Preferred Shares | | | |
| 15,000 | Commonwealth Reit - 6.50%, Series D | 334,050 | |
| 12,000 | Duke Realty Corp - 8.375%, Series O | 324,720 | |
| 28,500 | Equity Residential - 6.48%, Series N | 721,050 | |
| 17,000 | First Potomac Realty Cumulative Prf A | 430,780 | |
| 25,000 | Kimco Realty - 6.90%, Series H | 630,000 | |
| 12,200 | LaSalle Hotel Pptys Pfd - 7.50% Series H | 304,756 | |
| 22,000 | Prologis Trust S - 6.750%, Series S | 531,300 | |
| 12,000 | PS Business Pks Inc Prf R - 6.875% | 303,840 | |
| 25,700 | Public Storage - 7.00%, Series G | 650,981 | |
| | TOTAL REIT PREFERRED SHARES (Cost \$3,932,491) | 4,231,477 | 21.17% |
| Money Market Securities | | | |
| 1,052,232 | First American Government Obligations Fund - Class Y, 0.00%, (Cost \$1,052,232) (a) (b) | 1,052,232 | |
| | | 1,052,232 | 5.26% |
| TOTAL INVESTMENTS (Cost \$18,113,828) | | 19,955,277 | 99.84% |
| Other Assets in Excess of Liabilities | | 31,486 | 0.16% |
| TOTAL NET ASSETS | | \$ 19,986,763 | 100.00% |

* See accompanying notes which are an integral part of the financial statements

- a) Non-income producing
- b) Variable rate security; the coupon rate shown represents the rate at June 30, 2011.

ANCORA EQUITY FUND

ANCORA EQUITY FUND

INVESTMENT OBJECTIVE:

THE ANCORA EQUITY FUND SEEKS TO PROVIDE INVESTORS A HIGH TOTAL RETURN, A COMBINATION OF CAPITAL APPRECIATION IN THE VALUE OF ITS SHARES AS WELL AS INCOME.



PORTFOLIO MANAGER:

Richard A. Barone
Chairman, Ancora Advisors

PORTFOLIO MANAGEMENT EXPERIENCE:
45 Years

RICHARD A. BARONE is Chairman of Ancora Advisors and oversees or manages a variety of investment strategies for the firm including the investments for the Ancora Funds.

Mr. Barone is the former Chief Executive Officer of Maxus Investment Group which he founded in 1973. Maxus became one of the oldest and largest privately held investment advisory and securities brokerage firms in the Midwest before the business was sold in January, 2001. Since 1973, Mr. Barone has managed a variety of proprietary mutual funds as well as the investment portfolios for institutional clients and high net worth individuals.

Mr. Barone was born in 1942 and is a graduate of Georgetown University with a degree in Economics. He has undertaken extensive graduate studies and independent research at Georgetown University, Northwestern University and Case Western Reserve University.

FUND STATISTICS:

NET ASSETS:

\$11.3 MILLION*

INCEPTION DATE:

JANUARY 5, 2004

TICKERS:

CLASS C – ANQCX
CLASS D – ANQDX

MINIMUM INITIAL INVESTMENT:

CLASS C – \$20,000
CLASS D – \$1,000,000

* As of June 30, 2011

ANCORA EQUITY FUND

INVESTMENT STRATEGY

- Invests in publicly traded equity securities or securities convertible into equity securities of companies that are leaders in their industry or have products or services which have dominance in the marketplace.

- Tends to be overweight undervalued securities and sectors, which captures value opportunities that the index does not

- Adheres to a disciplined portfolio re-balancing to realize capital gains, avoid over-concentration and control downside risk and volatility

- Sell discipline helps to manage risk

FUND POSITIONING

- Large capitalization stocks should benefit over the next several years from recent tax legislation.

- Large cap stocks and other market leaders are now trading at low levels relative to historic valuations. The weaker dollar helps the profitability of these companies, as many of them tend to have large overseas operations.

TOP HOLDINGS: JUNE 30, 2011 ^(d)

| NAME | % OF NET ASSETS |
|---|-----------------|
| First American Government Obligations | 6.3% |
| Apache Corp. | 5.4% |
| EMC, Corp. | 4.8% |
| Eaton Vance Tax Managed Diversified Equity Income | 4.8% |
| International Business Machines | 4.5% |
| Ameriprise Financial | 4.3% |
| Boulder Total Return | 4.0% |
| Abbott Laboratories | 3.9% |
| General Electric | 3.6% |
| Forest Laboratories | 3.4% |

SECTOR DIVERSIFICATION: JUNE 30, 2011 ^(d)

| NAME | % OF NET ASSETS |
|----------------------------------|-----------------|
| Airlines | 2.38% |
| Basic Materials | 2.38% |
| Energy | 8.30% |
| Financial Services | 18.67% |
| Health Care | 14.82% |
| Industrial Goods | 5.88% |
| Machinery & Equipment | 5.19% |
| Entertainment & Media | 2.40% |
| Technology | 21.38% |
| Convertible Preferred Securities | 1.48% |
| Investment Companies | 10.94% |
| Money Market Securities | 6.28% |
| Other | -0.10% |

TOTAL RETURNS: JUNE 30, 2011 ^(d)

| | YTD 2011 | ONE YEAR | THREE YEARS | FIVE YEARS | INCEP YTD ^(a) |
|---------------------------------------|-------------|-------------|----------------|---------------|-----------------------------|
| ANCORA EQUITY FUND - C ^(b) | 4.53% | 25.53% | 2.91% | 3.56% | 4.23% |
| ANCORA EQUITY FUND - D ^(b) | 4.80% | 26.10% | 3.40% | 4.08% | 4.72% |
| S&P 500 INDEX ^(c) | 6.02% | 30.69% | 3.33% | 2.94% | 4.44% |

Six Months Ended 06/30/11

Best Performing Securities:

- ITT Corporation
- EMC, Corp.
- International Business Machines
- Forest Laboratories
- Pfizer

Worst Performing Securities:

- Legg Mason
- Microsoft Corp.
- Bank of New York Mellon
- Cisco Systems, Inc.
- Hewlett Packard

- a) Inception data reflects the annualized return since 1/05/04.
- b) Return figures reflect any change in price per share and assume the reinvestment of all distributions. The Index is an unmanaged benchmark that assumes reinvestment of all distributions and excludes the effect of taxes and fees.
- c) The S&P 500 Index, an unmanaged index, consists of 500 stocks chosen for market size, liquidity, and industry group representation. It is market-value weighted (stock price times number of shares outstanding), with each stock's weighting in the Index proportionate to its market value and not available for purchase. If you were to purchase the securities that make up this index, your returns would be lower once fees and/or commissions are deducted
- d) Data is unaudited.

The performance quoted represents past performance, which does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. The returns shown do not reflect deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Current performance of the Fund may be lower or higher than the performance quoted. The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. Performance data current to the most recent month end may be obtained by calling 1-866-626-2672.



The chart above assumes an initial investment of \$1,000,000 made on January 5, 2004 (commencement of Fund operations) and held through June 30, 2011. THE FUND'S RETURN REPRESENTS PAST PERFORMANCE AND DOES NOT GUARANTEE FUTURE RESULTS. The returns shown assume the reinvestment of all distributions and do not reflect deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Investment returns and principal values will fluctuate so that your shares, when redeemed, may be worth more or less than their original purchase price.

Past performance is no guarantee of future results. Performance is unaudited.

ANCORA EQUITY FUND

SCHEDULE OF INVESTMENTS (unaudited)

| SHARES | | VALUE | % ASSETS |
|--------|--|------------------|---------------|
| | Common Stocks | | |
| | Airlines | | |
| 12,000 | United Continental Holdings | \$ 271,560 | |
| | | 271,560 | 2.38% |
| | Basic Materials | | |
| 4,000 | Mosaic Co. | 270,920 | |
| | | 270,920 | 2.38% |
| | Energy | | |
| 5,000 | Apache Corp. | 616,950 | |
| 12,000 | Spectra Energy Corp. | 328,920 | |
| | | 945,870 | 8.30% |
| | Financial Services | | |
| 8,500 | Ameriprise Financial | 490,280 | |
| 5,000 | American Express | 258,500 | |
| 10,000 | Bank of New York Mellon | 256,200 | |
| 7,000 | Citigroup | 291,480 | |
| 5,000 | JP Morgan Chase | 204,700 | |
| 10,000 | Legg Mason | 327,600 | |
| 20,000 | Tri Continental | 298,600 | |
| | | 2,127,360 | 18.67% |
| | Healthcare | | |
| 8,500 | Abbott Laboratories | 447,270 | |
| 5,000 | Baxter International | 298,450 | |
| 10,000 | Forest Laboratories (a) | 393,400 | |
| 15,000 | Pfizer | 309,000 | |
| 5,000 | Teva Pharmaceutical Industries ADR | 241,100 | |
| | | 1,689,220 | 14.82% |
| | Industrial Goods | | |
| 10,000 | ABB Ltd (a) | 259,500 | |
| 21,633 | Adams Express | 240,992 | |
| 3,000 | Illinois Tool Works | 169,470 | |
| | | 669,962 | 5.88% |
| | Machinery & Equipment | | |
| 22,000 | General Electric Co. | 414,920 | |
| 3,000 | ITT Corporation | 176,790 | |
| | | 591,710 | 5.19% |
| | Entertainment & Media | | |
| 7,000 | Walt Disney | 273,280 | |
| | | 273,280 | 2.40% |
| | Technology | | |
| 3,000 | 3M | 284,550 | |
| 14,000 | Cisco Systems | 218,540 | |
| 20,000 | EMC (a) | 551,000 | |
| 10,000 | Hewlett Packard | 364,000 | |
| 7,000 | Intel | 155,120 | |
| 3,000 | International Business Machines | 514,650 | |
| 15,000 | Xerox | 156,150 | |
| 3,000 | Thermo Fisher Scientific (a) | 193,170 | |
| | | 2,437,180 | 21.38% |
| | TOTAL COMMON STOCK (Cost \$7,578,324) | 9,277,062 | 81.40% |

* See accompanying notes which are an integral part of the financial statements

ANCORA EQUITY FUND

SCHEDULE OF INVESTMENTS (unaudited) (continued)

| SHARES | | VALUE | % ASSETS |
|---------|--|---------------|----------|
| | Convertible Preferred Securities | | |
| 1,500 | KeyCorp Convertible Pref Series A | 168,000 | |
| | TOTAL CONVERTIBLE PREFERRED SECURITIES (Cost \$121,545) | 168,000 | 1.48% |
| | Investment Companies | | |
| 28,000 | Boulder Total Return | 460,410 | |
| 50,000 | Eaton Vance Tax Managed Diversified Equity Income | 546,000 | |
| 14,500 | Gabelli Dividend & Income Fund | 240,845 | |
| | TOTAL INVESTMENT COMPANIES (Cost \$965,064) | 1,247,255 | 10.94% |
| 716,239 | First American Government Obligations Fund- Class Y, 0.00%, (\$716,239) (a) (b) | 716,239 | |
| | | 716,239 | 6.28% |
| | TOTAL INVESTMENTS (Cost \$9,381,172) | 11,408,556 | 100.10% |
| | Liabilities in Excess of Other Assets | (11,549) | (0.10%) |
| | TOTAL NET ASSETS | \$ 11,397,007 | 100.00% |

* See accompanying notes which are an integral part of the financial statements

- c) Non-income producing
- d) Variable rate security; the coupon rate shown represents the rate at June 30, 2011.

ANCORA MICROCAP FUND

INVESTMENT OBJECTIVE:

THE ANCORA MICROCAP FUND SEEKS TO OBTAIN CAPITAL APPRECIATION.



PORTFOLIO MANAGER:

Denis Amato
Chief Equity Officer, Ancora Advisors

PORTFOLIO MANAGEMENT EXPERIENCE:
42 Years

Denis J. Amato began his investment career in 1969 as a portfolio manager in the Trust Department of a major banking institution based in Cleveland, Ohio. There, Mr. Amato managed both pension and profit sharing portfolios. Subsequently he served as the Bank's Research Director and Chief Investment Officer.

Mr. Amato joined Gelfand Partners Asset Management in 1991 as the firm's Chief Investment Officer. Mr. Amato remained the company's lead equity portfolio strategist through the firm's merger with Maxus in 1997. At Maxus, Mr. Amato managed individual high net worth client portfolios as well as the Maxus Ohio Heartland Fund, which focused primarily on the buying and selling of securities in Ohio based companies.

After the sale of the business in January 2001, Mr. Amato served as the Chief Investment Officer for the Bank's Northeast Ohio region. In addition, Mr. Amato continued to manage both individual and institutional portfolios as well as two Mutual Funds.

Mr. Amato has a BBA Magna Cum Laude and MBA from Case Western University. Mr. Amato is a Chartered Financial Analyst and is a former President of the Cleveland Society of Security Analysts.

FUND STATISTICS:

NET ASSETS:

\$6.8 MILLION*

INCEPTION DATE:

SEPTEMBER 2, 2008

TICKERS:

CLASS C - ANCCX
CLASS D - ANCDX

MINIMUM INITIAL INVESTMENT:

CLASS C - \$20,000
CLASS D - \$1,000,000

* As of June 30, 2011

ANCORA MICROCAP FUND

INVESTMENT STRATEGY

■ Pursues objective by investing at least 80% of its portfolio in equity securities of companies whose market capitalizations are under \$500 million.

FUND POSITIONING

■ In the history of the U.S. stock market, two classes of stock have tended to out-perform the market as a whole; small caps and stocks with a low price to book ratio (commonly called value stocks). The Ancora MicroCap Fund intends to take advantage of this phenomenon by investing in smaller, overlooked companies that trade at a discount to their intrinsic value.

■ Micro-cap stocks are currently experiencing a time of depressed price/book valuations relative to historical levels. Recent history has shown (specifically from September 2002 through September 2003) that periods in which micro-cap stocks trade at below-average price/book levels are followed by periods in which micro-cap stocks outperform the broader market.

Six Months Ended 06/30/11

Best Performing Securities:

- Silicon Graphics International Corp.
- Lydall, Inc.
- Heska Corp.
- Frequency Electronics, Inc.
- Bronco Drilling Co., Inc.

Worst Performing Securities:

- Albany Molecular Research, Inc.
- Courier Corp.
- Bluephoenix Solutions Ltd.
- Trident Microsystems, Inc.
- Axcelis Technologies, Inc.

