



# AVE MARIA BOND FUND

Q3 2023  
PRESENTATION BOOK

# TABLE OF CONTENTS



■ Schwartz Investment Counsel, Inc.	1-8
■ Ave Maria Mutual Funds	9-13
■ Ave Maria Bond Fund	14-28



# SCHWARTZ INVESTMENT COUNSEL, INC.

# SCHWARTZ INVESTMENT COUNSEL, INC.

## Important Facts

- ❑ Founded in 1980
- ❑ Headquartered in Plymouth, Michigan
- ❑ Portfolio managers and analysts average over 20 years of investment experience
- ❑ Investment adviser to the Ave Maria Mutual Funds

# SCHWARTZ INVESTMENT COUNSEL, INC.

## Our Philosophy

- ❑ Importance placed on long-term relationships
- ❑ Investment goals consistent with risk tolerance levels
- ❑ Prudent management utilizes trust-quality investments
- ❑ Seek to provide above-average returns and below-average risk
- ❑ Our reputation is our most valuable asset
- ❑ The Ave Maria Mutual Funds couple intelligent, disciplined investing with Catholic Values

# SCHWARTZ INVESTMENT COUNSEL, INC.

## Fixed Income Philosophy

- ❑ Seek predictable income and relative price stability
- ❑ High quality is paramount, investment grade only --- no derivatives, no extreme maturity bets
- ❑ Portfolios are opportunistically structured
- ❑ Sector, credit and yield curve analysis is employed to add value
- ❑ Avoid excessive turnover
- ❑ Rate anticipation utilized in portfolio structuring

# SCHWARTZ INVESTMENT COUNSEL, INC.

## Research Process

- ❑ Focus on fundamentals – income statements, balance sheets and cash flow statements in conjunction with growth prospects
- ❑ Augment with external research from a variety of sources (for factual data)
- ❑ Make decisions based on assessment of risk/reward relationship
- ❑ Investment committee comprised of all portfolio managers and analysts meets regularly
- ❑ Securities selection process is not committee driven – PMs are responsible for managing their portfolios

