AVE MARIA WORLD EQUITY FUND

Q4 2018 COMMENTARY

For the three months ended December 31, 2018, the total return on the Ave Maria World Equity Fund (AVEWX) was -12.97%, compared to the S&P Global 1200® index at -12.91% and the MSCI World Index at -13.42%. The returns for the Ave Maria World Equity Fund compared to its benchmarks as of December 31, 2018 were:

	1 Yr.	3 Yrs.^	5 Yrs.^	Since Inception^*	Gross/Net Prospectus Expense Ratio
Ave Maria World Equity Fund	-8.87%	5.31%	2.25%	5.54%	1.42%/1.26%
S&P Global 1200® Index	-8.17%	7.39%	5.29%	8.07%	
MSCI World Index	-8.71%	6.30%	4.56%	7.42%	

^ 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, 2019.

The U.S. equity market outperformed the other large global developed markets for the year (S&P 500 Index down 4.4% vs the S&P Europe 350 down 14.2% and the S&P Topix 150 (Japan) down 12.9%). However, there was no place to hide during the fourth quarter as all three of these major indices were down double digits. It is important to note that the three make up over 90% of the market capitalization of the developed market indices. Emerging markets were also weak for the year (S&P Emerging BMI down 13.5%). The global rout in equities in the fourth quarter was driven in part by concerns that the U.S. Federal Reserve ("Fed") was tightening monetary supply too quickly, along with continued negative trade rhetoric out of the U.S. and China. Both issues have the potential to slow global growth. We are comforted by recent more dovish commentary by Fed officials and the three-month cooling-off period to allow for further U.S. and China trade negotiations to take place.

The U.S. economy was the envy of the developed world in terms of GDP growth in 2018, growing at a 3% pace. The relative growth gap it held over other developed economies is expected to shrink in 2019 due largely to the lapping of fiscal policy stimulus and higher interest rates. U.S. corporate earnings are likewise expected to grow more slowly in 2019 than in 2018, but should again remain above that of Europe and Japan. A significant wildcard for Europe continues to be individual country political risk and the threat it represents for overall EU unity. The biggest near-term questions are what will happen with the U.K. and Brexit, the budget deficit situation in Italy, and leadership challenges in France and Germany. The Japanese economy in 2019 is expected to grow slightly over its recent trend growth of 1%, due to some front-loaded spending ahead of its new consumption tax to be enacted in September. In the emerging markets, the recent drop in energy prices are generally a positive factor, but the recent slowing in China is a concern. The slowing growth in both the U.S. and China will hopefully add incentives to both countries to reach a new trade agreement.

From a sector standpoint, the Fund's performance during 2018 was positively impacted by its consumer staples, health care and technology holdings. Coca-Cola European Partners was the best performing consumer staple in the Fund, driven by stronger than expected topline & EPS growth. Health care performance was driven by three holdings all up double-digits: IQVIA Holdings, Inc., Shire PLC and Medtronic PLC. While Shire was acquired at a premium, Medtronic and IQVIA saw better than expected top-line and bookings growth, respectively. In the technology sector, the position in credit card network provider Mastercard Incorporated was up over 20% for the year, while communications equipment maker Cisco Systems, Inc. was up in the mid-teens.

The Fund's performance was negatively impacted by its consumer discretionary, financials and energy sector holdings. Panasonic Corporation was the weakest among consumer discretionary holdings. The company faced multiple headwinds during the year, including lower profitability from its electric car battery business, rising development costs in its automotive systems business, and tougher competition in its Asian appliance business. First Horizon National Corporation, a regional bank holding company, saw operations negatively impacted by a flattening yield curve and a high level of competition in deposit pricing and lending. We believe First Horizon is well positioned to ride out the storm. The fourth quarter plunge in oil prices hurt all energy holdings, but Schlumberger Limited and Pioneer Natural Resources Company were most impacted due to a steeper than expected slowdown in U.S. fracking activity.

One new position, Electronic Arts, Inc. (interactive home entertainment), has been added to the Fund since June 30, 2018. Five issues were eliminated; Axalta Coating Systems LTD, Liberty Media Corp (Formula One), GDS Holdings Ltd., Schlumberger Limited, and Tencent Holdings LTD. All were sold in favor of what we believe to be more attractive investment opportunities.

As of December 31, 2018, the Fund's geographic weightings versus the S&P Global 1200 Index were approximately:

	Ave Maria World Equity Fund	S&P Global 1200 Index
Americas	62.6%	63.5%
Europe Developed	9.9%	15.3%
United Kingdom	13.9%	6.2%
Japan	5.8%	7.7%
Asia Developed	0.0%	2.3%
Asia Emerging	3.5%	2.5%
Australasia	0.0%	2.4%
Cash Equivalents	4.3%	-

We are cautiously optimistic about 2019, as we balance our awareness of slowing global growth with our stock selection strategy of buying high quality, large capitalization, globally oriented companies at attractive valuations. Thank you for your continued interest in the Ave Maria World Equity Fund.

IMPORTANT INFORMATION FOR INVESTORS

As of 12-31-18, the holding percentages of the stocks mentioned in this commentary are as follows; Coca-Cola European Partners (2.0%), IQVIA Holdings, Inc. (1.6%), Shire PLC ADR (1.7%), Medtronic PLC (3.9%), Mastercard Incorporated (3.0%), Cisco Systems, Inc. (2.0%), Panasonic Corporation (3.4%), First Horizon National Corporation (2.9%), Schlumberger Limited (no longer held), Pioneer Natural Resources Company (1.1%) and Electronic Arts, Inc. (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 12-31-18: Royal Dutch Shell PLC ADR-B (4.5%), The Chubb Corporation (4.0%), Mondelez International, Inc. (3.9%), Medtronic PLC (3.9%), Eaton Corporation (3.6%), DowDuPont, Inc. (3.6%), Koninklijke Philips N.V. (3.5%), Taiwan Semiconductor Mfg. (3.5%), AXA SA (3.4%) and Panasonic Corporation (3.4%). 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. 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.*