TOP HOLDINGS: JUNE 30, 2011 ^(d)

| NAME | % OF NET ASSETS |
|--|-----------------|
| First American Government Obligations Fund | 16.4% |
| Albany Molecular Research, Inc. | 2.5% |
| Lydall, Inc. | 2.2% |
| Material Sciences Corp. | 2.1% |
| Silicon Graphics International Corp. | 2.0% |
| Medical Action Industries, Inc. | 1.9% |
| Lakeland Industries, Inc. | 1.9% |
| Theragenics Corp. | 1.8% |
| Frequency Electronics, Inc. | 1.8% |
| Axcelis Technologies, Inc. | 1.8% |

SECTOR DIVERSIFICATION: JUNE 30, 2011 ^(d)

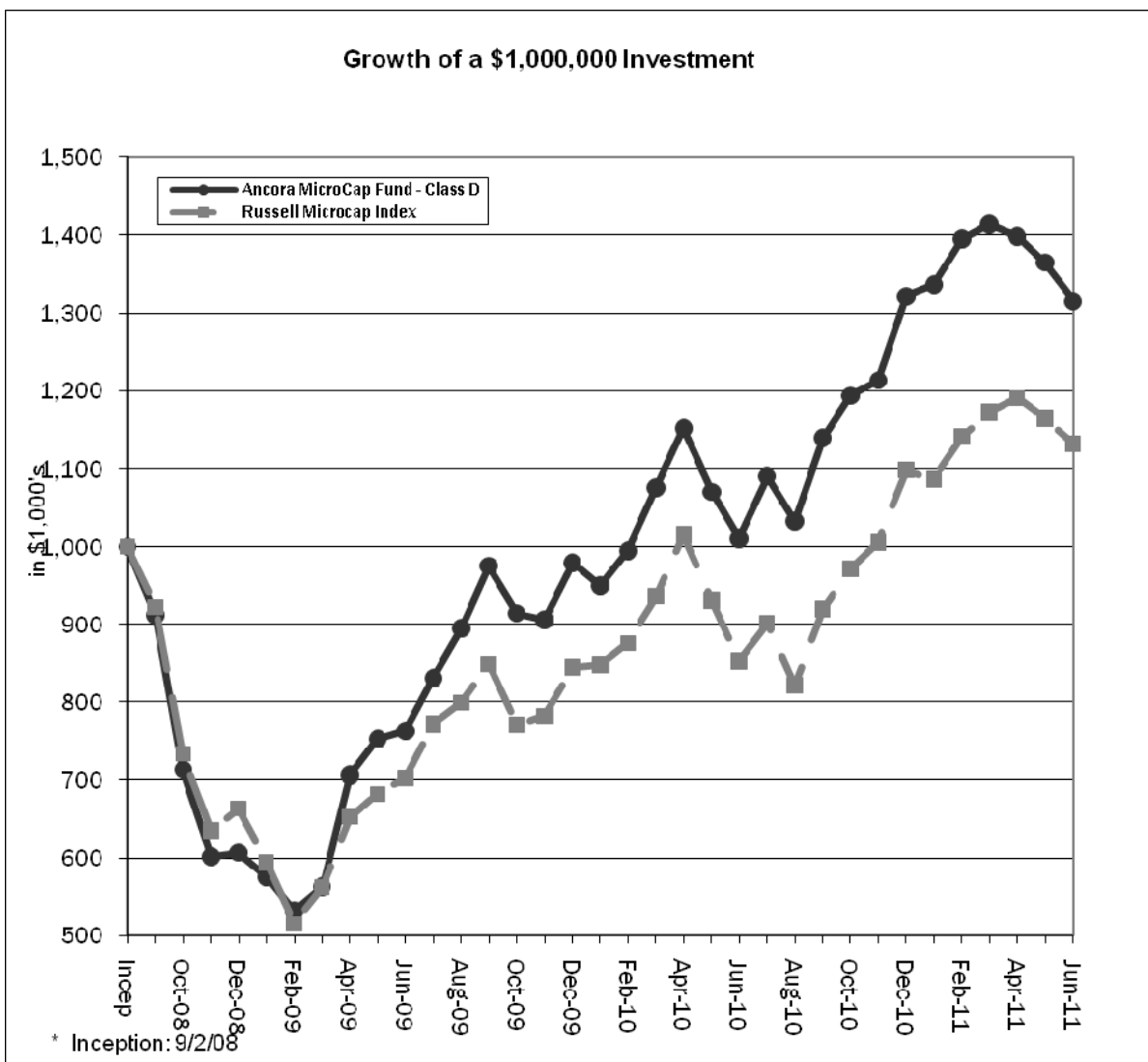
| NAME | % OF NET ASSETS |
|------------------------------|-----------------|
| Basic Materials | 4.57% |
| Consumer Products & Services | 12.77% |
| Corporate Services | 2.20% |
| Energy | 2.94% |
| Entertainment & Media | 1.16% |
| Financial | 6.25% |
| Finance | 3.40% |
| Healthcare | 15.99% |
| Machinery & Equipment | 7.85% |
| Technology | 24.11% |
| Transportation | 2.60% |
| Money Market Securities | 16.50% |
| Other | -0.34% |

TOTAL RETURNS: JUNE 30, 2011

| NAME | YTD 2011 | ONE YEAR | TWO YEAR | INCEP YTD ^(a) |
|---|-------------|-------------|-------------|-----------------------------|
| ANCORA MICROCAP FUND - C ^(b) | -0.71% | 29.58% | 31.16% | 9.92% |
| ANCORA MICROCAP FUND - D ^(b) | -0.47% | 27.47% | 35.15% | 10.46% |
| RUSSELL MICROCAP INDEX ^(c) | 3.08% | 32.70% | 26.43% | 4.17% |

- a) Inception data reflects the annualized return since 09/02/08.
- b) Return figures reflect any change in price per share and assume the reinvestment of all distributions.
- c) The Russell Microcap Index measures the performance of the Microcap segment of the U.S. equity market. It makes up less than 3% of the U.S. equity market. It includes 1,000 of the smallest securities in the small-cap Russell 2000 Index based on a combination of their market cap and current index membership. If you were to purchase the securities that make up this index, your return would be lower once fees and/or commissions are deducted.
- d) Data is unaudited.

The performance quoted represents past performance, which does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. The returns shown do not reflect deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Current performance of the Fund may be lower or higher than the performance quoted. The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. Performance data current to the most recent month end may be obtained by calling 1-866-626-2672.



The chart above assumes an initial investment of \$1,000,000 made on September 2, 2008 (commencement of Fund operations) and held through June 30, 2011. THE FUND'S RETURN REPRESENTS PAST PERFORMANCE AND DOES NOT GUARANTEE FUTURE RESULTS. The returns shown assume the reinvestment of all distributions and do not reflect deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Investment returns and principal values will fluctuate so that your shares, when redeemed, may be worth more or less than their original purchase price.

Past performance is no guarantee of future results. Performance is unaudited.

ANCORA MICROCAP FUND

SCHEDULE OF INVESTMENTS (unaudited)

| SHARES | | VALUE | % ASSETS |
|---|---|-----------|----------|
| Common Stocks | | | |
| Basic Materials | | | |
| 6,500 | Insteel Industries, Inc. | \$ 81,510 | |
| 16,000 | Landec Corp (a) | 105,600 | |
| 17,500 | Penford Corp. (a) | 92,750 | |
| 3,000 | Zoltek Companies, Inc. (a) | 31,590 | |
| | | 311,450 | 4.57% |
| Consumer Products & Services | | | |
| 4,664 | A.T. Cross Co. Class-A (a) | 53,123 | |
| 8,000 | Benihana, Inc. (a) | 83,920 | |
| 12,000 | Callaway Golf Co. | 74,640 | |
| 30,000 | Cobra Electronics Corp. (a) | 104,400 | |
| 10,000 | Courier Corp. | 110,500 | |
| 38,121 | Emerson Radio (a) | 77,004 | |
| 2,500 | Hooker Furniture | 22,150 | |
| 15,000 | Kimball International, Inc. Class-B | 96,450 | |
| 20,000 | Luby's Inc (a) | 110,400 | |
| 20,000 | Mace Security International (a) (c) (d) | 5,100 | |
| 25,571 | Natuzzi, S.P.A. ADR (a) | 90,010 | |
| 8,000 | Stanley Furniture Co. Inc. (a) | 33,520 | |
| 4,728 | Tandy Brands Accessories, Inc. (a) | 9,267 | |
| | | 870,484 | 12.77% |
| Corporate Services | | | |
| 10,980 | RCM Technologies (a) | 58,743 | |
| 16,000 | Hawaiian Holdings, Inc. (a) | 91,200 | |
| | | 149,943 | 2.20% |
| Energy | | | |
| 6,000 | Goodrich Petroleum Corp (a) | 110,460 | |
| 15,000 | Vaalco Energy, Inc. (a) | 90,300 | |
| | | 200,760 | 2.94% |
| Entertainment & Media | | | |
| 8,000 | Marcus Corp | 79,040 | |
| | | 79,040 | 1.16% |
| Financial | | | |
| 30,000 | FBR Capital Markets, Corp. (a) | 102,000 | |
| 65,000 | Iteris, Inc. (a) | 84,500 | |
| 10,074 | Presidential Life, Corp. | 105,173 | |
| 4,000 | Savannah Bancorp, Inc. | 29,640 | |
| 6,000 | State Auto Financial, Corp. | 104,580 | |
| | | 425,893 | 6.25% |
| Finance | | | |
| 10,000 | Boston Private Financial Holdings, Inc. | 65,800 | |
| 10,000 | LNB Bancorp | 57,200 | |
| 5,000 | MVC Capital, Inc. | 66,150 | |
| 10,000 | The Phoenix Companies, Inc. (a) | 24,600 | |
| 10,000 | PVF Capital Corp. (a) (e) | 18,200 | |
| | | 231,950 | 3.40% |

ANCORA MICROCAP FUND

SCHEDULE OF INVESTMENTS (unaudited) (continued)

| SHARES | | VALUE | % ASSETS |
|----------------------------------|--|-----------|----------|
| Healthcare | | | |
| 35,000 | Albany Molecular Research, Inc. (a) | 168,350 | |
| 10,047 | Cryolife, Inc. (a) | 56,263 | |
| 25,000 | Digirad Corp. (a) | 67,750 | |
| 7,970 | Heska Corp. (a) | 77,659 | |
| 14,660 | Lakeland Industries, Inc. (a) | 129,155 | |
| 18,395 | Lannett Co., Inc. (a) | 91,607 | |
| 16,002 | Medical Action Industries Inc (a) | 130,416 | |
| 25,000 | RTI Biologics Inc (a) | 67,750 | |
| 5,000 | SurModics Inc (a) | 55,500 | |
| 10,044 | Syneron Medical Ltd (a) | 121,834 | |
| 70,465 | Theragenics Corp. (a) | 124,018 | |
| | | 1,090,302 | 15.99% |
| Machinery & Equipment | | | |
| 22,500 | Deswell Industries, Inc. | 66,825 | |
| 2,500 | FreightCar America, Inc. | 63,350 | |
| 3,202 | Lawson Products, Inc. | 62,983 | |
| 12,500 | Lydall, Inc. (a) | 149,500 | |
| 25,000 | Material Sciences Corp. (a) | 145,000 | |
| 7,500 | Perceptron, Inc. (a) | 47,700 | |
| | | 535,358 | 7.85% |
| Technology | | | |
| 7,802 | Accelrys, Inc. (a) | 55,472 | |
| 35,000 | Adaptec, Inc. (a) | 106,050 | |
| 4,000 | Amtech Systems, Inc. (a) | 82,560 | |
| 40,000 | AuthenTec, Inc (a) | 110,400 | |
| 75,000 | Axcelis Technologies, Inc. (a) | 123,000 | |
| 12,500 | AXT Inc. (a) | 106,000 | |
| 20,000 | BigBand Networks, Inc. (a) | 43,400 | |
| 30,000 | Bluephoenix Solutions Ltd. (a) | 35,100 | |
| 10,000 | BTU International, Inc. (a) | 70,600 | |
| 15,000 | Digital Ally, Inc. (a) | 17,400 | |
| 13,048 | Frequency Electronics, Inc. (a) | 123,956 | |
| 10,090 | Imation Corp. (a) | 95,250 | |
| 12,500 | Kopin Corp. (a) | 58,875 | |
| 33,812 | Leadis Technology, Inc. (a) | 7,773 | |
| 3,200 | Neutral Tandem Inc (a) | 55,744 | |
| 1,500 | OSI Systems, Inc. (a) | 64,500 | |
| 6,000 | Rimage Corp. | 80,580 | |
| 8,000 | Silicon Graphics International Corp. (a) | 137,600 | |
| 13,500 | Silicon Image, Inc. (a) | 87,210 | |
| 40,000 | Trident Microsystems, Inc. (a) | 27,600 | |
| 10,022 | Trio-Tech International (a) | 32,972 | |
| 15,550 | Vicon Industries, Inc. (a) | 62,045 | |
| 20,000 | WPCS International Inc. (a) | 59,600 | |
| | | 1,643,687 | 24.11% |

SCHEDULE OF INVESTMENTS (unaudited) (continued)

| SHARES | | VALUE | % ASSETS |
|--|--|--------------|----------|
| Transportation | | | |
| 20,325 | Frozen Food Express Industries (a) | 72,559 | |
| 24,000 | Euroseas | 104,640 | |
| | | 177,199 | 2.60% |
| TOTAL Common Stock (Cost \$4,578,123) | | 5,716,067 | 83.83% |
| Money Market Securities | | | |
| 1,124,783 | First American Government Obligations Fund - Class Y, 0.00%, (Cost \$1,124,783) (a)(b) | 1,124,783 | |
| | | 1,124,783 | 16.50% |
| TOTAL INVESTMENTS (Cost \$5,702,906) | | 6,840,850 | 100.34% |
| Liabilities in Excess of Other Assets | | (22,230) | (0.34)% |
| TOTAL NET ASSETS | | \$ 6,818,620 | 100.00% |

* See accompanying notes which are an integral part of the financial statements

(a) Non-Income producing.

(b) Variable rate security; the coupon rate shown represents the rate on June 30, 2011.

(c) Fund, Advisor, and other related entities own more than 5% of security.

(d) The Ancora Funds Chairman serves on the Board of Directors for this company.

(e) The CEO of Ancora Advisors serves on the Board of Directors for this company.

ADR – American Depositary Receipt

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**ANCORA
SPECIAL OPPORTUNITY
FUND**

ANCORA SPECIAL OPPORTUNITY FUND

INVESTMENT OBJECTIVE:

THE ANCORA SPECIAL OPPORTUNITY FUND SEEKS TO PROVIDE INVESTORS A HIGH TOTAL RETURN, BY INVESTING IN COMPANIES WITH THE POTENTIAL FOR SUPERIOR RETURNS.



PORTFOLIO MANAGER:

Richard A. Barone
Chairman, Ancora Advisors

PORTFOLIO MANAGEMENT EXPERIENCE:
45 Years

RICHARD A. BARONE is Chairman of Ancora Advisors and oversees or manages a variety of investment strategies for the firm including the investments for the Ancora Funds.

Mr. Barone is the former Chief Executive Officer of Maxus Investment Group which he founded in 1973. Maxus became one of the oldest and largest privately held investment advisory and securities brokerage firms in the Midwest before the business was sold in January, 2001. Since 1973, Mr. Barone has managed a variety of proprietary mutual funds as well as the investment portfolios for institutional clients and high net worth individuals.

Mr. Barone was born in 1942 and is a graduate of Georgetown University with a degree in Economics. He has undertaken extensive graduate studies and independent research at Georgetown University, Northwestern University and Case Western Reserve University.

FUND STATISTICS:

NET ASSETS

\$9.3 MILLION*

INCEPTION DATE:

JANUARY 5, 2004

TICKERS:

CLASS C – ANSCX
CLASS D – ANSDX

MINIMUM INITIAL INVESTMENT:

CLASS C – \$20,000
CLASS D – \$1,000,000

* As of June 30, 2011

ANCORA SPECIAL OPPORTUNITY FUND

INVESTMENT STRATEGY

■ Invests in well diversified, small to mid-cap, U.S. based companies that offer the best combination of value and potential for price appreciation.

■ Seeks to outperform the Wilshire 5000 with less volatility.

■ Tends to be overweight undervalued securities and sectors, which captures value opportunities that the index does not

■ Adheres to a disciplined portfolio rebalancing to realize capital gains, avoid over-concentration and to control downside risk and volatility

■ Sell discipline helps to manage risk

FUND POSITIONING

■ Opportunities such as micro-cap stocks, liquidations and takeover targets may trade with a "life of their own" and allow investors to benefit even in times of sideways market action which are not necessarily correlated with equity markets.

