



# AVE MARIA WORLD EQUITY FUND

## Q3 2018 COMMENTARY

For the three months ended September 30, 2018, the total return on the Ave Maria World Equity Fund (AVEWX) was 4.92%, compared to the S&P Global 1200<sup>®</sup> index at 5.07% and the MSCI World Index at 4.98%. The returns for the Ave Maria World Equity Fund compared to its benchmarks as of September 30, 2018 were:

	Year to Date	1 Yr.	3 Yrs.^	5 Yrs.^	Since Inception^*	Gross/Net Prospectus Expense Ratio
Ave Maria World Equity Fund	4.71%	9.85%	11.89%	6.75%	7.47%	1.42%/1.26%
S&P Global 1200 <sup>®</sup> Index	5.44%	11.40%	14.49%	9.92%	10.11%	
MSCI World Index	5.43%	11.24%	13.54%	9.28%	9.50%	

^ 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](http://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, 2019.

Returns in the developed global equity markets were again led by the U.S., rising mid-to-high single digits, while Japan was up mid-single digits and Europe was up low-single digits. Strong economic and corporate profit growth in the U.S. was the dominant theme of the quarter. Easing of trade concerns between the U.S. and neighbors Canada and Mexico was also an important development. While trade tensions actually ratcheted-up between the U.S. and China, the dollar size of the announced tariffs in the U.S. was dwarfed by economic positives from fiscal policies of lower tax rates and earnings repatriation. The Chinese equity market (Shanghai) was again down in the quarter, however, and is now down double digits year-to-date.

During the quarter, the Fund experienced positive relative performance from industrial, health care, consumer staple and financial service holdings. In the industrial segment, Eaton Corporation, experienced strong appreciation during the quarter. The company reported a strong second quarter and raised revenue guidance for the year behind a pick up in their electrical products and systems & services businesses. Delta Air Lines, Inc. stock also saw a nice rebound in price. In health care, recently purchased Iqvia Holdings, Inc. stock was up 30% in the quarter, as the company posted very strong financial results with broad based revenue growth and strong new business momentum. Solid stock performance from Coca-Cola European Partners and Brookfield Asset Management, Inc. led the way for the consumer staples, and financial services sectors, respectively.

The Fund's consumer discretionary and energy holdings posted negative performance in the quarter. In consumer discretionary, Panasonic Corporation was a drag on performance due to weaker than expected core earnings during its fiscal first quarter. Sluggish air conditioner sales in Asia, as well as up-front



# AVE MARIA WORLD EQUITY FUND

## Q3 2018 COMMENTARY

expenses for building out its electrical construction materials business and automotive battery factory were primary factors. The longer-term outlook is still positive. In the energy segment, Schlumberger Limited was also down in the quarter. The company's second quarter reflected slowing international growth and higher near-term start-up costs. We still like the company's technology leadership position and balanced geographic revenue exposure. Information technology holdings also lagged on a relative basis, with weakness from TE Connectivity Limited and Texas Instruments, Inc. more than offsetting strong performance from Taiwan Semiconductor Manufacturing. All three have good fundamentals and the prospect for increased share price appreciation from these levels.

Two positions were eliminated during the quarter, Axalta Coating Systems Ltd, and GDS Holdings Ltd., and no new positions were established.

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



# AVE MARIA WORLD EQUITY FUND

Q3 2018 COMMENTARY

## IMPORTANT INFORMATION FOR INVESTORS

As of 9-30-18, the holding percentages of the stocks mentioned in this commentary are as follows; Eaton Corporation (3.9%), Delta Air Lines, Inc. (3.2%), Iqvia Holdings, Inc. (1.6%), Coca-Cola European Partners (3.3%), Brookfield Asset Management, Inc. (2.0%), Panasonic Corporation (3.4%), Schlumberger Limited (1.0%), TE Connectivity Limited (2.0%), Texas instruments, Inc. (2.0%) and Taiwan Semiconductor Manufacturing (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 9-30-18: Medtronic PLC (4.0%), Royal Dutch Shell Spon ADR-B (4.0%), Eaton Corporation (3.9%), Mondelez International, Inc. (3.6%), Zimmer Biomet Holdings, Inc. (3.6%), The Chubb Corporation (3.6%), Panasonic Corporation (3.4%), Coca-Cola European Partners (3.3%), AXA SA (3.3%) and Delta Air Lines, Inc. (3.2%). The most current available data regarding portfolio holdings can be found on our website, [www.avemariafunds.com](http://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. 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. 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](http://www.avemariafunds.com). Distributed by Ultimus Fund Distributors, LLC.***



**AVE MARIA  
MUTUAL FUNDS**

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

[avemariafunds.com](http://avemariafunds.com)

06-02-011519