# SCHWARTZ INVESTMENT COUNSEL, INC.

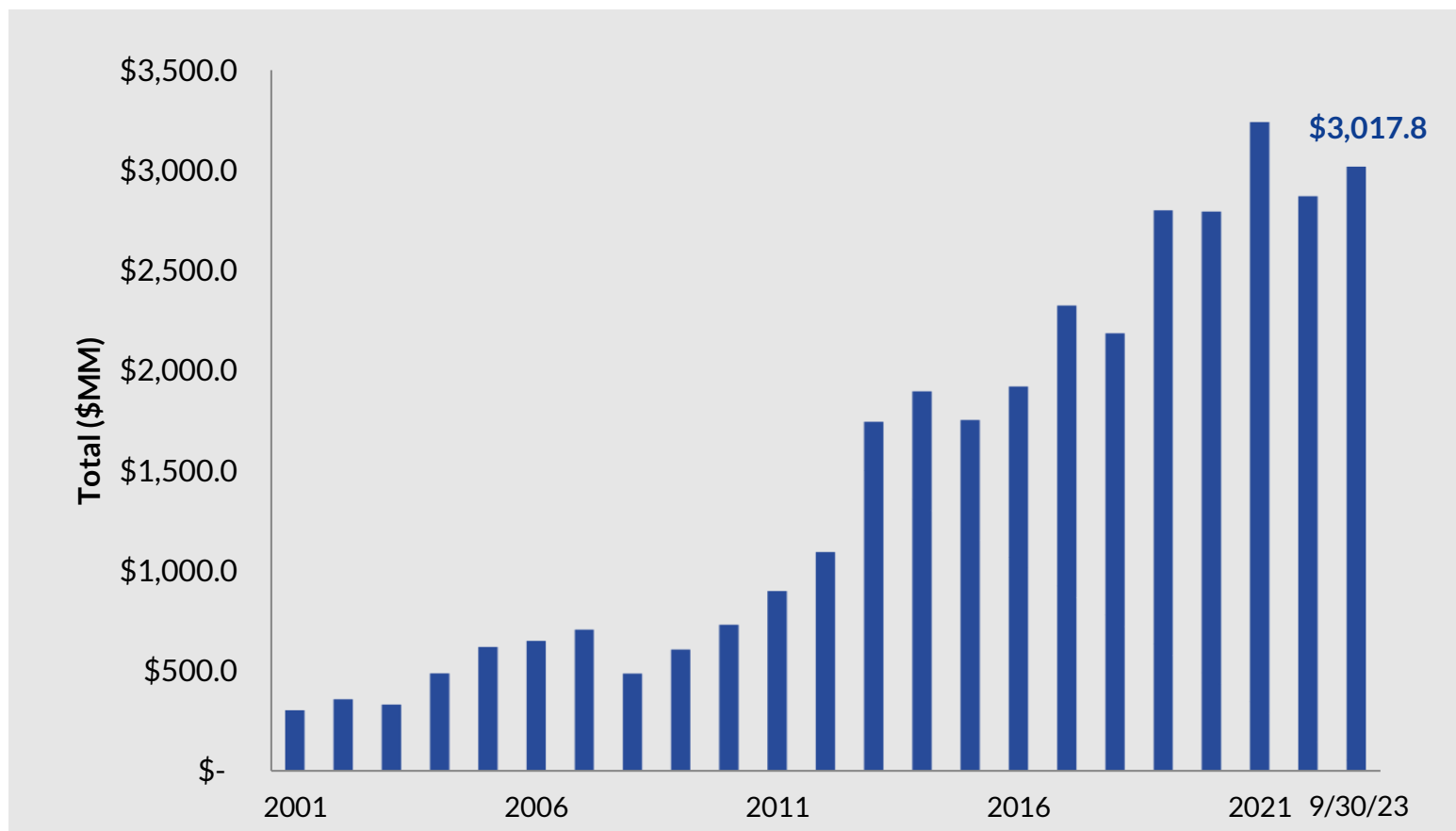
## Alpha Generation

- ❑ Alpha added through our disciplined bottom-up security selection
- ❑ Focus on sound operating fundamentals, conservative capital structures and proven staying power should lead to our companies doing well over entire market cycles
- ❑ Expect portfolios to perform well on a relative basis when economy is struggling
- ❑ Expect portfolios to have weaker relative performance when economy is rapidly growing or when investors are more inclined to speculation



# SCHWARTZ INVESTMENT COUNSEL, INC.

## Growth of Assets Under Management



# SCHWARTZ INVESTMENT COUNSEL, INC.

## Experienced Portfolio Managers



**George P. Schwartz, CFA**

Years of investment experience	Funds managed
40+	Bond, Rising Dividend



**Adam P. Gaglio, CFA**

Years of investment experience	Funds managed
10	Focused, Growth



**Timothy S. Schwartz, CFA**

Years of investment experience	Fund managed
25	Value



**Chadd M. Garcia, CFA**

Years of investment experience	Funds managed
19	Focused, Growth

# SCHWARTZ INVESTMENT COUNSEL, INC.

## Experienced Portfolio Managers



Brandon S. Scheitler	
Years of investment experience	Fund managed
17	Bond, Rising Dividend



Ryan M. Kuyawa, CFA	
Years of investment experience	Fund managed
21	Value



Anthony W. Gennaro, CFA, CPA	
Years of investment experience	Fund managed
25	World Equity



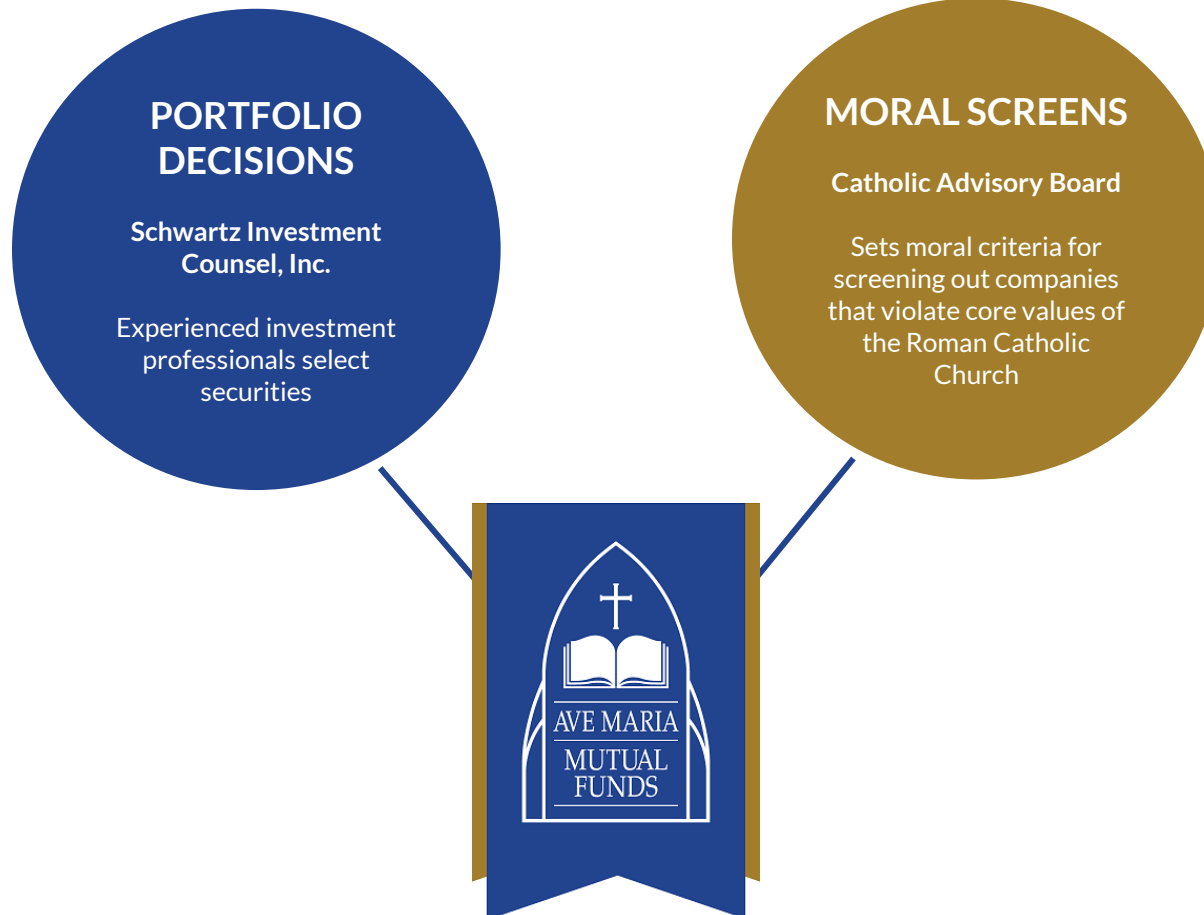
Sean C. Gaffney, CFA	
Years of investment experience	Fund managed
6	World Equity