■ Seeks investments which are selling for less than their underlying asset value or private market value, which should produce strong performance results over the long term.

Six Months Ended 06/30/11

Best Performing Securities

- Alliance Bankshares Corp.
- Pfizer, Inc.
- AmeriServ Financial, Inc.
- Safeguard Scientific, Inc.
- Martha Stewart Omnimedia

Worst Performing Securities

- Uranium Energy Corp
- Citigroup, Inc.
- Mace Security International
- Continental Materials Corp.
- Rodman & Renshaw Capital Group, Inc.

TOP HOLDINGS: JUNE 30, 2011 ^(d)

| NAME | % OF NET ASSETS |
|---|-----------------|
| First American Government Obligations | 15.9% |
| Safeguard Scientific, Inc. | 6.0% |
| Adaptec, Inc. | 5.2% |
| Special Opportunities Fund, Inc. | 5.0% |
| Eaton Vance Managed Diversified Equity | 4.7% |
| Citigroup, Inc. | 4.4% |
| The Gabelli Global Deal | 4.4% |
| Pfizer, Inc. | 4.4% |
| Eaton Vance Tax Managed Diversified Equity Income | 4.1% |
| PVF Capital Corp. | 3.9% |

SECTOR DIVERSIFICATION: JUNE 30, 2011 ^(d)

| NAME | % OF NET ASSETS |
|-------------------------|-----------------|
| Consumer Goods | 1.71% |
| Entertainment & Media | 4.38% |
| Energy | 2.19% |
| Financial | 17.59% |
| Healthcare | 14.31% |
| Homeland Security | 4.33% |
| Industrial Goods | 2.11% |
| Technology | 9.98% |
| Investment Companies | 22.88% |
| REIT Preferred Shares | 4.85% |
| Money Market Securities | 15.92% |
| Other | -0.25% |

TOTAL RETURNS: JUNE 30, 2011 ^(d)

| | YTD 2011 | ONE YEAR | THREE YEAR | FIVE YEARS | INCEP TD ^(a) |
|---------------------------------------|-------------|----------|---------------|---------------|----------------------------|
| ANCORA SPECIAL OPP - C ^(b) | -0.60% | 17.61% | 8.85% | 2.86% | 3.90% |
| ANCORA SPECIAL OPP - D ^(b) | -0.19% | 18.18% | 9.48% | 3.38% | 4.43% |
| WILSHIRE 5000 INDEX ^(c) | 6.09% | 31.99% | 3.96% | % | 4.96% |

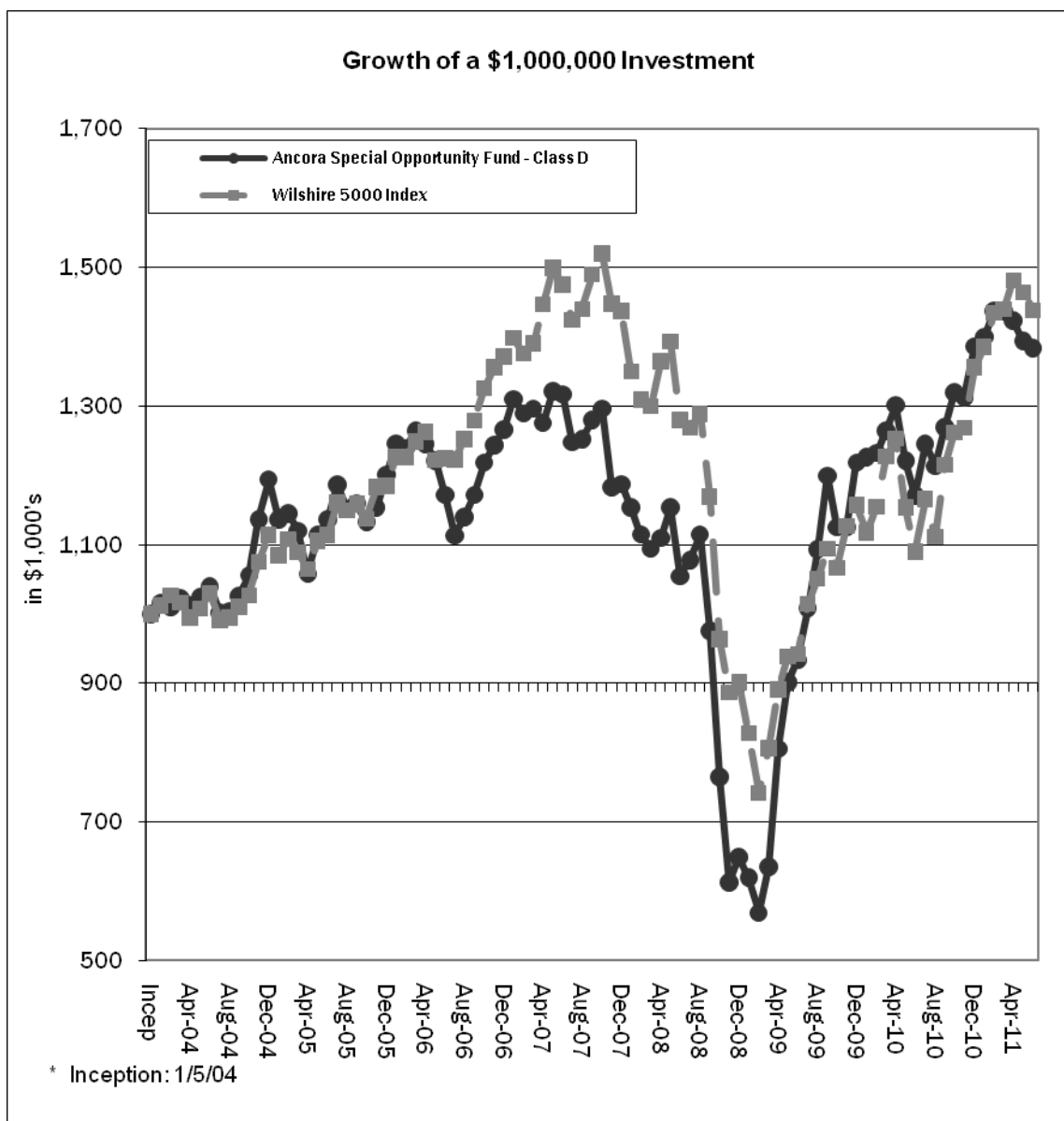
a) Inception data reflects the annualized return since 01/05/04.

b) Return figures reflect any change in price per share and assume the reinvestment of all distributions.

c) The Wilshire 5000 Index measures the performance of all U.S. equity securities with readily available price data. Over 5,000 capitalization weighted security returns are used to adjust the index. It is market-value weighted (stock price times number of shares outstanding), with each stock's weighting in the Index proportionate to its market value and not available for purchase. If you were to purchase the securities that make up this index, your returns would be lower once fees and/or commissions are deducted.

d) Data is unaudited.

The performance quoted represents past performance, which does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. The returns shown do not reflect deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Current performance of the Fund may be lower or higher than the performance quoted. The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. Performance data current to the most recent month end may be obtained by calling 1-866-626-2672.



The chart above assumes an initial investment of \$1,000,000 made on January 5, 2004 (commencement of Fund operations) and held through June 30, 2011. THE FUND'S RETURN REPRESENTS PAST PERFORMANCE AND DOES NOT GUARANTEE FUTURE RESULTS. The returns shown assume the reinvestment of all distributions and do not reflect deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Investment returns and principal values will fluctuate so that your shares, when redeemed, may be worth more or less than their original purchase price.

Past performance is no guarantee of future results. Performance is unaudited.

ANCORA SPECIAL OPPORTUNITY FUND

SCHEDULE OF INVESTMENTS (unaudited)

| SHARES | | VALUE | % ASSETS |
|---------|---|------------------|---------------|
| | Common Stocks | | |
| | Consumer Goods | | |
| 17,000 | Supervalu, Inc. | \$ 159,970 | |
| | | 159,970 | 1.71% |
| | Entertainment & Media | | |
| 15,000 | Gannett, Inc. | 214,800 | |
| 45,000 | Martha Stewart Omnimedia (a) | 195,300 | |
| | | 410,100 | 4.38% |
| | Energy | | |
| 25,000 | General Maritime (a) | 33,750 | |
| 40,000 | StealthGas (a) | 171,160 | |
| | | 204,910 | 2.19% |
| | Financial | | |
| 10,600 | Alliance Bankshares Corp. (a) | 51,940 | |
| 11,780 | AmeriServ Financial, Inc. | 22,971 | |
| 10,000 | Citigroup, Inc. | 416,400 | |
| 20,000 | Janus Capital Group | 188,800 | |
| 26,000 | LNB Bancorp, Inc. | 148,720 | |
| 201,000 | PVF Capital Corp. (a) (e) | 365,820 | |
| 100,000 | Rodman & Renshaw Capital Group, Inc. (a) | 125,000 | |
| 22,000 | Tri Continental | 328,460 | |
| | | 1,648,111 | 17.59% |
| | Healthcare | | |
| 60,000 | Albany Molecular Research, Inc. (a) | 288,600 | |
| 63,000 | Alpha Pro Tech (a) | 73,710 | |
| 20,000 | Pfizer, Inc. | 412,000 | |
| 30,000 | Safeguard Scientific, Inc. (a) | 566,400 | |
| | | 1,340,710 | 14.31% |
| | Homeland Security | | |
| 450,000 | Mace Security International (a) (c) (d) | 114,750 | |
| 33,000 | Lakeland Industries, Inc. (a) | 290,730 | |
| | | 405,480 | 4.33% |
| | Industrial Goods | | |
| 11,000 | Continental Materials Corp. (a) | 167,420 | |
| 10,000 | Uranium Energy Corp. (a) | 30,600 | |
| | | 198,020 | 2.11% |
| | Technology | | |
| 100,000 | Active Power, Inc. (a) | 245,000 | |
| 160,000 | Adaptec, Inc. (a) | 484,800 | |
| 160,000 | Digital Angel Corp. (a) | 33,600 | |
| 40,000 | Eastman Kodac (a) | 143,200 | |
| 40,000 | Contra SoftBrands (a) | - | |
| 343,500 | REMEC (a) (c) | 28,511 | |
| | | 935,111 | 9.98% |
| | TOTAL COMMON STOCKS (Cost \$5,263,404) | 5,302,412 | 56.60% |

* See accompanying notes which are an integral part of the financial statements

ANCORA SPECIAL OPPORTUNITY FUND

SCHEDULE OF INVESTMENTS (unaudited) (continued)

| SHARES | | VALUE | % ASSETS |
|--|---|--------------|----------|
| Investment Companies | | | |
| 40,000 | Boulder Growth & Income | 259,200 | |
| 35,000 | Eaton Vance Tax Managed Diversified Equity Income | 382,200 | |
| 35,000 | Eaton Vance Managed Diversified Equity | 441,700 | |
| 31,000 | The Gabelli Global Deal | 415,710 | |
| 11,000 | Macquarie/First Trust Global Infrastructure/Utilities Dividend & Income | 175,890 | |
| 30,000 | Special Opportunities Fund, Inc. | 469,197 | |
| Total Investment Companies (Cost \$1,952,236) | | 2,143,897 | 22.88% |
| REIT Preferred Shares | | | |
| 15,000 | Commonwealth Reit – 6.500%, Series D | 334,050 | |
| 5,000 | Prologis Trust S - 6.750%, Series S | 120,750 | |
| Total REIT Preferred Shares (Cost \$209,951) | | 454,800 | 4.85% |
| Money Market Securities | | | |
| 1,491,248 | First American Government Obligations Fund | | |
| | Class Y , 0.00%, Cost (\$1,491,248) (a) (b) | 1,491,248 | |
| | | 1,491,248 | 15.92% |
| TOTAL INVESTMENTS (Cost \$8,916,839) | | 9,392,356 | 100.25% |
| Liabilities in Excess of Other Assets | | (23,975) | -0.25% |
| TOTAL NET ASSETS | | \$ 9,368,381 | 100.00% |

* See accompanying notes which are an integral part of the financial statements

- a) Non-income producing
- b) Variable rate security; the coupon rate shown represents the rate at June 30, 2011.
- c) Fund, Advisor, and other related entities own more than 5% of security.
- d) The Ancora Funds Chairman serves on the Board of Directors for this company.
- e) The CEO of Ancora Advisors serves on the Board of Directors for this company.

GETTING STARTED

GETTING STARTED

HOW TO PURCHASE SHARES

Classes of Shares:

INVESTOR SHARES

ANCORA INCOME FUND CLASS C
ANCORA EQUITY FUND CLASS C
ANCORA MICROCAP FUND CLASS C
ANCORA SPECIAL OPPORTUNITY FUND
CLASS C

INSTITUTIONAL SHARES

ANCORA INCOME FUND CLASS D
ANCORA EQUITY FUND CLASS D
ANCORA MICROCAP FUND CLASS D
ANCORA SPECIAL OPPORTUNITY FUND
CLASS D

Class C and Class D shares are identical, except as to minimum investment requirements and the services offered to and expenses borne by each class.

Investor Shares:

A minimum initial investment of \$20,000 is required to open an account to purchase Class C shares of Ancora Income Fund, Ancora Equity Fund, Ancora MicroCap Fund or Ancora Special Opportunity Fund with subsequent minimum investments of \$1,000. However, an I.R.A. may open an account for the purchase of Class C shares of such Funds with an initial minimum investment of \$5,000 and subsequent minimum investments of \$1,000. Investment minimums may be waived at the discretion of each Fund.

Institutional Shares:

Institutional shares may be purchased with a minimum initial investment of \$1,000,000 for the purchase of Class D shares of any of the Funds with subsequent minimum investments of \$1,000. The \$1,000,000 minimum initial investment for Class D shares does not apply to purchases by the following:

(1) **Financial institutions**, such as banks, trust companies, thrift institutions, mutual funds or other financial institutions, acting on their own behalf or on behalf of their fiduciary accounts, i.e., accounts that are charged asset-based management fees

(2) **Securities brokers** or dealers acting on their own behalf or on behalf of their clients

(3) **Directors** or employees of the Funds or of the Advisor or its affiliated companies or by the relatives of those individuals or the trustees of benefit plans covering those individuals.

These requirements may be waived in the sole discretion of the Funds.

Initial Purchase:

The initial purchase of Class C or Class D shares may be made by check or by wire in the following manner:

By Check. The Account Application which accompanies this Prospectus should be completed, signed, and sent along with a check for the initial investment payable to Ancora Income Fund, Ancora Equity Fund, Ancora MicroCap Fund or Ancora Special Opportunity Fund, mailed to: Ancora Funds, 8000 Town Centre Drive, Suite 400, Broadview Heights, Ohio 44147.

By Wire. In order to expedite the investment of funds, investors may advise their bank or broker to transmit funds via Federal Reserve Wire System to: U.S. Bank, Cincinnati, Ohio, ABA# 042000013, Account # 130100789077, FBO Ancora Funds. Also provide the shareholder's name and account number. In order to obtain this needed account number and receive additional instructions, the investor may contact, prior to wiring funds, the Funds at 1-866-626-2672. The investor's bank may charge a fee for the wire transfer of funds.

Through your broker. Shares of the Ancora Funds can be purchased through your brokerage firm and held in your personal account.

HOW TO PURCHASE SHARES (continued)

Subsequent Purchases:

Investors may make additional purchases of Class C or Class D shares in the following manner:

By Check. Checks made payable to Ancora Income Fund, Ancora Equity Funds, Ancora MicroCap Fund or Ancora Special Opportunity Fund should be sent, along with the stub from a previous purchase or sale confirmation, to: Ancora Funds, 8000 Town Centre Drive, Suite 400, Broadview Heights, Ohio 44147.

