



AVE MARIA VALUE FUND

Q4 2022 COMMENTARY

The Ave Maria Value Fund (AVEMX) had a total return of 16.95% for the three months ended December 31, 2022, compared to 10.78% for the S&P MidCap 400[®] Index. The returns for the Fund compared to its benchmark as of December 31, 2022:

	1 Yr.	3 Yrs.^	5 Yrs.^	10 Yrs.^	Since Inception^*	Prospectus Expense Ratio
Ave Maria Value Fund	4.18%	11.44%	8.77%	8.35%	7.39%	0.97%
S&P MidCap 400 [®] Index	-13.06%	7.23%	6.71%	10.78%	8.98%	

^ Annualized * Since Inception date is 5-1-2001

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.

For the year, the Fund ranked in the 1st percentile out of 370 mutual funds in the Morningstar Mid-Cap Blend category. This performance has been recognized by the investment community, as the Fund was mentioned in the *Wall Street Journal's* January 9, 2023 edition in the article titled "The Best Stock-Fund Managers of 2022." As stated in the article, the Fund's 2022 performance ranked #11 out of 1,410 U.S. stocks funds as tracked by Morningstar. Likewise, in the same *Wall Street Journal*, in the "Category Kings in 9 realms" section, the Fund was ranked #1 out of 390 Midcap Growth mutual funds for 2022 performance, as tracked by Lipper. Due to the recent strong relative outperformance, the Fund's longer-term performance measures have markedly improved. For the 3-year and 5-year periods ending December 31, 2022, the Fund placed in the top 3rd percentile and top 9th percentile, respectively, in Morningstar's Mid-Cap Blend category.

The outperformance in 2022 was driven primarily by the Fund's energy sector investments. The share prices of Chevron Corporation (oil & natural gas integrated), Pioneer Natural Resources Company (oil & natural gas exploration and production), Schlumberger Limited (oil & natural gas equipment and services) and Texas Pacific Land Corporation (real estate and royalties) all rose substantially in 2022. We believe the worldwide demand for energy (including oil and natural gas) will continue to grow for many years. With rising demand, coupled with constrained supply (due to a myriad of factors), energy prices may escalate in 2023 and beyond. As such, we remain optimistic that the Fund's energy sector companies will continue to grow revenues, earnings, cash flows, and dividends.

The Fund's five best performing securities in 2022 were:

<u>Company</u>	<u>Industry</u>	<u>2022 Return</u>
Texas Pacific Land Corporation	Real Estate/Royalties	91.28%
Schlumberger Limited	Oil/Gas Equipment & Services	83.51%
Chevron Corporation	Integrated Oil/Gas	56.94%
Bowlero Corporation	Bowling Centers	53.97%
Haemonetics Corporation	Medical Instruments & Supplies	49.92%



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The Fund's five worst performing securities in 2022 were:

<u>Company</u>	<u>Industry</u>	<u>2022 Return</u>
Purple Innovation, Inc.	Consumer Products	-41.43%
Vontier Corporation	Technology Mobility	-32.85%
Intercontinental Exchange, Inc.	Financial Exchanges	-32.25%
YETI Holdings, Inc.	Consumer Products	-32.15%
A.O. Smith Corporation	Specialty Machinery	-27.05%

Value-oriented investment managers were vindicated in 2022. It was a year in which many investors got sucked into the vortex of a speculative stock market mania driven by tech stocks which got ridiculously overpriced, even though many were unprofitable enterprises. These “story stocks” were hailed as industry disruptors, and no share price was too high. The carnage here was brutal.

Recent performance of 10 former high-flying technology stocks:

<u>Company</u>	<u>Performance Since 2021 Peak through 2022 Year End</u>
Carvana Co.	-99%
Peloton Interactive, Inc.	-95%
Coinbase Global, Inc.	-92%
Teladoc Health, Inc.	-92%
Leamonade, Inc.	-91%
Robinhood Markets, Inc.	-91%
Snap Inc.	-90%
Zoom Video Communications, Inc.	-88%
Docusign, Inc.	-83%
Spotify Technology S.A.	-80%

Individual and institutional investors alike in these issues probably learned again the truism that real investing is not a game and success is not assured. One cannot ignore valuations and expect to achieve successful results. Fundamentals matter.

In managing the Ave Maria Value Fund, we will continue to pursue a risk-averse, value-focused investment approach that utilizes fundamental security analysis to identify securities available at a discount to intrinsic value. We believe this approach provides the best opportunities to achieve above-average investment results.

The year-end distribution of \$0.2764 per share consisted solely of investment income, as there were no realized short or long-term capital gains. The net asset value of the Fund ended the year at \$24.05 per share.

Thank you for being a shareholder in the Ave Maria Value 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; Chevron Corporation (4.8%), Pioneer Natural Resources Company (5.6%), Schlumberger Limited (4.7%), Texas Pacific Land Corporation (16.1%), Bowlero Corporation (1.8%), Haemonetics Corporation (3.9%), Purple Innovation, Inc. (1.8%), Vontier Corporation (2.6%), Intercontinental Exchange, Inc. (2.8%), YETI Holdings, Inc. (1.5%) and A.O. Smith Corporation (1.7%). 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: Texas Pacific Land Corporation (16.1%), Pioneer Natural Resources Co. (5.6%), Chevron Corporation (4.8%), Schlumberger Limited (4.7%), Haemonetics Corporation (3.9%), Franco Nevada Corporation (3.8%), Chesapeake Energy Corporation (3.8%), Valvoline, Inc. (2.9%), Intercontinental Exchange, Inc. (2.8%) and Vontier Corporation (2.6%). 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.

Morningstar Percentile Rankings is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. In the Morningstar Mid-Cap Blend Fund Category, the Fund had the following percentile rankings: 1 year (1st out of 400 funds), 3 years (3rd out of 367 funds), 5 years (8th out of 340 funds) and 10 years (87th out of 217 funds). The Morningstar information contained herein: (1) is proprietary to Morningstar; (2) may not be copied; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. ©2023 Morningstar, Inc. All Rights Reserved.

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 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 400® Midcap Index is an unmanaged index created by Standard & Poor's made up of 400 midcap companies. The index is the most widely used index for mid-sized 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.



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MUTUAL FUNDS**

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

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