



# AVE MARIA FOCUSED FUND

## Q1 2024 COMMENTARY

For the three months ended March 31, 2024, the total return on the Ave Maria Focused Fund (AVEAX) was 1.38%, compared to the S&P MidCap 400<sup>®</sup> Growth Index which returned 15.61%. The returns for the Ave Maria Focused Fund compared to its benchmark as of March 31, 2024 were:

	Year to Date	1 Yr.	3 Yrs.^	Since Inception^*	Prospectus Expense Ratio <sup>1</sup>
Ave Maria Focused Fund	1.38%	24.64%	3.82%	10.14%	1.14%
S&P MidCap 400 <sup>®</sup> Growth Index	15.61%	29.31%	6.43%	18.31%	

^ Annualized \* Since Inception date is 5-1-2020

<sup>1</sup>The adviser has contractually agreed to limit the ordinary operating expenses (excluding Acquired Fund Fees and Expenses, interest, taxes, brokerage costs and extraordinary expenses) of the Ave Maria Focused Fund to an amount not exceeding 1.25% of the Fund's average daily net assets until at least May 1, 2024.

***Performance data quoted represents past performance, which is no guarantee of future results. Investment return and principal value are historical and may fluctuate so that redemption value may be worth more or less than the original cost. Current performance may be lower or higher than what is quoted.*** Performance data reflects certain fee waivers and reimbursements. Without such waivers, performance would have been lower. ***Call 1-866-AVE-MARIA or visit [www.avemariafunds.com](http://www.avemariafunds.com) for the most current month-end performance.***

The Fund was up only a modest amount in the first quarter after a strong 2023. There are near-term catalysts in several of the Fund's holdings which could drive strong performance in the balance of the year. eDreams ODIGEO SA recently announced a share repurchase program allowing it to purchase up to a quarter of the daily trading volume. This program, combined with fourth quarter earnings results to be released in May, could propel its share price higher. DigitalBridge Group, Inc. sold some of its datacenter businesses, which will allow the company to simplify its reported financials. Management will re-introduce the company to investors using the simplified reporting structure at an analyst day in May. In the coming three months, both Ferroglobe PLC and Secure Energy Services, Inc. (see below) could implement sizable share repurchase programs. Finally, Green Plains, Inc. announced that it is undertaking a strategic review of the business. The US government is in the process of determining if ethanol is eligible for tax credits and use as a sustainable aviation fuel (SAF). Should ethanol be eligible for SAF tax credits, then Green Plains will be an attractive target for a large oil company. If the SAF tax credit ruling goes against Green Plains, the company will be an attractive target for a large agribusiness.

The Fund established positions in two new companies in the quarter:

### Secure Energy Services, Inc.

Secure Energy Services (SES) processes wastewater that is generated from the production of oil and gas. Until recently, it controlled 90% of the wastewater processing capacity in western Canada. In 2023, the Canadian government forced SES to divest 20% of that capacity, leaving it in an oligopoly position with the purchaser and former holding of the Fund, Waste Connections. The asset sale to Waste Connections is positive for SES for the following reasons: Waste Connections is a rational competitor and will likely look to



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take landfill fees higher. Given SES's exposure to the energy sector, it was viewed by investors as a cyclical energy services firm. While it serves the energy sector, most of the wastewater it processes comes from ongoing production, which is quite stable, rather than from new drilling, which is volatile. The purchase by Waste Connections both validates the durable revenue stream of this business and introduces the company to waste industry investors. Finally, the cash from the sale will likely be used to repurchase a material amount of the company's stock.

### SigmaRoc PLC

Based in the United Kingdom, SigmaRoc is the leading lime and limestone business in northern Europe. It has the number one position in most of its markets and the number two position in the balance of them. Lime is an essential input to the construction, agriculture, food, chemicals, paper and pulp, and steel industries. It is expensive to transport, so each lime quarry is in a monopolistic or oligopolistic position in the area in which it operates. SigmaRoc's management team has built the business through a series of acquisitions and has a long history of materially increasing the earnings of acquired operations. Its last and biggest acquisition was CRH's European lime business, which was announced at the end of 2023. SigmaRoc should quickly integrate CRH's assets, increase the earnings of these assets, and de-leverage the business. The company should be a large repurchaser of its own shares by 2025 or 2026.

### Positions Exited:

The Fund exited Chemed and Orion Engineered Carbons to fund more attractive opportunities. Both companies were successful investments for the Fund.

Thank you for partnering with us. Your investment in the Ave Maria Focused Fund is appreciated.



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## IMPORTANT INFORMATION FOR INVESTORS

As of 3-31-24, the holding percentages of the stocks mentioned in this commentary are as follows: eDreams ODIGEO SA (16.1%), DigitalBridge Group, Inc. (14.3%), Ferroglobe PLC (3.7%), Secure Energy Services, Inc. (3.0%), Green Plains, Inc. (3.3%) and SigmaRoc PLC (4.7%). Fund holdings are subject to change and should not be considered purchase recommendations. There is no assurance that the securities mentioned remain in the Fund's portfolio or that securities sold have not been repurchased. The Fund's top ten holdings as of 3-31-24: APi Group Corporation (19.0%), eDreams ODIGEO SA (16.1%), DigitalBridge Group, Inc. (14.3%), Brookfield Corporation\* (12.2%), Apollo Global Management (6.2%), GFL Environmental, Inc. (6.0%), SigmaRoc PLC (4.7%), Ferroglobe PLC (3.7%), First Watch Restaurant Group (3.3%) and Green Plains, Inc. (3.3%). The most current available data regarding portfolio holdings can be found on our website, [www.avemariafunds.com](http://www.avemariafunds.com). Current and future portfolio holdings are subject to risk. \*Combination of Brookfield Corporation and Brookfield Reinsurance, Ltd.

**The Adviser invests only in securities that meet the Fund's investment and religious requirements. The returns may be lower or higher than if decisions were based solely on investment considerations.** The method of security selection may or may not be successful and the Fund may underperform or outperform the stock market as a whole. All mutual funds are subject to market risk, including possible loss of principal. The Fund's investments in small- and mid-capitalization companies could experience greater volatility than investments in large-capitalization companies. AVEAX is classified as non-diversified and may therefore invest a greater percentage of its assets in the securities of a limited number of issuers than a fund that is diversified. At times, the Fund may overweight a position in a particular issuer or emphasize investment in a limited number of issuers, industries or sectors, which may cause its share price to be more susceptible to any economic, business, political or regulatory occurrence affecting an issuer than a fund that is more widely diversified. The issuers that the Fund may emphasize will vary from time to time.

The investment performance assumes reinvestment of dividends and capital gains distributions. Performance data reflects certain fee waivers and reimbursements. Without such waivers, performance would have been lower. The S&P 500<sup>®</sup> Index is a capitalization weighted unmanaged index of 500 widely traded stocks, created by Standard & Poor's. The index is considered to represent the performance of the stock market in general. The S&P MidCap 400<sup>®</sup> Growth Index is an unmanaged benchmark representing medium-size U.S. growth companies. Indexes do not incur fees and it is not possible to invest directly in an index.

***Request a prospectus, which includes investment objectives, risks, fees, charges and expenses and other information that you should read and consider carefully before investing. The prospectus can be obtained by calling 1-866-283-6274 or online at [www.avemariafunds.com](http://www.avemariafunds.com). Distributed by Ultimus Fund Distributors, LLC.***



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