By Wire. Funds may be wired by following the wire instructions for an initial purchase.

By Telephone. Investors may purchase shares up to an amount equal to 3 times the market value of shares held in the shareholder's account in a Fund on the preceding day for which payment has been received, by telephoning the Funds at 1-866-626-2672 and identifying the shareholder's account by number. Shareholders wishing to avail themselves of this privilege must complete a Telephone Purchase Authorization Form which is available from the Fund.

Please see prospectus for complete instructions.

Systematic Investment Plan:

The Systematic Investment Plan permits investors to purchase shares of any Fund at monthly intervals. Provided the investor's bank or other financial institution allows automatic withdrawals, shares may be purchased by transferring funds from the account designated by the investor. At the investor's option, the account designated will be debited in the specified amount, and shares will be purchased once a month, on or about the 15th day. Only an account maintained at a domestic financial institution which is an Automated Clearing House member may be so designated. Investors desiring to participate in the Systematic Investment Plan should call the Funds at 1-866-626-2672 to obtain the appropriate forms. The Systematic Investment Plan does not assure a profit and does not protect against loss in declining markets.

Other Information Concerning Purchase of Shares:

You may purchase shares on days when the Fund is open for business. Your purchase price will be the next NAV after your purchase order, completed application and full payment have been received by the Funds or the Funds' transfer agent, except in the case of a subsequent purchase by telephone as described above, in which case the purchase price will be the next NAV after receipt of your telephone order. All orders for the Funds must be received by the Funds or the Funds' transfer agent prior to 4:00 p.m. eastern time in order to receive that day's NAV.

Each Fund reserves the right to reject any order, to cancel any order due to non-payment and to waive or lower the investment minimums with respect to any person or class of persons. If an order is canceled because of non-payment or because your check does not clear, you will be responsible for any loss that the Fund incurs. If you are already a shareholder, the Fund can redeem shares from your account to reimburse it for any loss. The Advisor has agreed to hold each Fund harmless from net losses to that Fund resulting from the failure of a check to clear to the extent, if any, not recovered from the investor. For purchases of \$50,000 or more, each Fund may, in its discretion, require payment by wire or cashier's or certified check.

GETTING STARTED

SHAREHOLDER SERVICES:

ASK YOUR ANCORA FINANCIAL ADVISORS ABOUT:

| |
|---|
| |
| AUTOMATIC MONTHLY INVESTMENT PLAN |
| |
| AUTOMATIC MONTHLY EXCHANGE |
| |
| AUTOMATIC CASH WITHDRAWAL PLAN |
| |
| AUTOMATIC REINVESTMENT OF CASH |
| |
| DISTRIBUTION OF DIVIDENDS & CAPITAL GAINS |
| |
| TELEPHONE EXCHANGE |
| |
| IRA'S AND SEP-IRA'S |
| |
| QUALIFIED RETIREMENT PLANS |
| |
| GIFTS - TO MINOR ACCOUNTS |
| |
| COMBINED CUMULATIVE CONFIRM STATEMENTS |
| |

SERVICES

FINANCIAL REVIEW

FINANCIAL REVIEW

STATEMENTS OF ASSETS & LIABILITIES – As of June 30, 2011

| | Ancora Income Fund | Ancora Equity Fund | Ancora MicroCap Fund | Ancora Special Opportunity Fund |
|--|--------------------------|--------------------------|----------------------------|--|
| | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| Assets | | | | |
| Investments in securities: | | | | |
| At Cost | \$ 18,113,828 | \$ 9,381,172 | \$ 5,651,459 | \$ 7,830,690 |
| At Fair Value | \$ 19,955,277 | \$ 11,408,555 | \$ 6,817,550 | \$ 8,883,275 |
| Investments in Affiliated Issuers: | | | | |
| At Cost | - | - | \$ 51,447 | \$ 1,086,149 |
| At Fair Value | - | - | \$ 23,300 | \$ 509,081 |
| Cash | - | - | 500 | - |
| Dividends receivable | 63,716 | 10,158 | 2,659 | 860 |
| Receivable for investments sold | - | - | - | - |
| Prepaid expenses | 3,274 | 3,920 | 4,882 | 1,948 |
| Total assets | 20,022,267 | 11,422,633 | 6,848,891 | 9,395,164 |
| Liabilities | | | | |
| Payable for investments purchased | - | - | 14,599 | - |
| Payable to advisor | 15,679 | 9,179 | 5,523 | 7,692 |
| 12b-1 fees payable | 6,704 | 6,389 | 3,710 | 5,283 |
| Administration fees payable | 1,636 | 918 | 552 | 769 |
| Accrued expenses | 11,485 | 9,140 | 5,887 | 13,039 |
| Total liabilities | 35,504 | 25,626 | 30,271 | 26,783 |
| Net Assets: | \$ 19,986,763 | \$ 11,397,007 | \$ 6,818,620 | \$ 9,368,381 |
| (unlimited number of shares authorized) | | | | |
| Net Assets consist of: | | | | |
| Paid in capital | \$ 20,839,920 | \$ 11,244,016 | \$ 5,206,716 | \$ 9,937,049 |
| Accumulated undistributed net investment income (loss) | (177,041) | (10,364) | (63,198) | (33,084) |
| Accumulated net realized gain/(loss) on: | | | | |
| Investment securities | (2,517,565) | (1,864,028) | 537,158 | (1,011,101) |
| Net unrealized appreciation on: | | | | |
| Investment securities | 1,841,449 | 2,027,383 | 1,137,944 | 475,517 |
| Net Assets | \$ 19,986,763 | \$ 11,397,007 | \$ 6,818,620 | \$ 9,368,381 |

* See accompanying notes which are an integral part of the financial statements.

FINANCIAL REVIEW

STATEMENTS OF ASSETS & LIABILITIES - As of June 30, 2011 (continued)

| | Ancora Income Fund | Ancora Equity Fund | Ancora MicroCap Fund | Ancora Special Opportunity Fund |
|--|--------------------------|--------------------------|----------------------------|--|
| | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| Shares Outstanding | 2,200,000 | 1,065,670 | 535,300 | 1,844,503 |
| Class C: | | | | |
| Net assets applicable to Class C shares | \$ 12,801,274 | \$ 8,459,730 | \$ 1,147,124 | \$ 5,953,443 |
| Shares outstanding (unlimited numbers of shares authorized) | 1,409,874 | 796,649 | 91,123 | 1,187,397 |
| Net asset value, offering price, and redemption price per share | \$ 9.08 | \$ 10.62 | \$ 12.59 | \$ 5.01 |
| Class D: | | | | |
| Net assets applicable to Class D shares | \$ 7,185,489 | \$ 2,937,277 | \$ 5,671,496 | \$ 3,414,938 |
| Shares outstanding (unlimited numbers of shares authorized) | 790,126 | 269,021 | 444,177 | 657,106 |
| Net asset value and offering price per share, and redemption price per share | \$ 9.09 | \$ 10.92 | \$ 12.77 | \$ 5.20 |

* See accompanying notes which are an integral part of the financial statements.

FINANCIAL REVIEW

STATEMENTS OF OPERATIONS – For the six months ended June 30, 2011

| | Ancora Income Fund | Ancora Equity Fund | Ancora MicroCap Fund | Ancora Special Opportunity Fund |
|--|--------------------------|--------------------------|----------------------------|--|
| | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| Investment Income | | | | |
| Dividend income | \$ 663,075 | \$ 121,643 | \$ 13,924 | \$ 86,917 |
| Dividend income from Affiliates | - | - | - | - |
| Interest income | - | - | - | - |
| Total Income | 663,075 | 121,643 | 13,924 | 86,917 |
| Expenses | | | | |
| Investment advisor fee | 96,015 | 55,891 | 33,693 | 48,175 |
| 12b-1 fees | | | | |
| Class C | 30,999 | 31,003 | 4,540 | 22,837 |
| Class D | 8,504 | 3,639 | 6,910 | 4,431 |
| Fund accounting expenses | 13,620 | 12,752 | 9,616 | 13,575 |
| Transfer agent expenses | 4,612 | 4,612 | 2,882 | 3,997 |
| Legal expenses | 3,448 | 4,183 | 4,027 | 5,248 |
| Administration expenses | 9,601 | 5,589 | 3,369 | 4,818 |
| Insurance expenses | 422 | 404 | 103 | 602 |
| Custodian expenses | 3,489 | 1,341 | 1,991 | 2,842 |
| Auditing expenses | 8,869 | 8,869 | 6,347 | 8,869 |
| Printing expenses | 903 | 706 | 706 | 706 |
| Trustees expenses | 1,474 | 935 | 909 | 491 |
| Miscellaneous expenses | 1,341 | 1,341 | 1,499 | 1,365 |
| Registration expenses | 600 | 742 | 530 | 2,045 |
| Total Expenses | 183,897 | 132,007 | 77,122 | 120,001 |
| Waived Fees | (540) | - | - | - |
| Net Operating Expenses | 183,357 | 132,007 | 77,122 | 120,001 |
| Net Investment Income (Loss) | 479,718 | (10,364) | (63,198) | (33,084) |
| Realized & Unrealized Gain (Loss) | | | | |
| Net realized gain (loss) on investment | | | | |
| Securities | 191,906 | 518,398 | 282,565 | 399,749 |
| Net realized gain (loss) on affiliated investment | | | | |
| Securities | - | - | - | - |
| Capital gain distributions from investment | | | | |
| Companies | - | - | - | - |
| Capital gain distributions from affiliated investment | | | | |
| Securities | - | - | - | - |
| Change in unrealized appreciation | | | | |
| (depreciation) on investment securities | 287,593 | (31,793) | (290,173) | (422,043) |
| Net realized and unrealized gain (loss) on investment securities | 479,499 | 486,605 | (7,608) | (22,294) |
| Net increase (decrease) in net assets resulting from operations | \$ 959,217 | \$ 476,241 | \$ (70,806) | \$ (55,378) |

* See accompanying notes which are an integral part of the financial statements.

FINANCIAL REVIEW

STATEMENTS OF CHANGES IN NET ASSETS

| | Ancora Income Fund Six Months Ended 06/30/11 | Ancora Income Fund Year Ended 12/31/10 |
|--|---|---|
| | (unaudited) | |
| Increase (Decrease) in Net Assets Resulting From Operations | | |
| Net investment income (loss) | \$ 479,718 | \$ 843,095 |
| Net realized gain (loss) on investment securities | 191,906 | 466,533 |
| Net realized gain (loss) on affiliated investment securities | - | - |
| Capital gain distributions from investment companies | - | 115,108 |
| Change in net unrealized appreciation (depreciation) | 287,593 | 542,955 |
| Net increase (decrease) in net assets resulting from operations | 959,217 | 1,967,691 |
| Distributions | | |
| From net investment income, Class C | (416,324) | (524,919) |
| From net investment income, Class D | (240,435) | (318,176) |
| From short-term capital gains, Class C | - | - |
| From short-term capital gains, Class D | - | - |
| From long-term capital gains, Class C | - | - |
| From long-term capital gains, Class D | - | - |
| From return of capital, Class C | - | (295,316) |
| From return of capital, Class D | - | (177,399) |
| Total distributions | (656,759) | (1,315,810) |
| Capital Share Transactions - Class C | | |
| Proceeds from sale of shares | 490,734 | 1,212,836 |
| Shares issued in reinvestment of dividends | 130,093 | 248,263 |
| Shares redeemed | (497,360) | (663,371) |
| | 123,467 | 797,728 |
| Capital Share Transactions - Class D | | |
| Proceeds from sale of shares | 331,998 | 285,945 |
| Shares issued in reinvestment of dividends | 173,513 | 345,848 |
| Shares redeemed | (185,256) | (970,271) |
| | 320,255 | (338,478) |
| Net increase (decrease) in net assets resulting from capital share transactions | 443,722 | 459,250 |
| Total increase (decrease) in net assets | 746,180 | 1,111,131 |
| Net Assets | | |
| Beginning of period | \$ 19,240,583 | \$ 18,129,452 |
| End of period | \$ 19,986,763 | \$ 19,240,583 |
| Accumulated undistributed net investment income | \$ (177,041) | \$ - |
| Capital Share Transactions - C Shares | | |
| Shares sold | 53,143 | 136,713 |
| Shares issued in reinvestment of distributions | 14,492 | 28,085 |
| Shares repurchased | (55,474) | (74,677) |
| Net increase (decrease) from capital share transactions | 12,161 | 90,121 |
| Capital Share Transactions - D Shares | | |
| Shares sold | 36,716 | 32,106 |
| Shares issued in reinvestment of distributions | 19,290 | 39,041 |
| Shares repurchased | (20,602) | (108,440) |
| Net increase (decrease) from capital share transactions | 35,404 | (37,293) |

*See accompanying notes which are an integral part of the financial statements.

FINANCIAL REVIEW

STATEMENTS OF CHANGES IN NET ASSETS - (continued)

| | Ancora Equity Fund Six Months Ended 06/30/11 | Ancora Equity Fund Year Ended 12/31/10 |
|--|---|---|
| Increase (Decrease) in Net Assets Resulting From Operations | (unaudited) | |
| Net investment income (loss) | \$ (10,364) | \$ (69,486) |
| Net realized gain (loss) on investment securities | 518,398 | 118,000 |
| Net realized gain (loss) on affiliated investment securities | - | - |
| Capital gain distributions from investment companies | - | - |
| Change in net unrealized appreciation (depreciation) | (31,793) | 1,080,393 |
| Net increase (decrease) in net assets resulting from operations | 476,241 | 1,128,907 |
| Distributions | - | - |
| From net investment income, Class C | - | - |
| From net investment income, Class D | - | - |
| From short-term capital gains, Class C | - | - |
| From short-term capital gains, Class D | - | - |
| From long-term capital gains, Class C | - | - |
| From long-term capital gains, Class D | - | - |
| From return of capital, Class C | - | - |
| From return of capital, Class D | - | - |
| Total distributions | - | - |
| Capital Share Transactions - Class C | | |
| Proceeds from sale of shares | 666,805 | 611,419 |
| Shares issued in reinvestment of dividends | - | - |
| Shares redeemed | (367,670) | (448,614) |
| | 299,135 | 162,805 |
| Capital Share Transactions - Class D | | |
| Proceeds from sale of shares | 63,968 | 43,384 |
| Shares issued in reinvestment of dividends | - | - |
| Shares redeemed | (137,874) | (321,288) |
| | (73,906) | (277,904) |
| Net increase (decrease) in net assets resulting from capital share transactions | 225,229 | (115,099) |
| Total increase (decrease) in net assets | 701,470 | 1,013,808 |
| Net Assets | | |
| Beginning of period | \$ 10,695,537 | \$ 9,681,729 |
| End of period | \$ 11,397,007 | \$ 10,695,537 |
| Accumulated undistributed net investment income | \$ (10,364) | \$ - |
| Capital Share Transactions - C Shares | | |
| Shares sold | 62,223 | 68,416 |
| Shares issued in reinvestment of distributions | - | - |
| Shares repurchased | (35,162) | (49,146) |
| Net increase (decrease) from capital share transactions | 27,061 | 19,270 |
| Capital Share Transactions - D Shares | | |
| Shares sold | 5,855 | 4,572 |
| Shares issued in reinvestment of distributions | - | - |
| Shares repurchased | (12,806) | (34,373) |
| Net increase (decrease) from capital share transactions | (6,951) | (29,801) |

*See accompanying notes which are an integral part of the financial statements.