# AVE MARIA MUTUAL FUNDS

# AVE MARIA MUTUAL FUNDS

## Organizational Structure



# AVE MARIA MUTUAL FUNDS

## Diversified Fund Family

Value Fund (AVEMX)	
Investment Goal	Long-term capital appreciation
Primary Investment Focus	Invests in companies that are believed to be undervalued relative to their intrinsic worth
Inception Date	May 1, 2001

Growth Fund (AVEGX)	
Investment Goal	Long-term capital appreciation
Primary Investment Focus	Invests in mid-cap and larger companies offering above-average potential for growth in revenues, profits and cash flow
Inception Date	May 1, 2003

Rising Dividend Fund (AVEDX)	
Investment Goal	Long-term capital appreciation and a rising stream of dividend payments
Primary Investment Focus	Invests in dividend-paying common stocks with price appreciation potential
Inception Date	May 2, 2005

World Equity Fund (AVEWX)	
Investment Goal	Long-term capital appreciation
Primary Investment Focus	Invests in companies of all capitalizations from around the world
Inception Date	April 30, 2010

Focused Fund (AVEAX)	
Investment Goal	Long-term capital appreciation
Primary Investment Focus	Invests in companies of all sizes offering high earnings growth potential
Inception Date	May 1, 2020

Bond Fund (AVEFX)	
Investment Goal	Preservation of principal with a reasonable level of current income
Primary Investment Focus	Invests primarily in domestic investment-grade debt of government and corporate issuers. May invest up to 20% of its assets in equities
Inception Date	May 1, 2003

# AVE MARIA MUTUAL FUNDS

## Institutional Shareholders

- ❑ 68 Schools & Universities
- ❑ 14 Endowment Funds
- ❑ 45 Foundations
- ❑ 65 Dioceses
- ❑ 59 Churches
- ❑ 170 Other Organizations

As of 12-31-22

# AVE MARIA MUTUAL FUNDS

## Catholic Advisory Board

Composed of prominent Catholics who provide religious guidance in accordance with the Roman Catholic Church, the Board meets regularly to review the Funds' religious standards and criteria.



**Raymond  
Arroyo**  
Fox News &  
EWTN Host



**Scott  
Hahn**  
Professor,  
Franciscan  
University of  
Steubenville



**Lou  
Holtz, Emeritus**  
Former Head  
Football Coach  
University of  
Notre Dame



**Larry  
Kudlow, Emeritus**  
Former National  
Economic Council  
Director & Fox  
News Anchor



**Tom  
Monaghan**  
Chairman of  
the Ave  
Maria  
Foundation



**Melissa  
Moschella, PhD**  
Professor,  
Catholic  
University of  
America



**Father  
Riccardo, Emeritus**  
Executive Director,  
ACTS XXIX



**Paul  
Roney, CPA**  
President of  
Domino's Farms  
Corporation



**His Eminence  
Adam Cardinal  
Maida**  
Archbishop of  
Detroit, Emeritus



**His Excellency  
Allen  
Vigneron**  
Archbishop of  
Detroit

Episcopal  
Advisors



# AVE MARIA MUTUAL FUNDS

## Moral Screens

### Companies Eliminated by the Ave Maria Mutual Funds Moral Screens

**Abortion**

**Embryonic Stem Cell  
Research**

**Planned Parenthood**

**Pornography**

Abortifacient  
Producers, Hospitals  
Insurance Companies &  
Retail

Companies engaged in  
embryonic stem cell  
research

Companies that  
contribute corporate  
funds to Planned  
Parenthood (the largest  
provider of abortions in  
the U.S.)

Producers &  
Distributors, including  
Media Cos., Hotels,  
Retail, Internet & Cable  
Providers



The screening process eliminates approximately 150 of the companies in the Russell 3000® Index, leaving 95% of this universe eligible for investment.



