



Ave Maria Rising Dividend Fund

Q2 2018
Investment
Commentary

For the three months ended June 30, 2018, the total return on the Ave Maria Rising Dividend Fund (AVEDX) was 2.94%, compared to 3.43% for the S&P 500® Index. The returns for the Ave Maria Rising Dividend Fund compared to its benchmark as of June 30, 2018 were:

	Year to					Since	Prospectus
	Date	1 Yr.	3 Yrs.^	5 Yrs.^	10 Yrs.^	Inception^*	Expense Ratio
Ave Maria Rising Dividend Fund	1.69%	12.70%	9.20%	10.55%	10.56%	9.25%	0.93%
S&P 500® Index	2.65%	14.37%	11.93%	13.42%	10.17%	8.93%	

^ Annualized * Since Inception date is 5-2-2005

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.

Year to date, strong contributions to the Ave Maria Rising Dividend Fund returns came from TJX Companies, Inc. (retail), Moody’s Corporation (credit rating and other investment services), RPM International, Inc. (building products), and Cisco Systems, Inc. (technology). Industrial stocks contributed disproportionately to the weakest performers in the portfolio. Specifically, 3M Company (diversified manufacturer), Illinois Tool Works, Inc. (diversified manufacturer), MSC Industrial Direct Co., Inc. (distributor of industrial products) and United Parcel Service, Inc. (package delivery). How any stock behaves in a six-month period is more the product of changing investor preferences and headline news, than it is any reflection of the underlying fundamentals of the companies represented by those stocks. As long-term investors, we remain focused on the underlying realities of the companies held in the portfolio.

Of significance during the first six months of the year, was the reporting of individual companies on the impact the Tax Cuts and Jobs Act of 2017 had on their year-end 2017 reported earnings and their probable new tax rate on a go forward basis. Because intelligent allocation of capital is one of the criterion that we use in evaluating managements, this major change in tax law offered a useful insight into how individual managements prioritize their use of capital. A number of our companies used the windfall to increase dividends, some to increase share repurchases, while others “invested” in their employees. Others announced accelerated capital expenditures, and a few contributed cash to community foundations.

As our goal is capital appreciation from companies generating a rising stream of dividends, we are particularly interested in those companies that are using lower tax rates to meaningfully increase their dividends. Of the 39 companies held in the Rising Dividend Fund as of June 30th, 20 raised their dividend during the first six months of the year, 13 by 10 percent or more and 7 by 15 percent or more. Many of those same companies are also stepping up their share repurchases, which can also have positive implications for shareholder returns.



While there are always reasons for concern (today's seem focused primarily upon rising prices and fears of trade wars), most consumers and corporate managers remain optimistic in their outlooks and that bodes well for sustained economic growth. In that environment, we expect the companies in the Ave Maria Rising Dividend Fund to continue generating increased earnings and dividends.

We appreciate your interest and investment in the Ave Maria Rising Dividend Fund.

IMPORTANT INFORMATION FOR INVESTORS

As of 6-30-18, the holding percentages of the stocks mentioned in this commentary are as follows; TJX Companies, Inc. (3.5%), Moody's Corporation (3.0%), RPM International, Inc. (3.5%), Cisco Systems, Inc. (3.2%), 3M Company (2.4%), Illinois Tool Works, Inc. (2.0%), MSC Industrial Direct Co., Inc. (2.7%) and United Parcel Service, Inc. (3.4%). 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: Medtronic PLC (3.8%), Cognizant Tech. Solutions Corp. (3.7%), Lowe's Companies, Inc. (3.6%), RPM International, Inc. (3.5%), Tractor Supply Company (3.5%), TJX Companies, Inc. (3.5%), Diageo PLC ADR (3.4%), United Parcel Service, Inc. (3.4%), Zimmer Biomet Holdings, Inc. (3.3%) and Hexcel Corporation (3.2%). 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. AVEDX invests primarily in dividend paying companies and it is possible these companies may eliminate or reduce their dividend payments.

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® 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.

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.