



Ave Maria Rising Dividend Fund

Q2 2017
Investment
Commentary

For the three months ended June 30, 2017, the total return on the Ave Maria Rising Dividend Fund (AVEDX) was 0.73%, compared to 3.09% for the S&P 500® Index. The returns for the Ave Maria Rising Dividend Fund compared to its benchmark as of June 30, 2017 were:

	Year to					Since	Prospectus
	Date	1 Yr.	3 Yrs.^	5 Yrs.^	10 Yrs.^	Inception^*	Expense Ratio
Ave Maria Rising Dividend Fund	5.41%	12.10%	5.41%	12.48%	7.64%	8.98%	0.93%
S&P 500® Index	9.34%	17.90%	9.61%	14.63%	7.18%	8.50%	

^ 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.

For the six-month period, performance was hampered by holdings of Tractor Supply Company (rural lifestyle retailer), W.W. Grainger, Inc. (distributor), as well as Schlumberger Ltd. and Halliburton Co. (both energy service). Contributing most positively to performance were Moody's Corporation (credit ratings, analytical services), Zimmer Biomet Holdings, Inc. (orthopedic products), Medtronic PLC (medical devices) and Graco, Inc. (industrial pumps and sprayers).

For much of this period, the broad stock market seemed fascinated with non-dividend-paying stock and high-flying tech shares — not exactly our cup of tea. Those issues were pushed higher by the manic buying of the index funds, which of course, ignore fundamentals and simply buy the biggest and hottest stocks (some would say mindlessly). The Fund's emphasis on companies with the demonstrated ability to grow their profits and raise their dividends should continue to serve shareholders well over the long term.

A sector of the market we have studied carefully and are drawn to is retail — specifically specialty retailers that are really out of favor, thanks to the Amazon effect. This makes contrarians like us sit up and take notice of a few well-run retail companies whose stocks have been beaten up. Amazon certainly represents a threat to many brick and mortar retailers, but not all. Retailers represented in the Ave Maria Rising Dividend Fund portfolio include Lowe's Companies, Inc., TJX Companies, Inc., and Tractor Supply, which we feel are each very successful and are likely to remain so. Lowe's and Tractor Supply sell goods that don't lend themselves easily to shipping. TJX, which owns Marshalls and T.J. Maxx, relies on the "treasure hunt" experience. Shoppers go looking for the unexpected bargain, difficult to deliver with an online approach. These companies seem well-positioned and relatively immune to the Amazon threat affecting many retailers. At their depressed share prices, we like them.

In our opinion, the Fund's portfolio of financially powerful companies are likely to continue compounding their intrinsic value and produce higher share prices over the long term. Importantly, none of the portfolio



companies violate the moral screens established by our Catholic Advisory Board. We are optimistic about growth prospects for the Ave Maria Rising Dividend Fund. Accordingly, the portfolio managers have both recently purchased additional shares of the Fund.

Thank you for your participation in the Ave Maria Rising Dividend Fund.

IMPORTANT INFORMATION FOR INVESTORS

As of 6-30-17, the holding percentages of the stocks mentioned in this commentary are as follows; Tractor Supply Company (2.5%), W.W. Grainger, Inc. (no longer held), Schlumberger Ltd. (2.7%), Halliburton Co. (no longer held), Moody's Corporation (3.4%), Zimmer Biomet Holdings, Inc. (3.5%); Medtronic PLC (3.4%), Graco, Inc. (1.9%), Lowe's Companies, Inc. (3.0%) and TJX Companies, Inc. (2.2%). 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 6-30-17: Zimmer Biomet Holdings, Inc. (3.5%), Medtronic PLC (3.4%), Moody's Corporation (3.4%), United Parcel Service, Inc. (3.4%), VF Corporation (3.3%), Amgen, Inc. (3.2%), 3M Company (3.2%), Johnson Controls Intl. PLC (3.1%), Diageo PLC ADR (3.0%) and Lowe's Companies, Inc. (3.0%). 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.