# AVE MARIA BOND FUND

# AVE MARIA BOND FUND

## Investment Objective

The Ave Maria Bond Fund investment objective is to provide preservation of capital with a reasonable level of current income. The Fund invests in investment-grade debt of domestic corporations, U.S. Government agencies and municipalities. Up to 20% of the Fund may be invested in dividend-paying common stocks.

## Our Approach

- Combine top-down and bottom-up analysis
- Manage duration based on interest rate outlook
- Sector weightings are based upon economic forecast and incremental yields available
- Security selections based on individual credit spreads and credit worthiness
- Credit decisions are derived from fundamental business analysis utilized for all Funds

# AVE MARIA BOND FUND

## Investment Process



# AVE MARIA BOND FUND

## Investable Universe

- ❑ Bloomberg Intermediate U.S. Government/Credit Index is the benchmark
- ❑ We exclude bonds and stocks inconsistent with core values and teachings of the Roman Catholic Church. This excludes about 5% of the companies in the Russell 3000® Index



# AVE MARIA BOND FUND

## Buy Discipline

We consider the following factors:

- ❑ All securities must pass the moral screens set forth by the Catholic Advisory Board
- ❑ Issuer's credit strength and management's capital allocation history
- ❑ Securities effective duration and yield



## Bond Credit Quality as of September 30, 2023

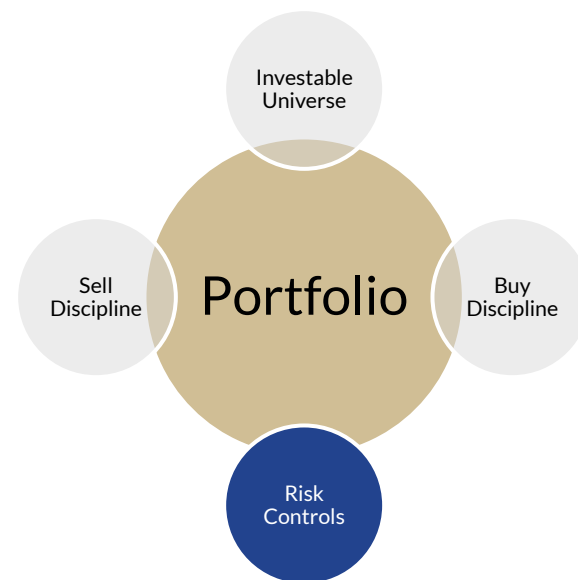
S&P					Moody's					Fitch				
AAA	AA	A	BBB	Not Rated	Aaa	Aa	A	Baa	Not Rated	AAA	AA	A	BBB	Not Rated
0%	42%	34%	19%	5%	30%	16%	36%	14%	3%	30%	1%	17%	6%	46%

Credit-quality ratings for each issue are obtained from Bloomberg, Inc. using ratings derived from Standard & Poor's (S&P), Moody's Investors Service (Moody's) and Fitch Ratings (Fitch). These ratings represent the opinions of their respective organizations as to the quality of the securities they rate. S&P ratings range from AAA (extremely strong capacity to meet its financial commitment) to D (in default), while Moody's ratings range from Aaa (best quality issue with lowest risk) to C (poor grade with high risk). Fitch ratings range from AAA (investment grade) to D (speculative). Unrated securities do not necessarily indicate low quality. Ratings are relative and are not absolute standards of quality.

# AVE MARIA BOND FUND

## Risk Controls

- ❑ Bottom-up security selection based on fundamentals (diversified, well managed companies)
- ❑ No more than 25% industry concentration
- ❑ Position sizes generally limited to 3% at the time of purchase
- ❑ Portfolio holdings typically range from 100+ issues (Bonds: 100+, Dividend-Paying Common Stocks: 18-25)



# AVE MARIA BOND FUND

## Sell Discipline

- ❑ Securities are sold when they no longer meet criteria for investment
- ❑ More attractive opportunities available
- ❑ Company becomes a violator of any moral screen established by our Catholic Advisory Board
- ❑ As part of a program to reconfigure the portfolio





