



AVE MARIA VALUE FUND

Q4 2023 COMMENTARY

The Ave Maria Value Fund (AVEMX) had a total return of 2.46% for the three months ended December 31, 2023, compared to 11.67% for the S&P MidCap 400[®] Index. The returns for the Fund compared to its benchmark as of December 31, 2023:

	1 Yr.	3 Yrs.^	5 Yrs.^	10 Yrs.^	Since Inception^*	Prospectus Expense Ratio
Ave Maria Value Fund	3.52%	10.52%	11.55%	6.23%	7.21%	0.94%
S&P MidCap 400 [®] Index	16.44%	8.09%	12.62%	9.27%	9.30%	

^ Annualized * Since Inception date is 5-1-2001

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. Call 1-866-AVE-MARIA or visit www.avemariafunds.com for the most current month-end performance.

After two strong years of outperformance in 2021 and 2022, why did the Fund perform so poorly in 2023? The simple answer is that our contrarian, value investment style was out-of-favor. Large-caps and growth stocks vastly outperformed small-caps and value stocks last year. Reminiscent of the early 1970s “Nifty Fifty” period and the late 1990s “Internet Bubble”, the major stock market indices were driven by a narrow group of large-cap, growth oriented, technology stocks – this time it’s the “Magnificent 7” or “MAG7” (Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia, and Tesla). These well-known and highly publicized companies all had soaring stock prices in 2023. Institutional investors that did not have a significant weighting in the “MAG7” most likely underperformed their benchmarks in 2023. The Fund was no exception, as it does not own any of the “MAG7” stocks. Further hampering the Fund’s 2023 performance was weakness in our oversized, energy-related holdings.

While not satisfied with the Fund’s underperformance last year, it was not completely unexpected, given the Fund’s value-focused approach. It is a feature of value investing that it results in short-term periods of underperformance. But history has shown that value investing can produce superior long term investment results. Likewise, despite the underperformance last year, the Fund’s longer term performance comparisons remain favorable. For the 3-year period ending December 31, 2023, the Fund placed in the 8th percentile for total return among 381 funds in Morningstar’s Mid-Cap Blend category.

The Fund’s five best performing stocks in 2023 were:

<u>Company</u>	<u>Industry</u>	<u>2023 Performance</u>
Winmark Corporation	Specialty Retail	81.60%
Mirion Technologies, Inc.	Radiation Detection/Measurement	55.07%
A.O. Smith Corporation	Industrial Machinery	46.62%
The St. Joe Company	Real Estate	46.52%
Allegion PLC	Security & Protection Services	43.18%



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The Fund's five worst performing stocks in 2023 were:

<u>Company</u>	<u>Industry</u>	<u>2023 Performance</u>
Permian Basin Royalty Trust	Oil and Natural Gas Royalties	-53.53%
Texas Pacific Land Corporation	Real Estate/Royalties	-32.45%
Hingham Institution for Savings	Regional Bank	-18.48%
Franco-Nevada Corporation	Commodity Royalties	-16.86%
Chesapeake Energy Corporation	Oil/gas Exploration & Production	-13.77%

In managing the Fund, we strive to be contrarian investors, because one cannot buy stocks of popular companies at bargain prices. You can have one or the other, but not both. As a result, we're constantly on the lookout for great companies where the consensus outlook is cloudy or uncertain (due to temporary factors) and thus results in the stock price being unduly depressed. Investors' single-minded infatuation with "MAG7" has produced more opportunities to purchase shares of excellent companies (industry leaders, good growth prospects, strong balance sheets) at a discount to intrinsic value. Many current Fund holdings fit this description, so we've increased our exposure to these names. That's the essence of contrarian, value investing, and we remain committed to it, with the steadfast belief that it provides the best opportunity for superior, long-term investment results.

Thank you for being a shareholder in the Ave Maria Value Fund.



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IMPORTANT INFORMATION FOR INVESTORS

As of 12-31-23, the holding percentages of the stocks mentioned in this commentary are as follows; Winmark Corporation (3.0%), Mirion Technologies, Inc. (3.8%), A.O. Smith Corporation (2.5%), The St. Joe Company (3.5%), Allegion PLC (2.6%), Permian Basin Royalty Trust (2.7%), Texas Pacific Land Corporation (10.8%), Hingham Institution for Savings (4.2%), Franco-Nevada Corporation (2.5%) and Chesapeake Energy Corporation (3.1%). 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 12-31-23: Texas Pacific Land Corporation (10.8%), Pioneer Natural Resources Co. (4.6%), Hingham Institution for Savings (4.2%), Schlumberger Limited (4.1%), CDW Corp. (4.0%), Mirion Technologies, Inc. (3.8%), The St. Joe Company (3.5%), Intercontinental Exchange, Inc. (3.4%), ConocoPhillips (3.4%) and Brown & Brown, Inc. (3.2%). The most current available data regarding portfolio holdings can be found on our website, www.avemariafunds.com. Current and future portfolio holdings are subject to risk.

Morningstar Percentile Rankings is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. In the Morningstar Mid-Cap Blend Fund Category, the Fund had the following percentile rankings: 1 year (97th out of 407 funds), 3 years (8th out of 381 funds), 5 years (69th out of 361 funds) and 10 years (92nd out of 240 funds). The Morningstar information contained herein: (1) is proprietary to Morningstar; (2) may not be copied; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. ©2024 Morningstar, Inc. All Rights Reserved.

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. 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 400® Midcap Index is an unmanaged index created by Standard & Poor's made up of 400 midcap companies. The index is the most widely used index for mid-sized 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. Distributed by Ultimus Fund Distributors, LLC.