FINANCIAL REVIEW

STATEMENTS OF CHANGES IN NET ASSETS - (continued)

| | Ancora MicroCap Fund Six Months Ended 06/30/11 | Ancora MicroCap Fund Year Ended 12/31/10 |
|--|---|---|
| Increase (Decrease) in Net Assets Resulting From Operations | (unaudited) | |
| Net investment income (loss) | \$ (63,198) | \$ (87,137) |
| Net realized gain (loss) on investment securities | 282,565 | 472,439 |
| Net realized gain (loss) on affiliated investment securities | - | - |
| Capital gain distributions from investment companies | - | - |
| Change in net unrealized appreciation (depreciation) | (290,173) | 997,305 |
| Net increase (decrease) in net assets resulting from operations | (70,806) | 1,382,607 |
| Distributions | | |
| From net investment income, Class C | - | - |
| From net investment income, Class D | - | - |
| From short-term capital gains, Class C | - | (8,002) |
| From short-term capital gains, Class D | - | (34,475) |
| From long-term capital gains, Class C | - | (33,410) |
| From long-term capital gains, Class D | - | (143,938) |
| From return of capital, Class C | - | - |
| From return of capital, Class D | - | - |
| Total distributions | - | (219,825) |
| Capital Share Transactions - Class C | | |
| Proceeds from sale of shares | 150,477 | 124,475 |
| Shares issued in reinvestment of dividends | - | 37,769 |
| Shares redeemed | (108,192) | (309,400) |
| | 42,285 | (147,156) |
| Capital Share Transactions - Class D | | |
| Proceeds from sale of shares | 1,303,672 | 1,377,124 |
| Shares issued in reinvestment of dividends | - | 168,664 |
| Shares redeemed | (436,265) | (346,030) |
| | 867,407 | 1,199,758 |
| Net increase (decrease) in net assets resulting from capital share transactions | 909,692 | 1,052,602 |
| Total increase (decreases) in net assets | 838,886 | 2,215,384 |
| Net Assets | | |
| Beginning of period | \$ 5,979,734 | \$ 3,764,350 |
| End of period | \$ 6,818,620 | \$ 5,979,734 |
| Accumulated undistributed net investment income | \$ (63,198) | \$ - |
| Capital Share Transactions - C Shares | | |
| Shares sold | 11,406 | 11,094 |
| Shares issued in reinvestment of distributions | - | 2,981 |
| Shares repurchased | (8,211) | (29,085) |
| Net increase (decrease) from capital share transactions | 3,195 | (15,010) |
| Capital Share Transactions - D Shares | | |
| Shares sold | 98,218 | 115,889 |
| Shares issued in reinvestment of distributions | - | 13,156 |
| Shares repurchased | (33,175) | (31,716) |
| Net increase (decrease) from capital share transactions | 65,043 | 97,329 |

*See accompanying notes which are an integral part of the financial statements.

FINANCIAL REVIEW

STATEMENTS OF CHANGES IN NET ASSETS - (continued)

| | Ancora Special Opportunity Fund Six Months Ended 06/30/11 | Ancora Special Opportunity Fund Year Ended 12/31/10 |
|--|--|--|
| | (unaudited) | |
| Increase (Decrease) in Net Assets Resulting From Operations | | |
| Net investment income (loss) | \$ (33,084) | \$ (106,089) |
| Net realized gain (loss) on investment securities | 399,749 | 1,324,974 |
| Net realized gain (loss) on affiliated investment securities | - | 3,487 |
| Capital gain distributions from investment companies | - | 16,290 |
| Capital gain distributions from affiliated investment securities | - | 51,700 |
| Change in net unrealized appreciation (depreciation) | (422,043) | (212,028) |
| Net increase (decrease) in net assets resulting from operations | (55,378) | 1,078,334 |
| Distributions | | |
| From net investment income, Class C | - | - |
| From net investment income, Class D | - | - |
| From short-term capital gains, Class C | - | - |
| From short-term capital gains, Class D | - | - |
| From long-term capital gains, Class C | - | - |
| From long-term capital gains, Class D | - | - |
| From return of capital, Class C | - | - |
| From return of capital, Class D | - | - |
| Total distributions | - | - |
| Capital Share Transactions - Class C | | |
| Proceeds from sale of shares | 710,711 | 271,146 |
| Shares issued in reinvestment of dividends | - | - |
| Shares redeemed | (322,880) | (543,891) |
| | 387,831 | (272,745) |
| Capital Share Transactions - Class D | | |
| Proceeds from sale of shares | 4,000 | 253,221 |
| Shares issued in reinvestment of dividends | - | - |
| Shares redeemed | (226,432) | (180,457) |
| | (222,432) | 72,764 |
| Net increase (decrease) in net assets resulting from capital share transactions | 165,399 | (199,981) |
| Total increase (decrease) in net assets | 110,021 | 878,353 |
| Net Assets | | |
| Beginning of period | \$ 9,258,360 | \$ 8,380,007 |
| End of period | \$ 9,368,381 | \$ 9,258,360 |
| Accumulated undistributed net investment income | \$ (33,084) | \$ - |
| Capital Share Transactions - C Shares | | |
| Shares sold | 138,172 | 57,146 |
| Shares issued in reinvestment of distributions | - | - |
| Shares repurchased | (64,617) | (119,052) |
| Net increase (decrease) from capital share transactions | 73,555 | (61,906) |
| Capital Share Transactions - D Shares | | |
| Shares sold | 750 | 52,523 |
| Shares issued in reinvestment of distributions | - | - |
| Shares repurchased | (42,757) | (38,361) |
| Net increase (decrease) from capital share transactions | (42,007) | 14,162 |

*See accompanying notes which are an integral part of the financial statements.

FINANCIAL REVIEW

FINANCIAL HIGHLIGHTS FOR A FUND SHARE OUTSTANDING – throughout the period

Ancora Income Fund

CLASS C SHARES

| | Six Months Ended 06/30/11 | Year Ended 12/31/10 | Year Ended 12/31/09 | Year Ended 12/31/08 | Year Ended 12/31/07 | Year Ended 12/31/06 |
|--|---------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | (unaudited) | | | | | |
| Selected Per Share Data | | | | | | |
| Net asset value, beginning of period | \$ 8.93 | \$ 8.62 | \$ 7.33 | \$ 8.77 | \$ 9.72 | \$ 9.48 |
| Income from investment operations | | | | | | |
| Net investment income (loss) ^(a) | 0.22 | 0.38 | 0.44 | 0.50 | 0.53 | 0.51 |
| Net realized and unrealized gain (loss) | 0.23 | 0.53 | 1.45 | (1.39) | (0.93) | 0.28 |
| Total from investment operations | 0.45 | 0.91 | 1.89 | (0.89) | (0.40) | 0.79 |
| Less Distributions to shareholders: | | | | | | |
| From net investment income | (0.30) | (0.38) | (0.45) | (0.50) | (0.53) | (0.51) |
| From net realized gain | - | - | - | - | - | - |
| From return of capital | - | (0.22) | (0.15) | (0.05) | (0.02) | (0.04) |
| Total distributions | (0.30) | (0.60) | (0.60) | (0.55) | (0.55) | (0.55) |
| Net asset value, end of period | \$ 9.08 | \$ 8.93 | \$ 8.62 | \$ 7.33 | \$ 8.77 | \$ 9.72 |
| Total Return ^(b) | 5.13% | 10.86% | 27.11% | (10.52)% | (4.34)% | 8.60% |
| Ratios and Supplemental Data | | | | | | |
| Net assets, end of period (000) | \$ 12,801 | \$ 12,485 | \$ 11,278 | \$ 10,135 | \$ 11,124 | \$ 11,399 |
| Ratio of expenses to average net assets ^(c) | 2.00%(e) | 1.97% | 1.99% | 2.00% | 2.00% | 2.00% |
| Ratio of expenses to average net assets before waiver & reimbursement ^(c) | 2.00%(e) | 1.98% | 2.06% | 2.01% | 2.00% | 2.04% |
| Ratio of net investment income (loss) to average net assets ^{(c) (d)} | 1.75%(e) | 4.34% | 5.75% | 6.06% | 5.62% | 5.30% |
| Ratio of net investment income (loss) to average net assets before waiver & reimbursement ^{(c) (d)} | 1.75%(e) | 4.34% | 5.67% | 6.05% | 5.62% | 5.26% |
| Portfolio turnover rate | 23.89% | 53.48% | 50.75% | 48.36% | 60.85% | 39.89% |

*See accompanying notes which are an integral part of the financial statements.

(a) Net investment income (loss) per share is based on average shares outstanding.

(b) Total return in the above table represents the rate that the investor would have earned or lost on an investment in the Fund, assuming reinvestment of dividends.

(c) These ratios exclude the impact of expenses of the underlying security holdings as represented in the schedule of investments.

(d) Recognition of net investment income (loss) by the Fund is affected by the timing of the declaration of dividends by the underlying investment companies in which the Fund invests.

(e) Annualized

FINANCIAL REVIEW

FINANCIAL HIGHLIGHTS FOR A FUND SHARE OUTSTANDING – throughout the period

Ancora Equity Fund

CLASS C SHARES

| | Six Months Ended 06/30/11 | Year Ended 12/31/10 | Year Ended 12/31/09 | Year Ended 12/31/08 | Year Ended 12/31/07 | Year Ended 12/31/06 |
|--|---------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | (unaudited) | | | | | |
| Selected Per Share Data | | | | | | |
| Net asset value, beginning of period | \$ 10.16 | \$ 9.11 | \$ 7.14 | \$ 12.17 | \$ 11.95 | \$ 10.94 |
| Income from investment operations | | | | | | |
| Net investment income (loss) ^(a) | (0.02) | (0.08) | (0.02) | 0.07 | (0.01) | (0.03) |
| Net realized and unrealized gain (loss) | 0.48 | 1.13 | 2.00 | (4.33) | 1.07 | 1.40 |
| Total from investment operations | 0.46 | 1.05 | 1.98 | (4.26) | 1.06 | 1.37 |
| Less Distributions to shareholders: | | | | | | |
| From net investment income | - | - | (0.01) | (0.08) | - | - |
| From net realized gain | - | - | - | (0.69) | (0.84) | (0.27) |
| From return of capital | - | - | - | - | - | (0.09) |
| Total distributions | - | - | (0.01) | (0.77) | (0.84) | (0.36) |
| Net asset value, end of period | \$ 10.62 | \$ 10.16 | \$ 9.11 | \$ 7.14 | \$ 12.17 | \$ 11.95 |
| Total Return ^(b) | 4.53% | 11.53% | 27.74% | (34.75)% | 8.80% | 12.49% |
| Ratios and Supplemental Data | | | | | | |
| Net assets, end of period (000) | \$ 8,460 | \$ 7,820 | \$ 6,837 | \$ 6,322 | \$ 10,766 | \$ 10,420 |
| Ratio of expenses to average net assets ^(c) | 2.49%(e) | 2.53% | 2.61% | 2.36% | 2.28% | 2.30% |
| Ratio of expenses to average net assets before waiver & reimbursement ^(c) | 2.49%(e) | 2.53% | 2.61% | 2.36% | 2.28% | 2.30% |
| Ratio of net investment income (loss) to average net assets ^{(c) (d)} | (0.32)% (e) | (0.86)% | (0.29)% | 0.69% | (0.10)% | (0.26)% |
| Ratio of net investment income (loss) to average net assets before waiver & reimbursement ^{(c) (d)} | (0.32)% (e) | (0.86)% | (0.29)% | 0.69% | (0.10)% | (0.26)% |
| Portfolio turnover rate | 30.63% | 45.73% | 56.25% | 81.84% | 56.21% | 67.09% |

*See accompanying notes which are an integral part of the financial statements.

(a) Net investment income (loss) per share is based on average shares outstanding.

(b) Total return in the above table represents the rate that the investor would have earned or lost on an investment in the Fund, assuming reinvestment of dividends.

(c) These ratios exclude the impact of expenses of the underlying security holdings as represented in the schedule of investments.

(d) Recognition of net investment income (loss) by the Fund is affected by the timing of the declaration of dividends by the underlying investment companies in which the Fund invests.

(e) Annualized

FINANCIAL REVIEW

FINANCIAL HIGHLIGHTS FOR A FUND SHARE OUTSTANDING – throughout the period

| Ancora MicroCap Fund CLASS C SHARES | Six Months Ended 06/30/11 | Year Ended 12/31/10 | Year Ended 12/31/09 | Year Ended 12/31/08 ^(a) |
|---|------------------------------|------------------------|------------------------|---------------------------------------|
| | (unaudited) | | | |
| Selected Per Share Data | | | | |
| Net asset value, beginning of period | \$ 12.68 | \$ 9.74 | \$ 6.06 | \$ 10.00 |
| Income from investment operations | | | | |
| Net investment income (loss) (b) | (0.15) | (0.27) | (0.24) | (0.09) |
| Net realized and unrealized gain (loss) | 0.06 | 3.70 | 3.92 | (3.85) |
| Total from investment operations | (0.09) | 3.43 | 3.68 | (3.94) |
| Less Distributions to shareholders: | | | | |
| From net investment income | - | - | - | - |
| From net realized gain | - | (0.49) | - | - |
| From return of capital | - | - | - | - |
| Total distributions | - | (0.49) | - | - |
| Net asset value, end of period | \$ 12.59 | \$ 12.68 | \$ 9.74 | \$ 6.06 |
| Total Return ^(c) | (0.71)% | 35.19% | 60.73% | (39.40)% ^(e) |
| Ratios and Supplemental Data | | | | |
| Net assets, end of period (000) | \$ 1,147 | \$ 1,115 | \$ 1,002 | \$ 618 |
| Ratio of expenses to average net assets (f) | 2.71% ^(d) | 3.13% | 3.48% | 5.59% ^(d) |
| Ratio of expenses to average net assets before waiver & reimbursement (f) | 2.71% ^(d) | 3.13% | 3.82% | 5.92% ^(d) |
| Ratio of net investment income (loss) to average net assets (f) | (2.30)% ^(d) | (2.44)% | (3.04)% | (4.03)% ^(d) |
| Ratio of net investment income (loss) to average net assets before waiver & reimbursement (f) | (2.30)% ^(d) | (2.44)% | (3.38)% | (4.37)% ^(d) |
| Portfolio turnover rate | 10.38% | 36.36% | 44.07% | 21.04% |

*See accompanying notes which are an integral part of the financial statements.

- (a) For the period September 2, 2008 (commencement of operations) through December 31, 2008.
- (b) Net investment income (loss) per share is based on average shares outstanding.
- (c) Total return in the above table represents the rate that the investor would have earned or lost on an investment in the Fund, assuming reinvestment of dividends.
- (d) Annualized.
- (e) Not Annualized
- (f) These ratios exclude the impact of expenses of the underlying security holdings as represented in the schedule of investments.