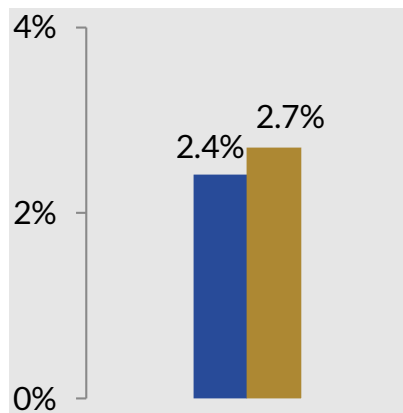
# AVE MARIA BOND FUND

## Portfolio Characteristics as of September 30, 2023

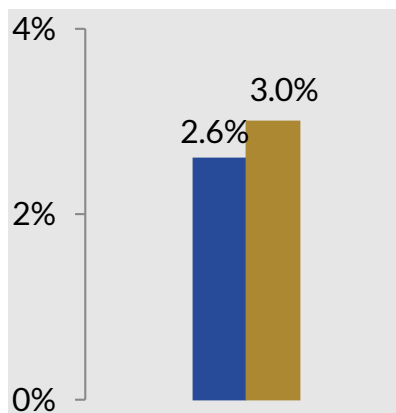
■ Ave Maria Bond Fund

■ Bloomberg Intermediate U.S. Govt/Credit Index

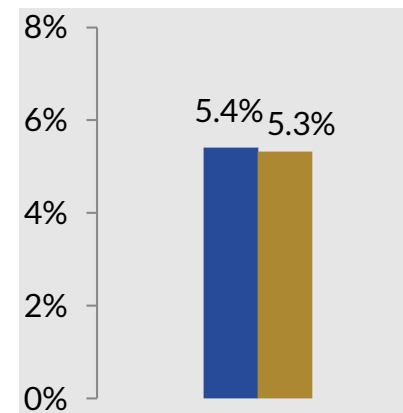
Weighted Average Coupon



Current Yield



Yield to Maturity



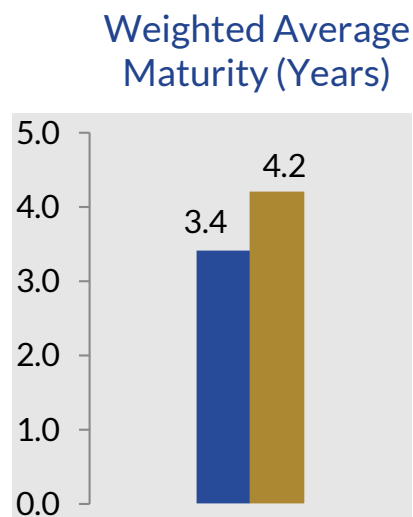
(Source: Bloomberg)

# AVE MARIA BOND FUND

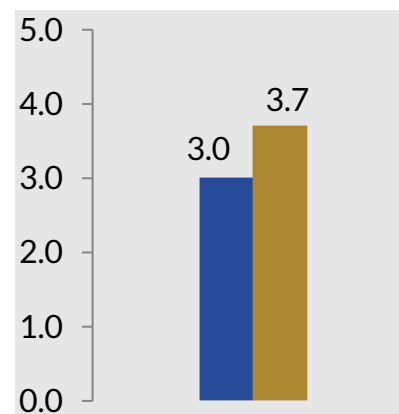
## Portfolio Characteristics as of September 30, 2023

■ Ave Maria Bond Fund

■ Bloomberg Intermediate U.S. Govt/Credit Index



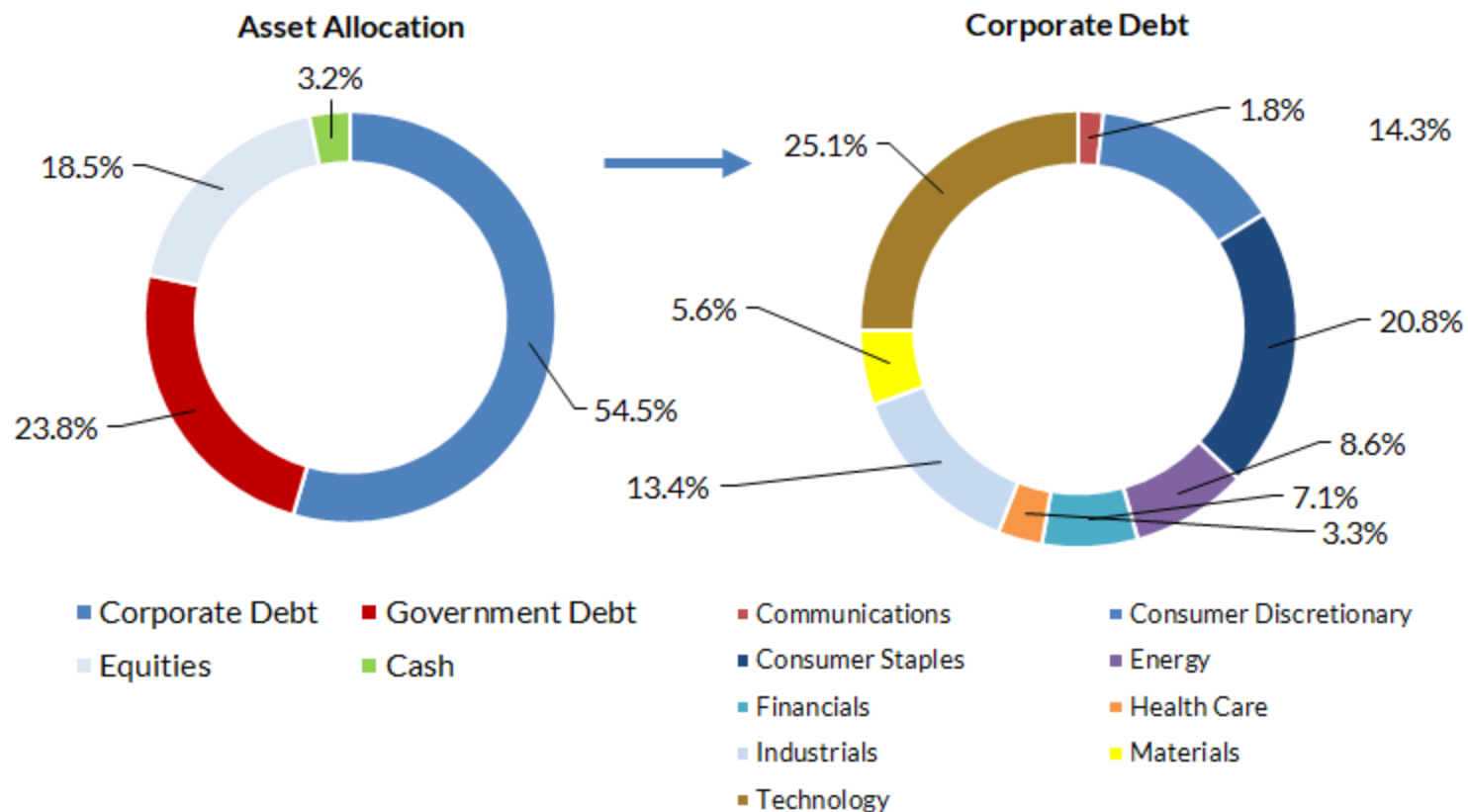
Option Adjusted Duration (Years)



