



AVE MARIA WORLD EQUITY FUND

Q2 2020 COMMENTARY

For the three months ended June 30, 2020, the total return on the Ave Maria World Equity Fund (AVEWX) was 17.06%, compared to the S&P Global 1200[®] index at 18.62% and the MSCI World Index at 19.36%. The returns for the Ave Maria World Equity Fund compared to its benchmarks as of June 30, 2020 were:

	Year to Date	1 Yr.	3 Yrs. [^]	5 Yrs. [^]	10 Yrs. [^]	Since Inception ^{^*}	Gross/Net Prospectus Expense Ratio
Ave Maria World Equity Fund	-15.88%	-10.63%	1.55%	3.35%	6.16%	5.44%	1.30%/1.26%
S&P Global 1200 [®] Index	-5.95%	3.17%	7.18%	7.57%	10.45%	8.83%	
MSCI World Index	-5.77%	2.84%	6.70%	6.90%	9.95%	8.24%	

[^] Annualized * Since Inception date is 4-30-2010

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.

The adviser has contractually agreed to limit the Fund's ordinary operating expenses to an amount not exceeding 1.25% of the Fund's average daily net assets until at least May 1, 2021.

The Fund was down significantly during Q1, in what was the worst equity market environment since the 2008-2009 financial crisis. The Fund then rallied significantly in Q2, after strong monetary and fiscal policy responses were launched, subsequent signs of coronavirus fears abated and economic recovery appeared.

By region, the U.S. provided the best returns among the large global equity markets, with the S&P 500[®] Index -3.1% for the period. This was decidedly driven by large-cap growth stocks, at the expense of value stocks. The S&P 500[®] Growth index was up 8.0% while the S&P 500[®] Value index was down 15.5%. The Japanese market was next in terms of global return levels, with the Topix 150[®] Index down 7.3%. Europe was a laggard, with that market down 12.7% (as measured by the S&P Europe 350[®] Index, all returns in USD). These three markets (U.S., Europe & Japan) comprise around 90% of the weights of the developed global market indices. Additionally, emerging markets were also down 6.9% (as represented by the Emerging Markets Global BMI), as there was nowhere to hide from the ravages of the virus globally.

The primary reason for the Fund's underperformance vs the global market indices was stock performance in the financials, industrials, technology, health care and consumer staples sectors. In the industrials sector, the Fund's position in aerospace and airlines was the primary negative contributor, as airlines witnessed a decline in travel of over 90% during portions of the year's first half, due to the virus. The stocks of Airbus SE, Hexcel Corp, Delta Air Lines, Inc., and CAE, Inc. were all significantly impacted. We reduced our exposure to this area as we believe airline profitability will be impacted for years and we felt there were better opportunities elsewhere. In technology, the Fund's holdings trailed the return of the global indices' technology holdings, which are dominated by higher-growth, higher-valuation companies. In health care, Zimmer Biomet Holdings, Inc. and Medtronic PLC were the primary detractors, as both companies suffered from elective surgeries being curtailed by hospitals due to the virus. We believe these market share leaders



AVE MARIA WORLD EQUITY FUND

Q2 2020 COMMENTARY

will largely recapture much of the deferred business in the future and continue to grow. In consumer staples, the stock of Coca-Cola European Partners was a drag on performance, as on-premise shutdowns (hotels, restaurants and cafes) significantly impacted its “away-from-home” channel, which represent just over 40% of revenues for the company. We added to shares during the period, as we believe in the company’s long-term prospects due to its scale and market-leading positions across its markets.

On the positive side, the Fund benefited from stock performance in the communication services and real estate areas. In communication services, Electronic Arts, Inc. (EA) was up 23%, as it benefitted from the virus-related lockdown orders with more people at home playing video games. EA has video game franchises like FIFA, Madden and Battlefield. In real estate, Equinix, Inc. was up 21% as the market valued its defensive profile in that over 90% of its sales are recurring in nature. We like Equinix’s favorable offensive characteristics as well, as demand for data centric network infrastructure continues to grow.