FINANCIAL REVIEW

FINANCIAL HIGHLIGHTS FOR A FUND SHARE OUTSTANDING – throughout the period

Ancora Special Opportunity Fund

CLASS C SHARES

| | Six Months Ended 06/30/11 | Year Ended 12/31/10 | Year Ended 12/31/09 | Year Ended 12/31/08 | Year Ended 12/31/07 | Year Ended 12/31/06 |
|--|---------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | (unaudited) | | | | | |
| Selected Per Share Data | | | | | | |
| Net asset value, beginning of period | \$ 5.04 | \$ 4.46 | \$ 2.38 | \$ 4.45 | \$ 5.40 | \$ 5.33 |
| Income from investment operations | | | | | | |
| Net investment income (loss) ^(a) | (0.02) | (0.07) | (0.03) | 0.02 | (0.04) | (0.02) |
| Net realized and unrealized gain (loss) | (0.01) | 0.65 | 2.11 | (2.05) | (0.28) | 0.26 |
| Total from investment operations | (0.03) | 0.58 | 2.08 | (2.03) | (0.32) | 0.24 |
| Less Distributions to shareholders: | | | | | | |
| From net investment income | - | - | - (b) | (0.03) | - | - |
| From net realized gain | - | - | - | (0.01) | (0.63) | (0.01) |
| From return of capital | - | - | - | - | - | (0.16) |
| Total distributions | - | - | - | (0.04) | (0.63) | (0.17) |
| Net asset value, end of period | \$ 5.01 | \$ 5.04 | \$ 4.46 | \$ 2.38 | \$ 4.45 | \$ 5.40 |
| Total Return ^(c) | (0.60)% | 13.00% | 87.47% | (45.77)% | (6.49)% | 4.52% |
| Ratios and Supplemental Data | | | | | | |
| Net assets, end of period (000) | \$ 5,953 | \$ 5,615 | \$ 5,240 | \$ 2,738 | \$ 5,703 | \$ 7,376 |
| Ratio of expenses to average net assets ^(d) | 2.67% ^(f) | 2.64% | 2.86% | 2.65% | 2.47% | 2.38% |
| Ratio of expenses to average net assets before waiver & reimbursement ^(d) | 2.67% ^(f) | 2.64% | 2.86% | 2.65% | 2.47% | 2.38% |
| Ratio of net investment income (loss) to average net assets ^{(d) (e)} | (0.86)% ^(f) | (1.45)% | (0.97)% | 0.67% | (0.77)% | (0.43)% |
| Ratio of net investment income (loss) to average net assets before waiver & reimbursement ^{(d) (e)} | (0.86)% ^(f) | (1.45)% | (0.97)% | 0.67% | (0.77)% | (0.43)% |
| Portfolio turnover rate | 51.04% | 97.02% | 148.81% | 211.26% | 133.31% | 22.18% |

*See accompanying notes which are an integral part of the financial statements.

(a) Net investment income (loss) per share is based on average shares outstanding.

(b) Amount is less than \$0.01

(c) Total return in the above table represents the rate that the investor would have earned or lost on an investment in the Fund, assuming reinvestment of dividends.

(d) These ratios exclude the impact of expenses of the underlying security holdings as represented in the schedule of investments.

(e) Recognition of net investment income (loss) by the Fund is affected by the timing of the declaration of dividends by the underlying investment companies in which the Fund invests.

(f) Annualized

FINANCIAL REVIEW

FINANCIAL HIGHLIGHTS FOR A FUND SHARE OUTSTANDING – throughout the period

| Ancora Income Fund | | Six Months Ended 06/30/11 | Year Ended 12/31/10 | Year Ended 12/31/09 | Year Ended 12/31/08 | Year Ended 12/31/07 | Year Ended 12/31/06 |
|--|--|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| CLASS D SHARES | | (unaudited) | | | | | |
| Selected Per Share Data | | | | | | | |
| Net asset value, beginning of period | | \$ 8.95 | \$ 8.65 | \$ 7.36 | \$ 8.81 | \$ 9.76 | \$ 9.52 |
| Income from investment operations | | | | | | | |
| Net investment income (loss) ^(a) | | 0.23 | 0.40 | 0.46 | 0.53 | 0.56 | 0.53 |
| Net realized and unrealized gain (loss) | | 0.23 | 0.52 | 1.46 | (1.40) | (0.94) | 0.29 |
| Total from investment operations | | 0.46 | 0.92 | 1.92 | (0.87) | (0.38) | 0.82 |
| Less Distributions to shareholders: | | | | | | | |
| From net investment income | | (0.32) | (0.40) | (0.47) | (0.53) | (0.56) | (0.53) |
| From net realized gain | | - | - | - | - | - | - |
| From return of capital | | - | (0.22) | (0.16) | (0.05) | (0.01) | (0.05) |
| Total distributions | | (0.32) | (0.62) | (0.63) | (0.58) | (0.57) | (0.58) |
| Net asset value, end of period | | \$ 9.09 | \$ 8.95 | \$ 8.65 | \$ 7.36 | \$ 8.81 | \$ 9.76 |
| Total Return ^(b) | | 5.17% | 11.07% | 27.48% | (10.29)% | (4.07)% | 8.87% |
| Ratios and Supplemental Data | | | | | | | |
| Net assets, end of period (000) | | \$ 7,185 | \$ 6,756 | \$ 6,852 | \$ 6,113 | \$ 6,753 | \$ 6,173 |
| Ratio of expenses to average net assets ^(c) | | 1.75%(e) | 1.72% | 1.74% | 1.75% | 1.75% | 1.75% |
| Ratio of expenses to average net assets before waiver & reimbursement ^(c) | | 1.75% (e) | 1.73% | 1.82% | 1.76% | 1.75% | 1.79% |
| Ratio of net investment income (loss) to average net assets ^{(d) (e)} | | 5.15%(e) | 4.54% | 5.93% | 6.33% | 5.89% | 5.57% |
| Ratio of net investment income (loss) to average net assets before waiver & reimbursement ^{(d) (e)} | | 5.15% (e) | 4.54% | 5.85% | 6.32% | 5.89% | 5.53% |
| Portfolio turnover rate | | 23.89% | 53.48% | 50.75% | 48.36% | 60.85% | 39.89% |

*See accompanying notes which are an integral part of the financial statements.

- (a) Net investment income (loss) per share is based on average shares outstanding.
- (b) Total return in the above table represents the rate that the investor would have earned or lost on an investment in the Fund, assuming reinvestment of dividends.
- (c) These ratios exclude the impact of expenses of the underlying security holdings as represented in the schedule of investments.
- (d) Recognition of net investment income (loss) by the Fund is affected by the timing of the declaration of dividends by the underlying investment companies in which the Fund invests.
- (e) Annualized

FINANCIAL REVIEW

FINANCIAL HIGHLIGHTS FOR A FUND SHARE OUTSTANDING – throughout the period

Ancora Equity Fund

CLASS D SHARES

| | Six Months Ended 06/30/11 | Year Ended 12/31/10 | Year Ended 12/31/09 | Year Ended 12/31/08 | Year Ended 12/31/07 | Year Ended 12/31/06 |
|--|------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | (unaudited) | | | | | |
| Selected Per Share Data | | | | | | |
| Net asset value, beginning of period | \$ 10.42 | \$ 9.30 | \$ 7.26 | \$ 12.37 | \$ 12.12 | \$ 11.04 |
| Income from investment operations | | | | | | |
| Net investment income (loss) ^(a) | 0.01 | (0.03) | 0.02 | 0.13 | 0.05 | 0.02 |
| Net realized and unrealized gain (loss) | 0.49 | 1.15 | 2.03 | (4.42) | 1.09 | 1.42 |
| Total from investment operations | 0.50 | 1.12 | 2.05 | (4.29) | 1.14 | 1.44 |
| Less Distributions to shareholders: | | | | | | |
| From net investment income | - | - | (0.01) | (0.13) | (0.05) | - |
| From net realized gain | - | - | - | (0.69) | (0.84) | (0.27) |
| From return of capital | - | - | - | - | - | (0.09) |
| Total distributions | - | - | (0.01) | (0.82) | (0.89) | (0.36) |
| Net asset value, end of period | \$ 10.92 | \$ 10.42 | \$ 9.30 | \$ 7.26 | \$ 12.37 | \$ 12.12 |
| Total Return ^(b) | 4.80% | 12.04% | 28.25% | (34.36)% | 9.35% | 13.01% |
| Ratios and Supplemental Data | | | | | | |
| Net assets, end of period (000) | \$ 2,937 | \$ 2,876 | \$ 2,844 | \$ 2,937 | \$ 4,800 | \$ 5,993 |
| Ratio of expenses to average net assets ^(c) | 1.99%(e) | 2.03% | 2.11% | 1.86% | 1.78% | 1.80% |
| Ratio of expenses to average net assets before waiver & reimbursement ^(c) | 1.99%(e) | 2.03% | 2.11% | 1.86% | 1.78% | 1.80% |
| Ratio of net investment income (loss) to average net assets ^{(c) (d)} | 0.19%(e) | (0.34)% | 0.23% | 1.19% | 0.39% | 0.20% |
| Ratio of net investment income (loss) to average net assets before waiver & reimbursement ^{(c) (d)} | 0.19%(e) | (0.34)% | 0.23% | 1.19% | 0.39% | 0.20% |
| Portfolio turnover rate | 30.63% | 45.73% | 56.25% | 81.84% | 56.21% | 67.09% |

*See accompanying notes which are an integral part of the financial statements.

- (a) Net investment income (loss) per share is based on average shares outstanding.
- (b) Total return in the above table represents the rate that the investor would have earned or lost on an investment in the Fund, assuming reinvestment of dividends.
- (c) These ratios exclude the impact of expenses of the underlying security holdings as represented in the schedule of investments.
- (d) Recognition of net investment income (loss) by the Fund is affected by the timing of the declaration of dividends by the underlying investment companies in which the Fund invests.
- (e) Annualized

FINANCIAL REVIEW

FINANCIAL HIGHLIGHTS FOR A FUND SHARE OUTSTANDING – throughout the period

| Ancora MicroCap Fund CLASS D SHARES | Six Months Ended 06/30/11 (unaudited) | Year Ended 12/31/10 | Year Ended 12/31/09 | Year Ended 12/31/08 ^(a) |
|---|---|------------------------|------------------------|---------------------------------------|
| Selected Per Share Data | | | | |
| Net asset value, beginning of period | \$ 12.83 | \$ 9.80 | \$ 6.07 | \$ 10.00 |
| Income from investment operations | | | | |
| Net investment income (loss) ^(b) | (0.12) | (0.22) | (0.20) | (0.08) |
| Net realized and unrealized gain (loss) | 0.06 | 3.74 | 3.93 | (3.85) |
| Total from investment operations | (0.06) | 3.52 | 3.73 | (3.93) |
| Less Distributions to shareholders: | | | | |
| From net investment income | | | | |
| From net realized gain | - | (0.49) | - | - |
| From return of capital | | - | | |
| Total distributions | - | (0.49) | - | - |
| Net asset value, end of period | \$ 12.77 | \$ 12.83 | \$ 9.80 | \$ 6.07 |
| Total Return ^(c) | (0.47%) | 35.90% | 61.45% | (39.30)% ^(e) |
| Ratios and Supplemental Data | | | | |
| Net assets, end of period (000) | \$ 5,671 | \$ 4,865 | \$ 2,762 | \$ 1,360 |
| Ratio of expenses to average net assets ^(f) | 2.20% ^(d) | 2.61% | 2.98% | 5.28% ^(d) |
| Ratio of expenses to average net assets before waiver & reimbursement ^(f) | 2.20% ^(d) | 2.61% | 3.32% | 5.68% ^(d) |
| Ratio of net investment income (loss) to average net assets ^(f) | (1.78)% ^(d) | (1.99)% | (2.52)% | (3.67)% ^(d) |
| Ratio of net investment income (loss) to average net assets before waiver & reimbursement ^(f) | (1.78)% ^(d) | (1.99)% | (2.85)% | (4.08)% ^(d) |
| Portfolio turnover rate | 10.38% | 36.36% | 44.07% | 21.04% |

*See accompanying notes which are an integral part of the financial statements.

- (a) For the period September 2, 2008 (commencement of operations) through December 31, 2008.
- (b) Net investment income (loss) per share is based on average shares outstanding
- (c) Total return in the above table represents the rate that the investor would have earned or lost on an investment in the Fund, assuming reinvestment of dividends.
- (d) Annualized.
- (e) Not Annualized
- (f) These ratios exclude the impact of expenses of the underlying security holdings as represented in the schedule of investments.

FINANCIAL REVIEW

FINANCIAL HIGHLIGHTS FOR A FUND SHARE OUTSTANDING – throughout the period

Ancora Special Opportunity Fund

CLASS D SHARES

| | Six Months Ended 06/30/11 | Year Ended 12/31/10 | Year Ended 12/31/09 | Year Ended 12/31/08 | Year Ended 12/31/07 | Year Ended 12/31/06 |
|--|---------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | (unaudited) | | | | | |
| Selected Per Share Data | | | | | | |
| Net asset value, beginning of period | \$ 5.21 | \$ 4.58 | \$ 2.44 | \$ 4.55 | \$ 5.49 | \$ 5.38 |
| Income from investment operations | | | | | | |
| Net investment income (loss) ^(a) | (0.01) | (0.05) | (0.02) | 0.04 | (0.02) | 0.01 |
| Net realized and unrealized gain (loss) | - | 0.68 | 2.16 | (2.10) | (0.29) | 0.27 |
| Total from investment operations | (0.01) | 0.63 | 2.14 | (2.06) | (0.31) | 0.28 |
| Less Distributions to shareholders: | | | | | | |
| From investment income | - | - | - (b) | (0.04) | - | - |
| From net realized gain | - | - | - | (0.01) | (0.63) | (0.01) |
| From return of capital | - | - | - | - | - | (0.16) |
| Total distributions | - | - | - | (0.05) | (0.63) | (0.17) |
| Net asset value, end of period | \$ 5.20 | \$ 5.21 | \$ 4.58 | \$ 2.44 | \$ 4.55 | \$ 5.49 |
| Total Return ^(c) | (0.19%) | 13.76% | 87.78% | (45.35)% | (6.21)% | 5.23% |
| Ratios and Supplemental Data | | | | | | |
| Net assets, end of period (000) | \$ 3,415 | \$ 3,644 | \$ 3,140 | \$ 2,001 | \$ 3,959 | \$ 6,098 |
| Ratio of expenses to average net assets ^(d) | 2.18% ^(f) | 2.15% | 2.36% | 2.15% | 1.97% | 1.88% |
| Ratio of expenses to average net assets before waiver & reimbursement ^(d) | 2.18% ^(f) | 2.15% | 2.36% | 2.15% | 1.97% | 1.88% |
| Ratio of net investment income (loss) to average net assets ^{(d) (e)} | (0.39)% ^(f) | (0.96)% | (0.47)% | 0.98% | (0.31)% | 0.19% |
| Ratio of net investment income (loss) to average net assets before waiver & reimbursement ^{(d) (e)} | (0.39)% ^(f) | (0.96)% | (0.47)% | 0.98% | (0.31)% | 0.19% |
| Portfolio turnover rate | 51.04% | 97.02% | 148.81% | 211.26% | 133.31% | 22.18% |

*See accompanying notes which are an integral part of the financial statements.

(a) Net investment income (loss) per share is based on average shares outstanding.

(b) Amount is less than 0.01

(c) Total return in the above table represents the rate that the investor would have earned or

(d) These ratios exclude the impact of expenses of the underlying security holdings as represented in the schedule of investments.

(e) Recognition of net investment income (loss) by the Fund is affected by the timing of the declaration of dividends by the underlying investment companies in which the Fund invests.

