



AVE MARIA BOND FUND

Q4 2022 COMMENTARY

For the three months ended December 31, 2022, the total return on the Ave Maria Bond Fund (AVEFX) was 4.16%, compared to the Bloomberg Intermediate U.S. Government/Credit Index at 1.54%. The returns for the Fund compared to its benchmark as of December 31, 2022 were:

| | 1 Yr. | 3 Yrs.^ | 5 Yrs.^ | 10 Yrs.^ | Since Inception^* | Prospectus Expense Ratio |
|--|--------|---------|---------|----------|-------------------|--------------------------|
| Ave Maria Bond Fund | -2.85% | 2.31% | 3.09% | 3.31% | 3.93% | 0.44% |
| Bloomberg Intermediate U.S. Govt./Credit Index | -8.23% | -1.26% | 0.73% | 1.12% | 2.78% | |

^ Annualized * Since Inception date is 5-1-2003

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. Call 1-866-AVE-MARIA or visit www.avemariafunds.com for the most current month-end performance.

The Fund's shorter duration profile, along with the positive performance from the dividend-paying common stocks in the portfolio, accounted for the favorable relative outperformance.

Interest rates across the yield curve quickly increased as the Federal Reserve (the Fed) was forced into action due to high inflation. Short-term interest rates were increased from near zero to 4.5% by year-end, and Quantitative Tightening (Q.T.) was implemented to further restrict economic activity. Further interest rate increases are forecasted and will likely continue until inflation subsides.

Top contributors to the Fund's performance were the common stocks of Texas Pacific Land Corporation (royalty income – oil and gas), Chevron Corporation (integrated oils), and Lockheed Martin Corporation (defense). The Fund's weakest performing assets were the common stocks of VF Corporation (apparel), Medtronic PLC (medical devices) and Truist Financial Corporation (bank).

Interest rates and corporate credit spreads increased substantially over the past year. Therefore, the Fund has been modestly increasing duration and credit risk to capitalize on this opportunity. Even with the adjustment, the Fund remains conservatively positioned. Dividend-paying common stocks continue to offer an attractive combination of income and price appreciation potential.

We appreciate your investment in the Ave Maria Bond Fund.



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IMPORTANT INFORMATION FOR INVESTORS

As of 12-31-22, the holding percentages of the stocks mentioned in this commentary are as follows: Texas Pacific Land Corporation (1.9%), Chevron Corporation (1.8%), Lockheed Martin Corporation (2.4%), VF Corporation (no longer held), Medtronic PLC (1.0%) and Truist Financial Corporation (1.4%). 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. Fund holdings are subject to change and should not be considered purchase recommendations. The Fund's top ten holdings as of 12-31-22: Lockheed Martin Corporation (2.4%), U.S. Treasury Inflation Protected Sec. 0.50% due 04/15/24 (2.2%), Exxon Mobil Corporation (2.2%), U.S. Treasury Note 4.50% due 11/15/25 (2.0%), Illinois Tool Works, Inc. 2.65% due 11/15/26 (1.9%), U.S. Treasury Note 2.875% due 11/30/23 (1.9%), U.S. Treasury Note 2.875% due 06/15/25 (1.9%), Texas Pacific Land Corporation (1.9%), U.S. Treasury Note 2.125% due 11/30/24 (1.9%) and U.S. Treasury Note 3.25% due 06/30/29 (1.9%). 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. The Fund 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. 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 Bloomberg Intermediate U.S. Govt./Credit Index is the benchmark index used for comparative purposes for this fund. Indexes do not incur fees and it is not possible to invest directly in an index. The 10-Year U.S. Treasury note is a debt obligation issued by the United States government that matures in 10 years. A 10-year Treasury note pays interest at a fixed rate once every six months and pays the face value to the holder at maturity.

Request a prospectus, which includes investment objectives, risks, fees, charges and 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)
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