(Source: Bloomberg)

# AVE MARIA BOND FUND

## Portfolio Breakdown by Sector as of September 30, 2023\*



\* Fund holdings are for illustrative purposes, subject to change and should not be considered a recommendation to buy or sell securities.

# AVE MARIA BOND FUND

## Portfolio Top Holdings as of September 30, 2023

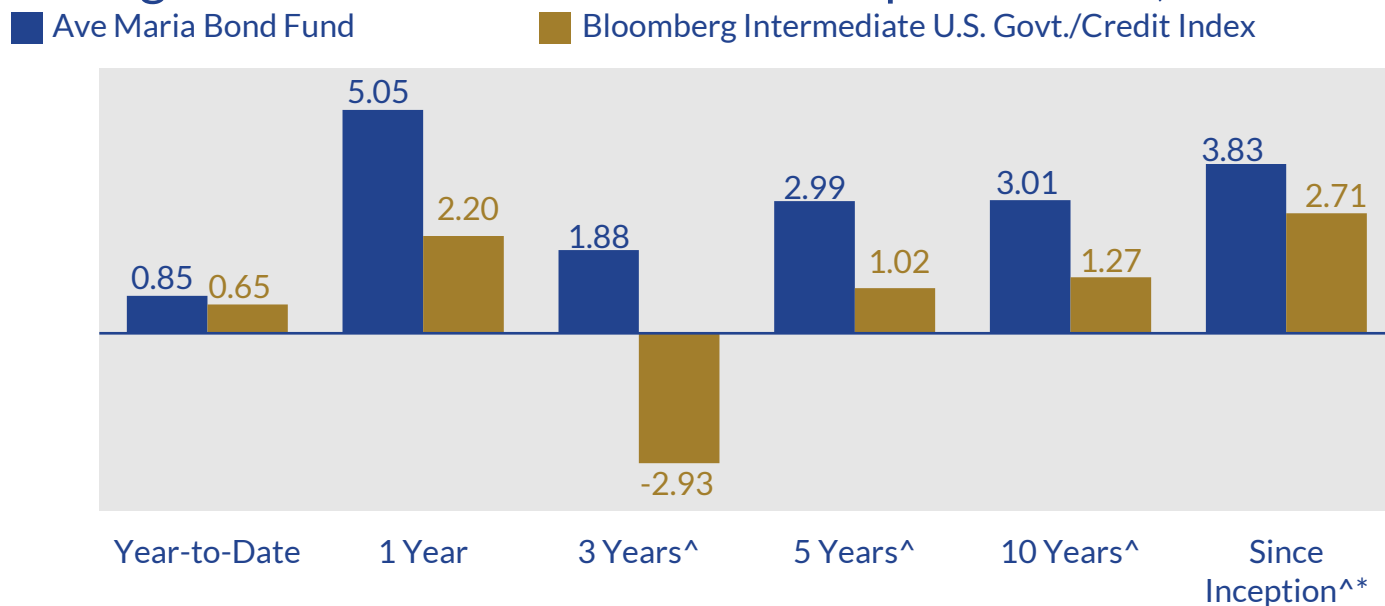
Top 10 Holdings*		18.8% of Net Assets
1.	U.S. Treasury Inflation Protected Sec. 0.50% due 04/15/24	2.2%
2.	Exxon Mobil Corporation	2.2%
3.	U.S. Treasury Note 4.50% due 11/15/25	1.9%
4.	U.S. Treasury Note 2.875% due 11/30/23	1.9%
5.	Illinois Tool Works, Inc. 2.65% due 11/15/26	1.8%
6.	U.S. Treasury Note 2.875% due 06/15/25	1.8%
7.	U.S. Treasury Note 2.125% due 11/30/24	1.8%
8.	U.S. Treasury Note 1.375% due 01/31/25	1.8%
9.	U.S. Treasury Note 3.25% due 06/30/29	1.7%
10.	Coca-Cola Europacific Partners	1.7%

\* Fund holdings are for illustrative purposes, subject to change and should not be considered a recommendation to buy or sell securities.