(f) Annualized

Ancora Trust Notes to the Financial Statements June 30, 2011 (Unaudited)

NOTE 1. ORGANIZATION

Ancora Income Fund (the "Income Fund"), Ancora Equity Fund (the "Equity Fund"), Ancora MicroCap Fund ("MicroCap Fund"), and Ancora Special Opportunity Fund (the "Special Opportunity Fund") (each, a "Fund" and collectively, the "Funds") are each a separate series of Ancora Trust (the "Trust"), an Ohio business trust under a Declaration of Trust dated August 20, 2003. The Trust's Declaration of Trust permits the Trust to issue an unlimited number of shares of beneficial interest representing interests in separate funds of securities, and it permits the Trust to offer separate classes of each such series. The Income Fund's investment objective is to obtain a high level of income, with a secondary objective of capital appreciation. The Equity Fund's investment objective is obtaining a high total return, a combination of income and capital appreciation in the value of its shares. The Microcap Fund's investment objective is obtaining a high total return. The Special Opportunity Fund's investment objective is to obtain a high total return. Each Fund is an "open-end" management investment company as defined in the Investment Company Act of 1940, as amended (the "1940 Act"). Each Fund is a "diversified" company as defined in the 1940 Act. The Board of Trustees (the "Board") of the Trust has authorized that shares of the Funds may be offered in two classes: Class C and Class D. Class C and Class D shares are identical, except as to minimum investment requirements and the services offered to and expenses borne by each class. Class C shares are a no-load share class. Class D shares are offered continuously at net asset value. Each class is subject to a different distribution and shareholder service fee. Income and realized/unrealized gains or losses are allocated to each class based on relative net assets. The investment advisor of the Funds is Ancora Advisors LLC (the "Advisor").

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies followed by the Funds in the preparation of their financial statements. These policies are in conformity with accounting principles generally accepted in the U.S. ("GAAP").

Security Valuation - All investments in securities are recorded at their estimated fair value, as described in Note 3.

Use Of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting year. Actual results could differ from those estimates.

Federal Income Taxes - The Funds' policy is to continue to comply with the requirements of the Internal Revenue Code that are applicable to regulated investment companies and to distribute all of its taxable income to shareholders. Therefore, no federal income tax provision is required. It is the Funds' policy to distribute annually, prior to the end of the calendar year, dividends sufficient to satisfy excise tax requirements of the Internal Revenue Code. This Internal Revenue Code requirement may cause an excess of distributions over the book year-end accumulated income. In addition, it is the Funds' policy to distribute annually, after the end of the fiscal year, any remaining net investment income and net realized capital gains.

The Funds recognize the tax benefits of certain tax positions only where the position is "more likely than not" to be sustained assuming examination by tax authorities. Management has analyzed the Fund's tax positions, and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on returns filed for open tax years (2008-2010), or expected to be taken in the Funds' 2011 tax returns. The Funds identify their major tax jurisdiction as U.S. Federal; however the Funds are not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next twelve months.

As of and during the six months ended June 30, 2011, the Funds' did not have a liability for any unrecognized tax benefits. The Funds' recognize interest and penalty, if any, related to recognized tax benefits or income tax expense on the statement of operations. During the six months ended June 30, 2011, the Funds' did not incur any interest or penalties.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES – continued

Distributions To Shareholders – The Income Fund intends to distribute substantially all of its net investment income, if any, as dividends to its shareholders on a monthly basis. The Equity Fund, Special Opportunity Fund, and MicroCap Fund intend to distribute substantially all of their net investment income, if any, as dividends to their shareholders on at least an annual basis. Distributions to shareholders are recorded on the ex-dividend date. All the Funds intend to distribute their net realized long term capital gains and net realized short term capital gains, if any, at least once a year. The treatment for financial reporting purposes of distributions made to shareholders during the year from net investment income or net realized capital gains may differ from their ultimate treatment for federal income tax purposes. These differences are caused by differences in the timing and recognition of certain components of income, expense, or realized capital gain for federal income tax purposes. Where such differences are permanent in nature, they are reclassified in the components of the net assets based on their ultimate characterization for federal income tax purposes. Any such reclassifications will have no effect on net assets, the results of operations, or net asset value per share of a Fund.

Other - The Funds follow industry practice and record security transactions based on the trade date. The specific identification method is used for determining gains or losses for financial statements and income tax purposes. Dividend income is recorded on the ex-dividend date and interest income is recorded on an accrual basis. Discounts and premiums on securities purchased are amortized or accreted using the effective interest method.

Expenses – Expenses incurred by the Trust that do not relate to a specific fund of the Trust are allocated to the individual funds based on each Funds' relative net assets or other appropriate basis as determined by the Board.

NOTE 3. SECURITIES VALUATIONS

As described in Note 2, all investments in securities are recorded at their estimated fair value. The Funds utilize various methods to measure the fair value of most of their investments on a recurring basis. GAAP establishes a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities that the Funds have the ability to access.

Level 2 - Observable inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 - Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Funds' own assumptions about the assumptions a market participant would use in valuating the asset or liability, and would be based on the best information available.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety, is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

NOTE 3. SECURITY VALUATIONS – continued

Fair Value Measurements - A description of the valuation techniques applied to the Funds' major categories of assets and liabilities measured at fair value on a recurring basis follows.

Money market mutual funds are generally priced at the ending NAV provided by the service agent of the fund. The money market securities will be categorized as level 1 within the fair value hierarchy.

Equity securities (common stock including real estate investment trusts and corporate bond trust Certificates) - Equity securities are valued by using market quotations furnished by a pricing service when the Advisor believes such prices accurately reflect the fair market value of such securities. Securities that are traded on any stock exchange are valued by the pricing service at the last quoted sale price. Lacking a last sale price, an exchange traded security is valued by the pricing service at its last bid price. Securities traded in the NASDAQ over-the-counter market are valued by the pricing service at the NASDAQ Official Closing Price. When market quotations are not readily available, when the Advisor determines that the market quotation or the price provided by the pricing service does not accurately reflect the current market value or when restricted or illiquid securities are being valued, such securities are valued at a fair price as determined by the Advisor in good faith, in accordance with guidelines adopted by and subject to review of the Board of Trustees. Manually priced securities held by the Funds (if any) are reviewed by the Board of Trustees on a quarterly basis. To the extent these securities are actively traded and valuation adjustments are not applied, they are classified in level 1 within the fair value hierarchy.

Fixed income securities - Fixed income securities are valued by a pricing service when the Advisor believes such prices are accurate and reflect the fair market value of such securities. If the Advisor decides that a price provided by the pricing services does not accurately reflect the fair market value of the securities, when prices are not readily available from a pricing service or when restricted or illiquid securities are being valued, securities are valued at fair value as determined in good faith by the Advisor. Short term investments in fixed income securities with maturities of less than 60 days when acquired, or which subsequently are within 60 days of maturity, are valued by using the amortized cost method of valuation. Generally, fixed income securities are categorized as level 2 within the fair value hierarchy.

The following table summarizes the inputs used to value the Fund's assets measured at fair value as of June 30, 2011:

| | | | | |
|--|----------------|----------------|----------------|---------------|
| Ancora Income Fund | | | | |
| Valuation Inputs of Assets | Level 1 | Level 2 | Level 3 | Total |
| Corporate Bond Trust Certificates | \$ 6,731,270 | \$ - | \$ - | \$ 6,731,270 |
| Closed End Funds | 7,664,238 | - | - | 7,664,238 |
| Preferred Stock | 276,060 | - | - | 276,060 |
| Real Estate Investment Trusts | 4,231,477 | - | - | 4,231,477 |
| Cash Equivalents | 1,052,232 | - | - | 1,052,232 |
| Total | \$ 19,955,277 | \$ - | \$ - | \$ 19,955,277 |
| Ancora Equity Fund | | | | |
| Valuation Inputs of Assets | Level 1 | Level 2 | Level 3 | Total |
| Common Stock | \$ 9,277,062 | \$ - | \$ - | \$ 9,277,062 |
| Convertible Preferred Securities | 168,000 | - | - | 168,000 |
| Closed End Funds | 1,247,255 | - | - | 1,247,255 |
| Cash Equivalents | 716,239 | - | - | 716,239 |
| Total | \$ 11,408,556 | \$ - | \$ - | \$ 11,408,556 |
| Ancora MicroCap Fund | | | | |
| Valuation Inputs of Assets | Level 1 | Level 2 | Level 3 | Total |
| Common Stock | \$ 5,716,068 | \$ - | \$ - | \$ 5,716,068 |
| Cash Equivalents | 1,124,783 | - | - | 1,124,783 |
| Total | \$ 6,840,851 | \$ - | \$ - | \$ 6,840,851 |
| Ancora Special Opportunity Fund | | | | |
| Valuation Inputs of Assets | Level 1 | Level 2 | Level 3 | Total |
| Common Stock | \$ 5,302,412 | \$ - | \$ - | \$ 5,302,412 |
| Closed End Funds | 2,143,897 | - | - | 2,143,897 |
| Real Estate Investment Trusts | 454,800 | - | - | 454,800 |
| Cash Equivalents | 1,491,248 | - | - | 1,491,248 |
| Total | \$ 9,392,357 | \$ - | \$ - | \$ 9,392,357 |

The Funds did not hold any Level 2 or Level 3 assets during the six months ended June 30, 2011. For more detail on the investments in common stocks please refer to the Schedule of Investments. The Funds did not hold any derivative investments at any time during the six months ended June 30, 2011. There were no transfers into or out of Level 1 or Level 2 during the six months ended June 30, 2011. It is the Funds' policy to recognize transfers into and out of Level 1 and Level 2 at the end of the reporting period.

NOTE 4. FEES AND OTHER TRANSACTIONS WITH AFFILIATES

The Trust retains Ancora Advisors LLC to manage the Funds' investments. As a controlling member of the Advisor, Richard A. Barone, Chairman of the Trust, is regarded to control the Advisor for purposes of the 1940 Act. Under the terms of the Investment Advisory Agreement, (the "Agreement"), the Advisor manages the Funds' investments in accordance with the stated policies of the Funds, subject to approval of the Board. The Advisor makes investment decisions for each Fund and places the purchase and sale orders for portfolio transactions. As compensation for management services, the Income Fund, Equity Fund, MicroCap Fund and Special Opportunity Fund are obligated to pay the Advisor a fee computed and accrued daily and paid monthly at an annual rate of 1.00% of the average daily net assets of each Fund. For the six months ended June 30, 2011, the Advisor earned fees of \$96,015 from the Income Fund, \$55,891 from the Equity Fund, \$33,693 from the MicroCap Fund, and \$48,175 from the Special Opportunity Fund. At June 30, 2011, payables to the Advisor were \$15,679, \$9,179, \$5,523, and \$7,692 for the Income Fund, Equity Fund, MicroCap Fund, and Special Opportunity Fund, respectively. The Advisor has voluntarily agreed to waive management fees, to the extent of management fees, in order to limit total annual operating expenses for the Income Fund to 2.00% for Class C shares and 1.75% for Class D shares. These waivers may be discontinued at any time. The Advisor has voluntarily agreed to waive its fee and/or reimburse the Equity Fund, MicroCap Fund, and Special Opportunity Fund in an amount, if any, by which each of the Fund's total annual operating expenses exceed 5% of the average net assets of such fund. The Advisor waived fees of \$540 for the Income Fund for the six months ended June 30, 2011.

The Funds have adopted a Distribution and Shareholder Servicing Plan (each such plan, a "Distribution Plan") pursuant to Rule 12b-1 under the Investment Company Act of 1940 for each class of shares authorized. The principal activities for which payments will be made include (i) compensation of securities dealers (including Ancora Securities Inc.) and others for distribution services and (ii) advertising. In addition, each of the Funds shall pay service fees pursuant to agreements with dealers (including Ancora Securities Inc.) or other services. Richard A. Barone, Chairman of the Trust and controlling shareholder of Ancora Capital, Inc., the parent company of Ancora Securities Inc., has an indirect financial interest in the operation of the Plan.

For the six months ended June 30, 2011 the fees paid were as follows:

| Fund | Annual Rate | Fees Earned | Amount payable at June 30, 2011 |
|---------------------------------|--------------------|--------------------|--|
| Income Fund | | | |
| Class C | 0.50% | \$ 30,999 | |
| Class D | 0.25% | 8,504 | |
| | | <u>\$ 39,503</u> | <u>\$ 6,704</u> |
| Equity Fund | | | |
| Class C | 0.75% | \$ 31,003 | |
| Class D | 0.25% | 3,639 | |
| | | <u>\$ 34,642</u> | <u>\$ 6,389</u> |
| MicroCap Fund | | | |
| Class C | 0.75% | \$ 4,540 | |
| Class D | 0.25% | 6,910 | |
| | | <u>\$ 11,450</u> | <u>\$ 3,710</u> |
| Special Opportunity Fund | | | |
| Class C | 0.75% | \$ 22,837 | |
| Class D | 0.25% | 4,431 | |
| | | <u>\$ 27,268</u> | <u>\$ 5,283</u> |

NOTE 4. FEES AND OTHER TRANSACTIONS WITH AFFILIATES - continued

The Funds have entered into an Administration Agreement with Ancora Capital, Inc. Pursuant to the Administration Agreement, each of the Funds will pay an administration fee equal to 0.10% of average net assets of each Fund monthly. Under the Administration Agreement, Ancora Capital, Inc. will assist in maintaining office facilities, furnish clerical services, prepare and file documents with the Securities and Exchange Commission, coordinate the filing of tax returns, assist with the preparation of the Funds' Annual and Semi-Annual Reports to shareholders, monitor the Funds' expense accruals and pay all expenses, monitor the Funds' sub-chapter M status, maintain the Funds' fidelity bond, monitor each Funds' compliance with such Funds' policies and limitations as set forth in the Prospectus and Statement of Additional Information and generally assist in the Funds' operations. For the six months ended June 30, 2011, Ancora Capital Inc. earned \$9,601 from the Income Fund, \$5,589 from the Equity Fund, \$3,369 from the Microcap Fund, and \$4,818 from the Special Opportunity Fund. As of June 30, 2011, Ancora Capital Inc. was owed \$1,636, \$918, \$552, and \$769 by the Income Fund, Equity Fund, Microcap Fund, and Special Opportunity Fund, respectively, for administrative services.

The Funds' Board of Trustees has determined that any portfolio transaction for any of the Funds may be effected through Ancora Securities Inc., if, in the Advisor's judgment, the use of Ancora Securities Inc. is likely to result in price and execution at least as favorable as those of other qualified brokers, and if, in the transaction, Ancora Securities Inc. charges the Fund a commission rate consistent with those charged by Ancora Securities Inc. to comparable unaffiliated customers in similar transactions. For the six months ended June 30, 2011, Ancora Securities, Inc. received commissions on security transactions of \$10,230 for the Income Fund, \$4,594 for the Equity Fund, \$4,884 for the Microcap, and \$19,536 for the Special Opportunity Fund.

The Trust retains Ancora Securities, Inc. (The "Distributor"), to act as the principal distributor of its shares. The Distributor is an affiliate of the Adviser and serves without compensation other than fees paid to Ancora Securities under the 12b-1 Plan.

NOTE 5. INVESTMENTS

For the six months ended June 30, 2011, purchases and sales of investment securities, other than short-term investments and short-term U.S. Government obligations were as follows:

| | Income Fund | Equity Fund | MicroCap Fund | Special Opportunity Fund |
|-----------------------------|--------------------|--------------------|----------------------|---------------------------------|
| Purchases | | | | |
| U.S. Government Obligations | \$ - | \$ - | \$ - | \$ - |
| Other | 4,533,677 | 3,350,390 | 1,170,347 | 4,346,113 |
| Sales | | | | |
| U.S. Government Obligations | \$ - | \$ - | \$ - | \$ - |
| Other | 4,999,340 | 3,249,875 | 598,355 | 3,853,194 |

At December 31, 2010, the costs of securities for federal income tax purposes were \$17,808,526, \$8,932,779, \$4,598,807, and \$8,145,024 for the Income Fund, Equity Fund, MicroCap Fund, and Special Opportunity Fund respectively.

