



AVE MARIA FOCUSED FUND

Q4 2022 COMMENTARY

For the three months ended December 31, 2022, the total return on the Ave Maria Focused Fund (AVEAX) was 12.39%, compared to the S&P MidCap 400[®] Growth Index which returned 8.74% and the S&P 500[®] Index at 7.56%. The returns for the Ave Maria Focused Fund compared to its benchmark as of December 31, 2022 were:

	1 Yr.	Since Inception ^{^*}	Prospectus Expense Ratio ¹
Ave Maria Focused Fund	-34.98%	1.39%	1.12%
S&P MidCap 400 [®] Growth Index	-18.96%	14.10%	
S&P 500 [®] Index	-18.11%	13.90%	

[^] Annualized ^{*} Since Inception date is 5-1-2020

¹The adviser has contractually agreed to limit the ordinary operating expenses (excluding Acquired Fund Fees and Expenses, interest, taxes, brokerage costs and extraordinary expenses) of the Ave Maria Focused Fund to an amount not exceeding 1.25% of the Fund's average daily net assets until at least May 1, 2023.

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.

This was the Fund's first negative calendar year since inception in May 2020. When the Fund was launched, these guiding principles were disclosed: Our goal is to compound shareholder capital at a rate in excess of the Fund's benchmark. To do so, we will invest in companies with 1) durable, forecastable, and growing earnings, 2) a strong competitive advantage resulting in an economic moat, 3) high incremental returns on invested capital, and 4) ethical management teams skilled in both operations and capital allocation. After suffering a down year, we continue to adhere to the guiding principles and believe that, over time, this strategy will serve shareholders well.

The chart on page two provides the revenue growth rates for each of the top ten holdings of the Fund at year-end. Collectively, the top 10 holdings made up 77% of the Fund. Fundamentally, the companies have performed well. Our conclusion is that the weakness in the stock prices during 2022 was driven by multiple contractions and rising interest rates, as opposed to weakness in their business fundamentals. Assuming the companies continue to perform well operationally, we believe investors will take notice and sentiment will change.



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<u>Company</u>	<u>Percent of Fund</u>	<u>2022 Revenue Growth</u>
GFL Environmental, Inc.	11.9%	33.6%
eDreams ODIGEO SA	11.5%	69.3%
APi Group Corporation	11.2%	71.7%
DigitalBridge Group, Inc.	10.0%	50.7%
Brookfield Corporation ⁽¹⁾	8.7%	na
Permian Basin Royalty Trust	4.8%	364.1%
Orion Engineered Carbons SA	4.7%	35.9%
Green Plains, Inc.	4.7%	35.8%
Radius Global Infrastructure, Inc.	4.6%	32.0%
Valvoline, Inc. ⁽²⁾	4.6%	19.2%

⁽¹⁾ Brookfield Corporation includes both Brookfield Corporation and Brookfield Reinsurance Ltd. but excludes Brookfield Asset Management, which was spun out of both Brookfield Corporation and Reinsurance in December.

⁽²⁾ Includes only the continued operations of Valvoline, the instant oil change business, and excludes the global lubricants business, which is in the process of being sold to Aramco.

Potential catalysts could also help change investor sentiments.

GFL Environmental: GFL is in the process of selling some non-core assets which will allow the company to reduce debt. Also, the company's renewable natural gas ("RNG") business could start to generate free cash flow in the second half of this year.

eDreams: eDreams has materially grown its Prime subscription business. As new Prime members pass their first anniversaries, cash flow should increase as the company's earnings and margins are likely to accelerate as well.

DigitalBridge: DigitalBridge is transforming its business from a REIT that invests from its own balance sheet into a manager of alternative asset funds. Most of the heavy lifting with the transformation is complete. However, due to its on-balance sheet investments, DigitalBridge's GAAP financials do not look like the financials of its asset manager peer group. Over the next few quarters, as DigitalBridge continues to sell its balance sheet investments, the GAAP financials will be simplified.

Valvoline: Valvoline is expected to complete the sale of its lubricants business to Aramco in the first half of 2023, with proceeds used to repurchase shares.

Portfolio Changes:

We added three new companies to the portfolio in the fourth quarter.

1) Orion Engineered Carbons is a specialty chemical business exposed to secularly growing end markets. It is at the tail end of a massive capital expenditure cycle. The company has ample cash to repurchase shares.

2) Permian Basin Royalty Trust is a trust that receives royalty payments for mineral rights that it owns in Texas. The most important of its assets are in the Permian Basin. We view the company as a mini-Texas Pacific Land Corporation, which is another portfolio holding.



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3) Rice Acquisition Corp. II (“RONI”) is a special-purpose acquisition vehicle with a lot of upside potential because of the Rice family involvement.

Saint Josemaria Escriva said, “Let your perseverance not be a blind consequence of the first impulse, the work of inertia; let it be a reflective perseverance”. We wholeheartedly agree with the sentiment. We continue to look for strong operating performance from the holdings of the Fund and remain confident that the market will recognize those developments.

Thank you for investing in the Ave Maria Focused Fund.

IMPORTANT INFORMATION FOR INVESTORS

As of 12-31-22, the holding percentages of the stocks mentioned in this commentary are as follows: GFL Environmental, Inc. (11.9%), eDreams ODIGEO SA (11.5%), APi Group Corporation (11.2%), DigitalBridge Group, Inc. (10.0%), Brookfield Corporation* (8.7%) Permian Basin Royalty Trust (4.8%), Orion Engineered Carbons SA (4.7%), Green Plains, Inc. (4.7%), Radius Global Infrastructure, Inc. (4.6%), Valvoline, Inc. (4.6%) and Rice Acquisition Corp. II (3.1%). 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 12-31-22: GFL Environmental, Inc. (11.9%), eDreams ODIGEO SA (11.5%), APi Group Corporation (11.2%), DigitalBridge Group, Inc. (10.0%), Brookfield Asset Management* (8.7%), Permian Basin Royalty Trust (4.8%), Green Plains, Inc. (4.7%), Orion Engineered Carbons SA (4.7%), Valvoline, Inc. (4.6%) and Radius Global Infrastructure, Inc. (4.6%). 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. *Combination of Brookfield Asset Mgt Reinsurance Partners and Brookfield Asset Management, Inc.

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. AVEAX is classified as non-diversified and may therefore invest a greater percentage of its assets in the securities of a limited number of issuers than a fund that is diversified. At times, the Fund may overweight a position in a particular issuer or emphasize investment in a limited number of issuers, industries or sectors, which may cause its share price to be more susceptible to any economic, business, political or regulatory occurrence affecting an issuer than a fund that is more widely diversified. The issuers that the Fund may emphasize will vary from time to time.

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 500® Index is 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. The S&P MidCap 400® Growth Index is an unmanaged benchmark representing medium-size U.S. growth companies. 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, 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.

