



# FINDING THE RIGHT MIX

Determining the proper asset allocation to meet an investment goal is truly a science. Many factors need to be considered with risk tolerance and time horizon being paramount. Building a portfolio properly is best left to a professional, but even the do-it-yourself investor could benefit by simply diversifying across multiple asset classes. In truth, there is no “right” mix. Once it has been constructed, a portfolio should be monitored periodically to ensure that it still aligns with the initial investment goal and adjusted occasionally as market conditions dictate. Below are the results of some hypothetical portfolios for the 20-year period ended September 30, 2018. While not every asset class is included, they are comprised of basic portfolio building blocks that most investors should consider owning. Not surprisingly, the predominantly equity portfolios generated the highest returns, but also had higher risk. Please note that even the best built portfolios should allow for flexibility.

← Conservative | Aggressive →

**20 Years Ended 9-30-2018**

Portfolio	1	2	3	4	5	6
<b>% allocated to:</b>						
Bonds <sup>1</sup>	60%	50%	40%	20%	10%	0%
Large-Cap Stocks <sup>2</sup>	10%	17%	15%	20%	27%	25%
Small-/Mid-Cap Stocks <sup>3</sup>	20%	34%	30%	40%	54%	50%
Global Stocks <sup>4</sup>	10%	0%	15%	20%	10%	25%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>20 year results:</b>						
Annualized return	6.49	7.46	7.55	8.51	9.37	9.37
Standard deviation	6.16	7.80	9.08	12.13	13.88	15.22
Return/Risk	1.05	0.96	0.83	0.70	0.68	0.62
Growth of \$1,000	\$3,519	\$4,218	\$4,290	\$5,123	\$6,000	\$5,993

**Ave Maria Fund to consider**

- Bond
- Rising Dividend/Growth
- Value
- World Equity



This bond heavy portfolio exhibited the least risk and the best return per unit of risk.

These all equity portfolios generated the highest returns, but also had the highest risk.

Source: Mellon Analytical Solutions, October 2018

Past performance does not guarantee future results. Indexes do not incur fees and it is not possible to invest directly in an index. . The performance data does not represent fund performance and should not be considered representative of fund performance.



# FINDING THE RIGHT MIX

## Ave Maria Funds Portfolio Solutions



	Bond Fund	Rising Dividend Fund	Value Fund	Growth Fund	World Equity Fund
Investment Goal	Preservation of principal with a reasonable level of current income	Long-term capital appreciation and a rising stream of dividend payments	Long-term capital appreciation	Long-term capital appreciation	Long-term capital appreciation
Primary Investment Focus	Invests primarily in domestic investment-grade debt of government and corporate issuers. May invest up to 20% of its assets in equity securities.	Invests in dividend-paying common stocks	Invests in companies that are believed to be undervalued relative to their intrinsic worth	Invests in mid-cap and larger companies offering above-average potential for growth in revenues, profits and cash flow	Invests in companies of all capitalizations from around the world
Lead & Co-Manager(s)	<u>Brandon S. Scheitler</u> Richard L. Platte, Jr., CFA Adam P. Gaglio, CFA	<u>Richard L. Platte, Jr., CFA</u> George P. Schwartz, CFA	<u>Timothy S. Schwartz, CFA</u> <u>Joseph W. Skornicka, CFA</u> Chadd M. Garcia, CFA	<u>Brian D. Milligan, CFA</u> Richard L. Platte, Jr., CFA	<u>Joseph W. Skornicka, CFA</u> Robert C. Schwartz, CFP®
Benchmark	Bloomberg Barclays Intermediate US Govt/Credit Index	S&P 500® Index	S&P MidCap 400® Index	S&P 500® Index	S&P Global 1200® Index
Inception Date	May 1, 2003	May 2, 2005	May 1, 2001	May 1, 2003	April 30, 2010
Symbol	AVEFX	AVEDX	AVEMX	AVEGX	AVEWX

**Past performance does not guarantee future results. Indexes do not incur fees and it is not possible to invest directly in an index. The performance data does not represent fund performance and should not be considered representative of fund performance.**

<sup>1</sup> Bonds are represented by the Barclays Intermediate US Government/Credit Index, which covers securities in the intermediate range of the Barclays Government/Credit Index. The Government/Credit Index includes Treasuries, Government-Related Issues, and USD Corporates and is a subset of the U.S. Aggregate Index. <sup>2</sup> Large-Cap Stocks are represented by the S&P 500® Index, 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. <sup>3</sup> Small-/Mid-Cap Stocks are represented by a 50% blend of the S&P 400® Midcap Index, an unmanaged index created by Standard & Poor's made up of 400 mid-cap companies and 50% of the S&P SmallCap 600® Index, an unmanaged index created by Standard & Poor's made up of 600 small-cap companies. <sup>4</sup> Global Stocks are represented by S&P Global 1200®, 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. Indexes do not incur fees and it is not possible to invest directly in an index.

Schwartz Investment Counsel, Inc., a registered investment adviser established in 1980, serves as investment adviser for Ave Maria Mutual Funds and invests only in securities that meet the Funds' 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 Funds may underperform or outperform the stock market as a whole. All mutual funds are subject to market risk, including possible loss of principal. The Funds' 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. AVEFX invests primarily in fixed income securities and as a result the Fund is also subject to the following risks: interest rate risk, credit risk, credit rating risk and liquidity risk. AVEDX invests primarily in dividend paying companies and it is possible these companies may eliminate or reduce their dividend payments.

**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 it can be viewed at [www.avemariafunds.com](http://www.avemariafunds.com). Distributed by Ultimus Fund Distributors, LLC.**