As of December 31, 2010, the net unrealized appreciation (depreciation) of investments for tax purposes was as follows:

| | Income Fund | Equity Fund | MicroCap Fund | Special Opportunity Fund |
|---------------------------------------|---------------------|---------------------|----------------------|---------------------------------|
| Gross Appreciation | \$ 1,694,001 | \$ 2,330,593 | \$ 1,727,648 | \$ 1,869,382 |
| Gross (Depreciation) | (292,305) | (338,288) | (299,531) | (1,005,541) |
| Net App. (Dep.) on Investments | \$ 1,401,696 | \$ 1,992,305 | \$ 1,428,117 | \$ 863,841 |

NOTE 6. DISTRIBUTIONS TO SHAREHOLDERS

The tax character of distributions paid during the six months ended June 30, 2011 is as follows:

| | Income Fund Class C | Income Fund Class D | Equity Fund Class C | Equity Fund Class D |
|-------------------------|--------------------------------------|--------------------------------------|---|---|
| Ordinary income | \$ 416,324 | \$ 240,435 | \$ - | \$ - |
| Short-term capital gain | - | - | - | - |
| Long-term capital gain | - | - | - | - |
| Return of capital | - | - | - | - |
| | <u>\$ 416,324</u> | <u>\$ 240,435</u> | <u>\$ -</u> | <u>\$ -</u> |
| | MicroCap Fund Class C | MicroCap Fund Class D | Special Opportunity Fund Class C | Special Opportunity Fund Class D |
| Ordinary income | \$ - | \$ - | \$ - | \$ - |
| Short-term capital gain | - | - | - | - |
| Long-term capital gain | - | - | - | - |
| Return of capital | - | - | - | - |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

The tax character of distributions paid during the year ended December 31, 2010 is as follows:

| | Income Fund Class C | Income Fund Class D | Equity Fund Class C | Equity Fund Class D |
|-------------------------|--------------------------------------|--------------------------------------|---|---|
| Ordinary income | \$ 524,919 | \$ 318,176 | \$ - | \$ - |
| Short-term capital gain | - | - | - | - |
| Long-term capital gain | - | - | - | - |
| Return of capital | 295,316 | 177,399 | - | - |
| | <u>\$ 820,235</u> | <u>\$ 495,575</u> | <u>\$ -</u> | <u>\$ -</u> |
| | MicroCap Fund Class C | MicroCap Fund Class D | Special Opportunity Fund Class C | Special Opportunity Fund Class D |
| Ordinary income | \$ - | \$ - | \$ - | \$ - |
| Short-term capital gain | 8,002 | 34,475 | - | - |
| Long-term capital gain | 33,410 | 143,938 | - | - |
| Return of capital | - | - | - | - |
| | <u>\$ 41,412</u> | <u>\$ 178,413</u> | <u>\$ -</u> | <u>\$ -</u> |

As of December 31, 2010, the components of distributable earnings on a tax basis were as follows:

| | Income Fund | Equity Fund | MicroCap Fund | Special Opportunity Fund |
|--|------------------------|------------------------|--------------------------|---|
| Accumulated undistributed ordinary income | \$ - | \$ - | \$ - | \$ - |
| Accumulated undistributed capital gain (capital loss carry forward) | (2,557,311) | (2,315,555) | 254,593 | (1,377,131) |
| Unrealized appreciated (depreciation) | 1,401,696 | 1,992,305 | 1,428,117 | 863,841 |
| | <u>\$ (1,155,615)</u> | <u>\$ (323,250)</u> | <u>\$ 1,682,710</u> | <u>\$ (513,290)</u> |

NOTE 7. CAPITAL LOSS CARRYFORWARDS

| <u>Expiration Date</u> | <u>Income Fund</u> | <u>Equity Fund</u> | <u>MicroCap Fund</u> | <u>Special Opportunity Fund</u> |
|------------------------|--------------------|--------------------|----------------------|---------------------------------|
| 2012 | \$ - | \$ - | \$ - | \$ - |
| 2014 | \$ - | \$ - | \$ - | \$ - |
| 2015 | \$ - | \$ - | \$ - | \$ - |
| 2016 | \$ 857,983 | \$ - | \$ - | \$ 319,503 |
| 2017 | \$ 1,699,328 | \$ 2,315,555 | \$ - | \$ 1,057,628 |
| 2018 | \$ - | \$ - | \$ - | \$ - |
| Total | \$ 2,557,311 | \$ 2,315,555 | \$ - | \$ 1,377,131 |

During the fiscal year ended December 31, 2010, the Income Fund utilized \$509,392 of its capital loss carry forward, the Equity Fund utilized \$8,914 of its capital loss carry forward, and the Special Opportunity fund utilized \$1,373,666 of its capital loss carry forward.

NOTE 8. BENEFICIAL OWNERSHIP

The beneficial ownership, either directly or indirectly, of more than 25% of the voting securities of a fund creates a presumption of control of the fund, under Section 2(a)(9) of the Investment Company Act of 1940. As of June 30, 2011 Pershing & Company owned, for the benefit of its customers, the following percentages of the outstanding shares:

| | |
|----------------------------------|--------|
| Income Fund Class C | 91.75% |
| Income Fund Class D | 95.86% |
| Equity Fund Class C | 95.37% |
| Equity Fund Class D | 94.73% |
| MicroCap Fund Class C | 93.54% |
| MicroCap Fund Class D | 98.00% |
| Special Opportunity Fund Class C | 94.93% |
| Special Opportunity Fund Class D | 98.20% |

PORTFOLIO HOLDINGS DISCLOSURE POLICY (UNAUDITED)

The Funds disclose their portfolio holdings in the following manner: (i) the funds file complete schedules of portfolio holdings with the Commission for the first and third quarter each year on Form N-Q; (ii) the Funds' form N-Q are available on the Commission website at <http://www.sec.gov> and in annual and semi-annual reports to shareholders; (iii) the Funds' Form N-Q may be reviewed and copied at the Commission Public Reference Room in Washington, DC, and that information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330; (iv) on the Funds' internet site www.ancorafunds.com approximately 10 days after the end of each fiscal quarter, which information is current as of the end of such fiscal quarter; and (v) is available upon request by contacting the Funds in writing or by phone.

PROXY VOTING (UNAUDITED)

A description of the policies and procedures that the Funds use to determine how to vote proxies relating to portfolio securities and information regarding how the Funds voted those proxies during the six month period ended June 30, 2011, is available without charge upon request by (1) calling the Funds at (866) 626-2672; and (2) from Funds' documents filed with the Securities and Exchange Commission ("SEC") on the SEC's website at www.sec.gov.

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FUND EXPENSES

FUND EXPENSES

ABOUT YOUR FUND'S EXPENSES - (UNAUDITED)

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, including sales charges (loads) on purchase payments, reinvested dividends, or other distributions; redemption fees; and exchange fees; and (2) ongoing costs, including management fees; distribution and/or service (12b-1) fees; and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from January 1, 2011 to June 30, 2011.

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, 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 entitled "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 below 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 the 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 the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads), redemption fees, or exchange 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 transactional costs were included, your costs would have been higher.

| Ancora Income Fund | Beginning Account Value 01/01/11 | Ending Account Value 06/30/11 | Expenses Paid During the Period* 01/01/11 to 06/30/11 |
|--|---|--|--|
| Actual | | | |
| Class C | \$ 1,000.00 | \$ 1,051.26 | \$ 10.17 |
| Class D | \$ 1,000.00 | \$ 1,051.74 | \$ 8.90 |
| Hypothetical (5% Annual Return before expenses) | | | |
| Class C | \$ 1,000.00 | \$ 1,014.88 | \$ 9.99 |
| Class D | \$ 1,000.00 | \$ 1,016.12 | \$ 8.75 |
| * Expenses are equal to the Class C and D fund shares' annualized expense ratio of 2.00% and 1.75% respectively, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period). | | | |

FUND EXPENSES

ABOUT YOUR FUND'S EXPENSES - (UNAUDITED) - (continued)

| Ancora Equity Fund | Beginning Account Value 01/01/11 | Ending Account Value 06/30/11 | Expenses Paid During the Period* 01/01/11 to 06/30/11 |
|--|---|--|--|
| Actual | | | |
| Class C | \$ 1,000.00 | \$ 1,045.28 | \$ 12.63 |
| Class D | \$ 1,000.00 | \$ 1,047.98 | \$ 10.10 |
| Hypothetical (5% Annual Return before expenses) | | | |
| Class C | \$ 1,000.00 | \$ 1,012.45 | \$ 12.42 |
| Class D | \$ 1,000.00 | \$ 1,014.93 | \$ 9.94 |
| * Expenses are equal to the Class C and Class D fund shares' annualized expense ratio of 2.49% and 1.99% respectively, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period). | | | |

| Ancora MicroCap Fund | Beginning Account Value 01/01/11 | Ending Account Value 06/30/11 | Expenses Paid During the Period* 01/01/11 to 06/30/11 |
|--|---|--|--|
| Actual | | | |
| Class C | \$ 1,000.00 | \$ 992.90 | \$ 13.39 |
| Class D | \$ 1,000.00 | \$ 995.32 | \$ 10.88 |
| Hypothetical (5% Annual Return before expenses) | | | |
| Class C | \$ 1,000.00 | \$ 1,011.36 | \$ 13.51 |
| Class D | \$ 1,000.00 | \$ 1,013.88 | \$ 10.99 |
| * Expenses are equal to the Class C and Class D fund shares' annualized expense ratio of 2.71% and 2.20% respectively, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period). | | | |

| Ancora Special Opportunity Fund | Beginning Account Value 01/01/11 | Ending Account Value 06/30/11 | Expenses Paid During the Period* 01/01/11 to 06/30/11 |
|--|---|--|--|
| Actual | | | |
| Class C | \$ 1,000.00 | \$ 994.05 | \$ 13.20 |
| Class D | \$ 1,000.00 | \$ 998.08 | \$ 10.80 |
| Hypothetical (5% Annual Return before expenses) | | | |
| Class C | \$ 1,000.00 | \$ 1,011.55 | \$ 13.32 |
| Class D | \$ 1,000.00 | \$ 1,013.98 | \$ 10.89 |
| * Expenses are equal to the Class C and Class D fund shares' annualized expense ratio of 2.67% and 2.18% respectively, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period). | | | |

TRUSTEES, OFFICERS, & SERVICE PROVIDERS

TRUSTEES, OFFICERS, & SERVICE PROVIDERS

The Board of Trustees is responsible for managing the Funds' business affairs and for exercising each Fund's powers except those reserved for the shareholders. The day-to-day operations of the Funds are conducted by its officers. The following table provides biographical information with respect to each current Trustee and officer of the Funds.

| Name, Address and Age | Position(s) Held with the Fund | Term of Office ⁽²⁾ and Length of Time Served | Principal Occupation(s) During the Past 5 Years | Number of Portfolios in Fund Complex Overseen | Other Directorships |
|---|---|---|--|---|---|
| Independent Directors: | | | | | |
| Raj Aggarwal College of Business Administration University of Akron Akron, OH 44325 64 | Trustee | Since November 15, 2003 | Frank C. Sullivan Professor of International Business and Finance at University of Akron from 2006 to present and the former Dean of the College of Business Administration. Firestone Chair and Professor of Finance at Kent State University from 1999 to the 2006; Mellon Chair in and Professor of Finance at John Carroll University from 1987 to 1999. | 4 | None. |
| Donald Lerner 200 North Folk Dr., Bentleyville, OH 44022 76 | Trustee | Since November 15, 2003 | Consultant to the marking device industry and private investor. Owner of Ace Rubber Company (marking devices) until 1999. | 4 | None. |
| Anne Peterson Ogan 115 West Juniper Lane, Moreland Hills, OH 44022, 64 | Trustee | Since November 15, 2003 | President of The Proper Analysis Corp. (investment management firm) from 1993 to the present. | 4 | None. |
| Stephen M Todd 95 Quail Hollow Dr, Moreland Hills, OH 44022 63 | Trustee | Since November 8, 2010 | Retired Global Vice Chairman of Ernst & Young. | 4 | None. |
| Interested Director: | | | | | |
| Richard A. Barone ⁽¹⁾ 2000 Auburn Drive, Cleveland, Ohio 44122 69 | Chairman, Trustee and Portfolio Manager | Since August 2, 2003 | Portfolio Manager of the Ancora Funds since 2004; Chairman, Director and Portfolio Manager of Ancora Advisors LLC since 2003; Chairman and Director of Ancora Capital, Inc. since 2002; Chairman and Director of Ancora Securities, Inc. since 2000; Chairman and Director of the Ancora Group Inc. since 2010; member of the Executive Committee of the Ancora entities since 2006; Portfolio Manager of Fifth Third Investment Advisors from 2001 to 2003; Chief Executive Officer of Maxus Investment Group (financial services) until 2001; Portfolio Manager of Maxus Income Fund, Maxus Equity Fund and Maxus Aggressive Value Fund until 2001 | 4 | The Stephen Company (TSC) Mace Security International (MACE) |
| Officers: | | | | | |
| Joseph M Spidalieri 2000 Auburn Dr. Cleveland, OH 44122 33 | Chief Compliance Officer | Since March 1, 2011 | Chief Compliance Officer of Ancora Advisors LLC; Director of Compliance of Ancora Securities, Inc.; Director of Compliance of Ancora Capital Inc.; Director of Compliance of The Ancora Group Inc. | 4 | None. |
| Bradley A. Zucker 2000 Auburn Dr. Cleveland, OH 44122 38 | Secretary | Since August 2, 2003 | Chief Financial Officer of Ancora Advisors LLC; Chief Financial Officer and Director of Ancora Securities, Inc.; Chief Financial Officer and Director of Ancora Capital Inc.; Chief Financial Officer and Director of The Ancora Group Inc.; member of the Executive Committee for the Ancora entities | 4 | None. |

⁽¹⁾ Richard A. Barone is considered an "interested person" as defined in Section 2(a) (19) of the 1940 Act by virtue of his affiliation with the Advisor.

⁽²⁾ Each trustee holds office for an indefinite term until the earlier of (i) the election of his or her successor or (ii) the date the trustee dies, resigns or is removed.

TRUSTEES, OFFICERS, & SERVICE PROVIDERS

DIRECTORS

Richard A. Barone
Raj Aggarwal
Donald Lerner
Anne Peterson Ogan
Stephen M. Todd

OFFICERS

Richard A. Barone, Chairman and Treasurer
Bradley Zucker, Secretary
Joseph Spidalieri, Chief Compliance Officer

INVESTMENT ADVISOR

Ancora Advisors LLC
2000 Auburn Drive,
Suite 300
Cleveland, OH 44122

DISTRIBUTOR

Ancora Securities, Inc.
2000 Auburn Drive,
Suite 300
Cleveland, OH 44122

INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

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800 Westpoint Parkway, Suite 1100
Westlake, Ohio 44145

LEGAL COUNSEL

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2100 Bank One Center
600 Superior Avenue E.
Cleveland, OH 44114

CUSTODIAN

U.S. Bank N.A.
425 Walnut Street
Cincinnati, OH 45202

TRANSFER AGENT AND FUND ACCOUNTANT

Mutual Shareholder Services, LLC.
8000 Town Centre Drive Suite 400
Broadview Heights, OH 44147

This report is intended only for the information of shareholders or those who have received the Funds' prospectus which contains information about the Funds' management fee and expenses. Please read the prospectus carefully before investing.

The Funds' Statement of Additional Information includes additional information about the Funds and is available upon request at no charge by calling the Fund.

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