The most current available data regarding portfolio holdings can be found on our website, [www.avemariafunds.com](http://www.avemariafunds.com). Current and future portfolio holdings are subject to risk.

# AVE MARIA BOND FUND

## Average Annual Total Returns as of September 30, 2023



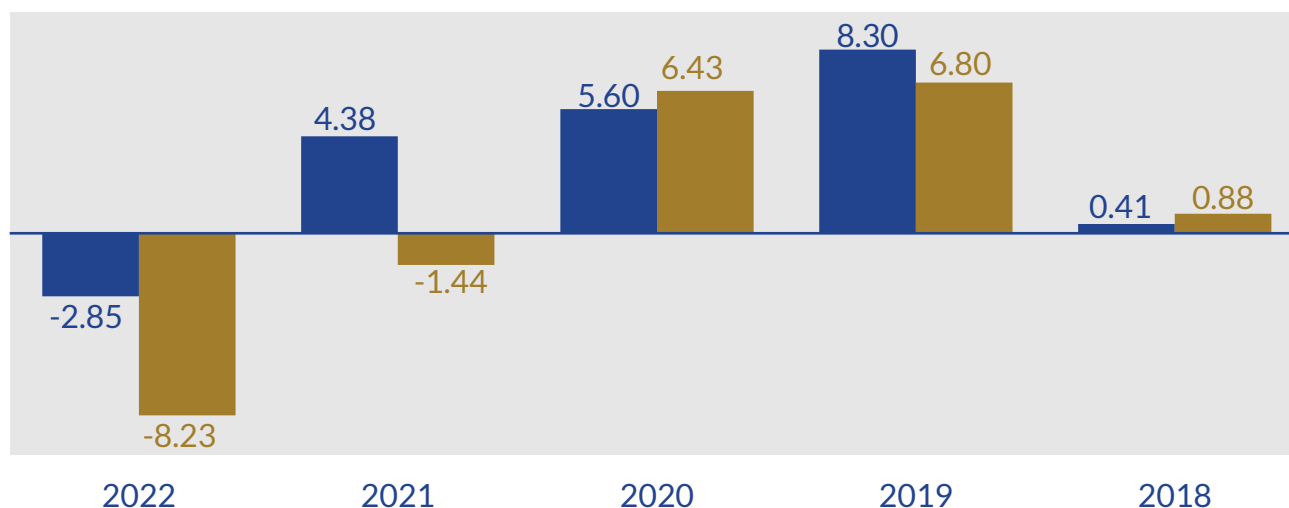
^ Annualized \* Since Inception date is 5-1-2003

***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 (1-866-283-6274) or visit [avemariafunds.com](http://avemariafunds.com) for the most current month-end performance. Expense ratio: 0.42%***

# AVE MARIA BOND FUND

## Last Five Calendar Years

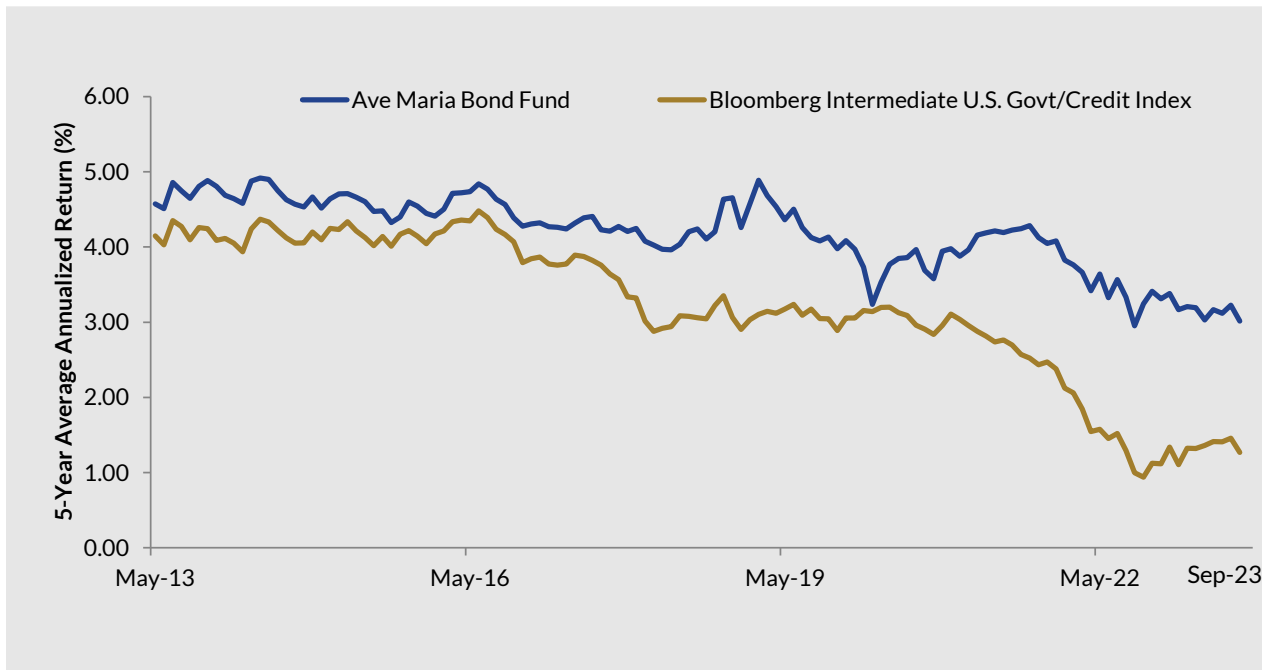
■ Ave Maria Bond Fund      ■ Bloomberg Intermediate U.S. Govt./Credit Index



