# Ave Maria Rising Dividend Fund



For the three months ended March 31, 2018, the total return on the Ave Maria Rising Dividend Fund (AVEDX) was -1.21%, compared to -0.76% for the S&P 500® Index. The returns for the Ave Maria Rising Dividend Fund compared to its benchmark as of March 31, 2018 were:

| | Year to Date | 1 Yr. | 3 Yrs.^ | 5 Yrs.^ | 10 Yrs.^ | Since Inception^* | Prospectus Expense Ratio |
|---|---|---|---|---|---|---|---|
| Ave Maria Rising Dividend Fund | -1.21% | 10.28% | 7.68% | 10.43% | 9.95% | 9.20% | 0.93% |
| S&P 500® Index | -0.76% | 13.99% | 10.78% | 13.31% | 9.49% | 8.83% | |

^ 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.

During the first quarter, strong contributions to Ave Maria Rising Dividend's total return came from a couple of our technology stocks, Cisco Systems, Inc. and Cognizant Technology Solutions Corp. Other strong contributions came from Broadridge Financial Solutions, Inc. (business services) and Moody's Corporation (credit ratings and other investment services). The greatest drags on performance came from Tractor Supply Co. (specialty retailer), United Parcel Service, Inc. (package delivery), Zimmer Biomet Holdings, Inc. (orthopedic products) and RPM International, Inc. (building products).

Of significance during the quarter 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 managements prioritized their use of capital. A number used the windfall to increase dividends (generally good), some to increase share repurchases, (sometimes good) while others "invested" in their employees (probably not entirely voluntary given the current tight labor markets). Others announced accelerated capital expenditures, and a few contributed to community foundations. Most did some combination of all the above.

As you know, our goal is capital appreciation from companies with a rising stream of dividends. We were particularly interested in those companies that used lower tax rates to meaningfully increase their dividends. Seven of our companies raised their dividends by more than 15% during the quarter. Many of those same companies were also stepping up their share repurchase authorizations.

The economy continues to show remarkable signs of resilience and both consumers and corporate managers seem optimistic in their outlooks. We fully expect the companies in the Ave Maria Rising Dividend Fund to continue to generate increased earnings and dividends in this environment.

**IMPORTANT INFORMATION FOR INVESTORS**

As of 3-31-18, the holding percentages of the stocks mentioned in this commentary are as follows; Cisco Systems, Inc. (3.3%), Cognizant Technology Solutions Corp. (3.3%), Broadridge Financial Solutions, Inc. (2.0%), Moody's Corporation (3.7%), Tractor Supply Co. (2.9%), United Parcel Service, Inc. (3.1%), Zimmer Biomet Holdings, Inc. (3.0%) and RPM International, Inc. (2.9%). 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 3-31-18: Moody's Corporation (3.7%), Lowe's Companies, Inc. (3.4%), TJX Companies, Inc. (3.4%), Cognizant Tech. Solutions Corp. (3.3%), Cisco Systems, Inc. (3.3%), Diageo PLC ADR (3.3%), VF Corporation (3.2%), Medtronic PLC (3.2%), United Parcel Service, Inc. (3.1%) and Mondelez International, 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.

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