



AVE MARIA RISING DIVIDEND FUND

Q4 2018 COMMENTARY

For the three months ended December 31, 2018, the total return on the Ave Maria Rising Dividend Fund (AVEDX) was -12.19%, compared to -13.52% for the S&P 500[®] Index. The returns for the Ave Maria Rising Dividend Fund compared to its benchmark as of December 31, 2018 were:

	1 Yr.	3 Yrs.^	5 Yrs.^	10 Yrs.^	Since Inception^*	Prospectus Expense Ratio
Ave Maria Rising Dividend Fund	-4.80%	8.65%	5.70%	12.01%	8.37%	0.93%
S&P 500 [®] Index	-4.38%	9.26%	8.49%	13.12%	8.03%	

^ 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 much of the year, growth stocks dramatically outperformed value stocks, but in the fourth quarter, value stocks closed the gap considerably. Given the Rising Dividend Fund's attention to value, this was alternately a headwind, and during the fourth quarter, a tailwind.

Relative investment performance for the year was boosted by our consumer discretionary, materials, and energy stocks, but was hurt principally by our industrials, healthcare, and information technology companies. Positive contributors to overall return included TJX Companies, Inc. (discount retailer), RPM International, Inc. (specialty chemicals) and Tractor Supply Company (specialty retailer). Negative impact on performance came from FedEx Corporation (delivery services), MSC Industrial Direct Co., Inc. (industrial products distributor) and Illinois Tool Works, Inc. (diversified manufacturer).

As you know, stock prices often move up and down more rapidly than the underlying company fundamentals. Individual issues can be in or out of fashion at any point in time. In some instances, that creates an opportunity to buy the stock of a company that we like which is fundamentally attractive on a long-term basis, but temporarily out of fashion.

In terms of operations, 2018 was a great year for the companies in our portfolio, with most of them reporting significantly higher sales and earnings during the year. This was, of course, enhanced by the Tax Cuts and Jobs act of 2017, which dramatically reduced the federal tax rate for most companies. As expected, this resulted in significantly higher dividend payments for practically all our companies.

It's no secret that technology is having a profound effect on the world, and businesses must adapt to a rapidly changing environment. For example, Cognizant Technology Solutions Corp., one of our portfolio investments, is successfully transitioning its business from traditional IT outsourcing toward opportunities in data analytics, smart products and digital engineering. FedEx Corporation, another of our companies, has invested substantially in automated robotics for package sorting. This technology allows the company to ship over nine million packages per day, with 96% of them traveling through an automated



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facility. The banking industry has also adapted. After extensive investment in its digital capabilities, PNC Financial Services now reports that over 60% of its customers are primarily digital and do their banking online more often than at a branch. A strong competitive advantage can give a company the room it needs to maneuver, make new investments, and improve its processes. In our opinion, the Fund's portfolio of high-quality and competitively advantaged companies is well-positioned for the future.

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

IMPORTANT INFORMATION FOR INVESTORS

As of 12-31-18, the holding percentages of the stocks mentioned in this commentary are as follows; TJX Companies, Inc. (1.8%), RPM International, Inc. (3.0%), Tractor Supply Company (2.1%), FedEx Corporation (2.7%), MSC Industrial Direct Co., Inc. (2.8%), Illinois Tool Works, Inc. (2.7%), Cognizant Technology Solutions Corp. (3.2%) and PNC Financial Services (2.5%). 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 12-31-18: Medtronic PLC (4.5%), Lowe's Companies, Inc. (3.5%), The Chubb Corporation (3.5%), Royal Dutch Shell PLC ADR-B (3.4%), Diageo PLC (3.4%), Zimmer Biomet Holdings, Inc. (3.4%), Mondelez International, Inc. (3.3%), Texas Instruments, Inc. (3.3%), Cognizant Tech. Solutions Corp. (3.2%) 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.



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MUTUAL FUNDS

1-866-AVE-MARIA (1-866-283-6274)

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