Seven new positions were added to the portfolio during the period: Alcon, Inc. (health care supplies), Chevron Corporation (integrated oil & gas), FirstService Corporation (real estate services), Microsoft Corporation (systems software), Otis Worldwide Corporation (industrial machinery), SAP SE (application software) and Truist Financial Corporation (regional banks). Nine positions were eliminated in the Fund during the period, in favor of what we believe to be more attractive investment opportunities: CAE, Inc., Corteva Agriscience, Delta Air Lines, Inc., Discover Financial Services, Exxon Mobil Corporation, First Horizon National Corporation, Heineken NV, InterXion Holding NV and Royal Dutch Shell.

As of June 30, 2020, geographic weights in the Fund compared to the S&P Global 1200[®] Index, were approximately:

	<u>Ave Maria World Equity Fund</u>	<u>S&P Global 1200[®] Index</u>
Americas	59.2%	66.0%
Europe Developed	26.5%	14.7%
United Kingdom	8.0%	5.0%
Japan	0.9%	7.3%
Asia /Australia	2.0%	7.0%
Cash Equivalents	3.4%	—

We are optimistic about the long-term recovery potential of our holdings and remain confident in the Fund’s strategy. Our pursuit of larger capitalization, attractively priced stocks of high quality, global companies is undiminished.

Thank you for your continued interest in the Ave Maria World Equity Fund.



AVE MARIA WORLD EQUITY FUND

Q2 2020 COMMENTARY

IMPORTANT INFORMATION FOR INVESTORS

As of 6-30-20, the holding percentages of the stocks mentioned in this commentary are as follows; Airbus SE (1.8%), Hexcel Corporation (0.6%), Delta Air Lines, Inc. (no longer held), CAE, Inc. (no longer held), Zimmer Biomet Holdings, Inc. (3.5%), Medtronic PLC (4.2%), Coca-Cola European Partners (3.6%), Electronic Arts, Inc. (2.2%), Equinix, Inc. (1.5%), Alcon, Inc. (2.4%), Chevron Corporation (3.3%), FirstService Corporation (0.8%), Microsoft Corporation (3.1%), Otis Worldwide Corporation (1.1%), SAP SE (3.5%) and Truist Financial Corporation (1.5%). 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 6-30-20: Mastercard Incorporated (4.8%), Iqvia Holdings, Inc. (4.7%), Willis Towers Watson (4.3%), Medtronic PLC (4.2%), Chubb Corporation (4.2%), Koninklijke Philips N.V. (3.9%), Mondelez International, Inc. (3.9%), Danone SA (3.8%), AXA SA (3.7%) and Accenture PLC (3.7%). The most current available data regarding portfolio holdings can be found on our website, www.avemariafunds.com. Current and future portfolio holdings are subject to risk.

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. AVEWX invests in foreign securities and securities issued by U.S. entities with substantial foreign operations. Investments in these securities can involve additional risks relating to political, economic or regulatory conditions in foreign countries. These risks include less stringent investor protection and disclosure standards of some foreign markets, fluctuations in foreign currencies, and withholding or other taxes.

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 Global 1200[®] is a global index, capturing approximately 70% of the world's capital markets. It is a composite of 31 local markets from seven headline indices, many of which are accepted leaders in their regions. The MSCI World Index is a broad global equity index that represents large and mid-cap equity performance across 23 developed markets countries. It covers approximately 85% of the free float-adjusted market capitalization in each country and the MSCI World Index does not offer exposure to emerging markets. S&P 500[®] Index is a commonly recognized, market capitalization weighted index of 500 widely held equity securities, designed to measure broad U.S. equity performance. The S&P Europe 350[®] consists of 350 leading blue-chip companies drawn from 16 developed European markets. S&P/TOPIX 150[®] represents the large cap universe for Japan. It includes 150 highly liquid securities of leading, blue chip companies from each of the Global Industry Classification Standard (GICS[®]) sectors of the Japanese market. 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.**



AVE MARIA
MUTUAL FUNDS

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

avemariafunds.com

06-02-101520 / 10622456-UFD-7/15/2020