Ave Maria Bond Fund

For the three months ended June 30, 2018, the total return on the Ave Maria Bond Fund (AVEFX) was -0.66%, compared to the Bloomberg Barclays Intermediate U.S. Government/Credit Index at 0.01%. The returns for the Fund compared to its benchmark as of June 30, 2018 were:

	Year to Date	1 Yr.	3 Yrs.^	5 Yrs.^	10 Yrs.^	Since Inception^*	Prospectus Expense Ratio
Ave Maria Bond Fund	-0.13%	2.19%	2.90%	3.03%	4.20%	4.07%	0.50%
Bloomberg Barclays Intermediate U.S. Govt./Credit Index	-0.97%	-0.58%	1.16%	1.60%	3.08%	3.31%	

^ Annualized * Since Inception date is 5-1-2003

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 for the most current month-end performance.

A mix of economic strength and geopolitical fears sent interest rates and stocks on a volatile course during the first half of 2018. Interest rates moved upward, with the 10-year U.S. Treasury Note starting the year yielding 2.41% and finishing the second quarter at 2.85%. The 10-year Treasury spent some time above the psychological threshold of 3%, then quickly receded when talks of tariffs and trade wars entered the picture. Additionally, the flattening of the yield curve has continued to grab the attention of the press and market participants. While the short-end of the curve is controlled by the action of the Federal Reserve ("the Fed"), longer-dated rates fluctuate due to market expectations about future growth and inflation. This is noteworthy because the spread between short and longer-dated issues has become tighter, and most, (but not all) recessions are preceded by an inversion of the yield-curve (when short-term rates are higher than longer rates).

The Fed has now increased the Fed Funds rate twice since the beginning of the year, bringing the rate to the 1.75%-2.00% range. Two additional hikes are expected this year, taking the rate up to 2.25%-2.50%. The overall economy looks strong as the labor market is tightening, and the unemployment rate has fallen to 3.9%. However, inflation, less food and energy, has been over the 2% Fed target for more than a quarter and has the potential to become problematic should the economy continue to expand.

Corporate credit spreads widened during the first half of the year as volatility picked up, and the potential of increased debt financed mergers and acquisitions has caused investors to reassess the effect of weaker corporate balance sheets. Also, the Trump tax-cuts have enabled companies to repatriate money at a lower tax rate, and the use of these monies has been a focus for investors. So far, the common use is for share buybacks, dividends, capital investment, increasing wages or paying one-time employee bonuses.

In reviewing the performance of the Fund, the three top-performing assets were the common stocks of RPM International, Inc. (specialty chemicals), Cisco Systems, Inc. (communications equipment), and VF Corporation (apparel). The Fund's weakest-performing assets were the common stocks of 3M Company (specialty chemicals), Chubb Limited (property and casualty insurance), and Fastenal Company (industrial supplier).

The Fund continues to be managed in a conservative manner with respect to interest rate risk and credit risk, having a short duration and high credit quality. Dividend-paying common stocks continue to play an important role in the Fund, offering an attractive combination of income and potential capital appreciation.

We appreciate your investment in the Ave Maria Bond Fund.

IMPORTANT INFORMATION FOR INVESTORS

As of 6-30-18, the holding percentages of the stocks mentioned in this commentary are as follows; RPM International, Inc. (1.1%), Cisco Systems, Inc. (0.8%), VF Corporation (1.2%), 3M Company (0.7%), Chubb Corporation (0.6%) and Fastenal Company (1.1%). 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 6-30-18: U.S. Treasury Note 1.375% due 12/31/18 (3.1%), U.S. Treasury Note 1.50% due 10/31/19 (3.1%), U.S. Treasury Note 2.00% due 07/31/20 (1.6%), Texas Instruments, Inc. (1.6%), U.S. Treasury Note 1.875% due 02/28/22 (1.5%), U.S. Treasury Note 1.75% due 04/30/22 (1.5%), U.S Treasury Note 1.75% due 05/31/22 (1.5%), Royal Dutch Shell Spon ADR – B (1.4%), United Parcel Service, Inc. (1.3%) and Genuine Parts Company (1.3%). The most current available data regarding portfolio holdings can be found on our website, www.avemariafunds.com.

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 Fund invests primarily in fixed income securities and as a result the Fund is also subject to the following risks: interest rate risk, credit risk, credit rating risk and liquidity risk. 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 Bloomberg Barclays Intermediate U.S. Govt./Credit Index is the benchmark index used for comparative purposes for this fund. The S&P 500® 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. Indexes do not incur fees and it is not possible to invest directly in an index. The 10-Year U.S. Treasury note is a debt obligation issued by the United States government that matures in 10 years. A 10-year Treasury note pays interest at a fixed rate once every six months and pays the face value to the holder at maturity.

Request a prospectus, which includes investment objectives, risks, fees, 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.*

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