*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 (1-866-283-6274) or visit [avemariafunds.com](http://avemariafunds.com) for the most current month-end performance.*

# AVE MARIA BOND FUND

## 10-Year Rolling Periods Summary (Inception to September 30, 2023)



For the 125 10-year rolling time periods, the Fund generated positive returns 100% of the time.

High  
(06/2004 to 05/2014):  
4.92%

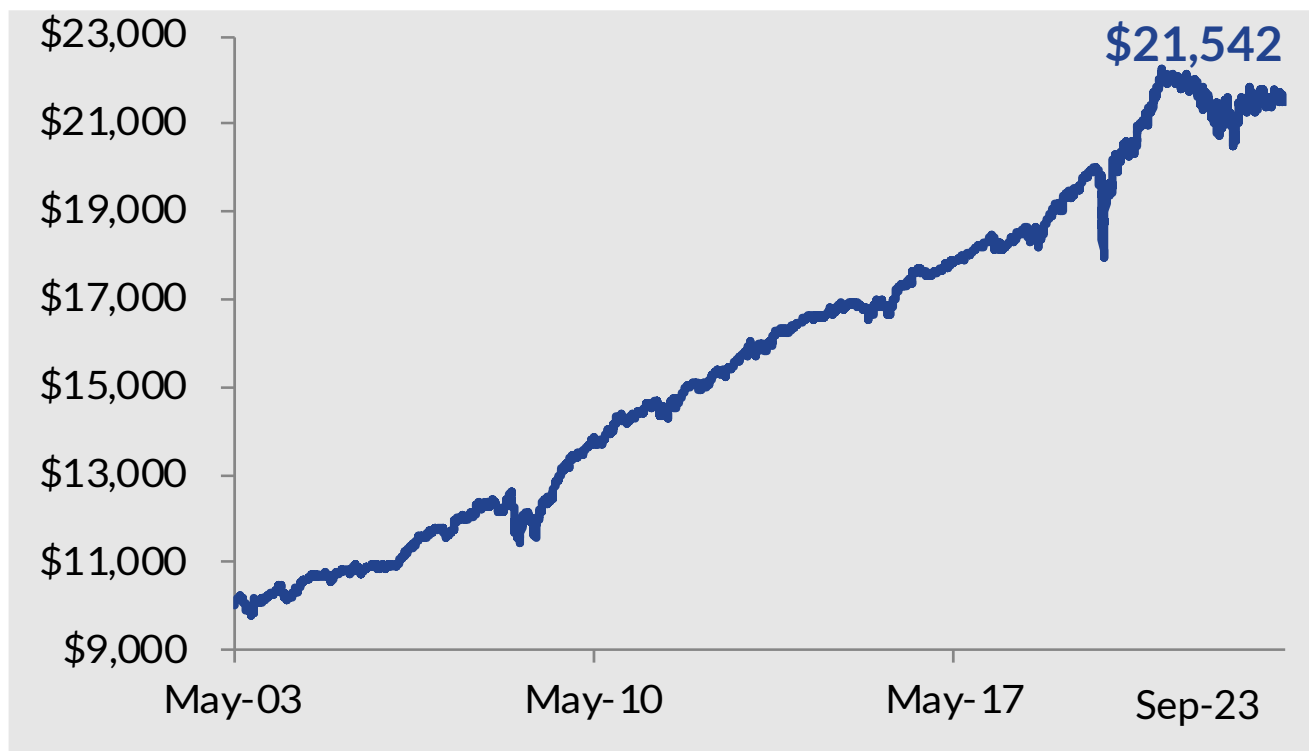
Low  
(10/2012 to 09/2022):  
2.95%

Average 10-Year  
Rolling Period:  
4.18%

Performance data quoted represents past performance, which is no guarantee of future results.

# AVE MARIA BOND FUND

## Growth of a Hypothetical \$10,000 Investment†



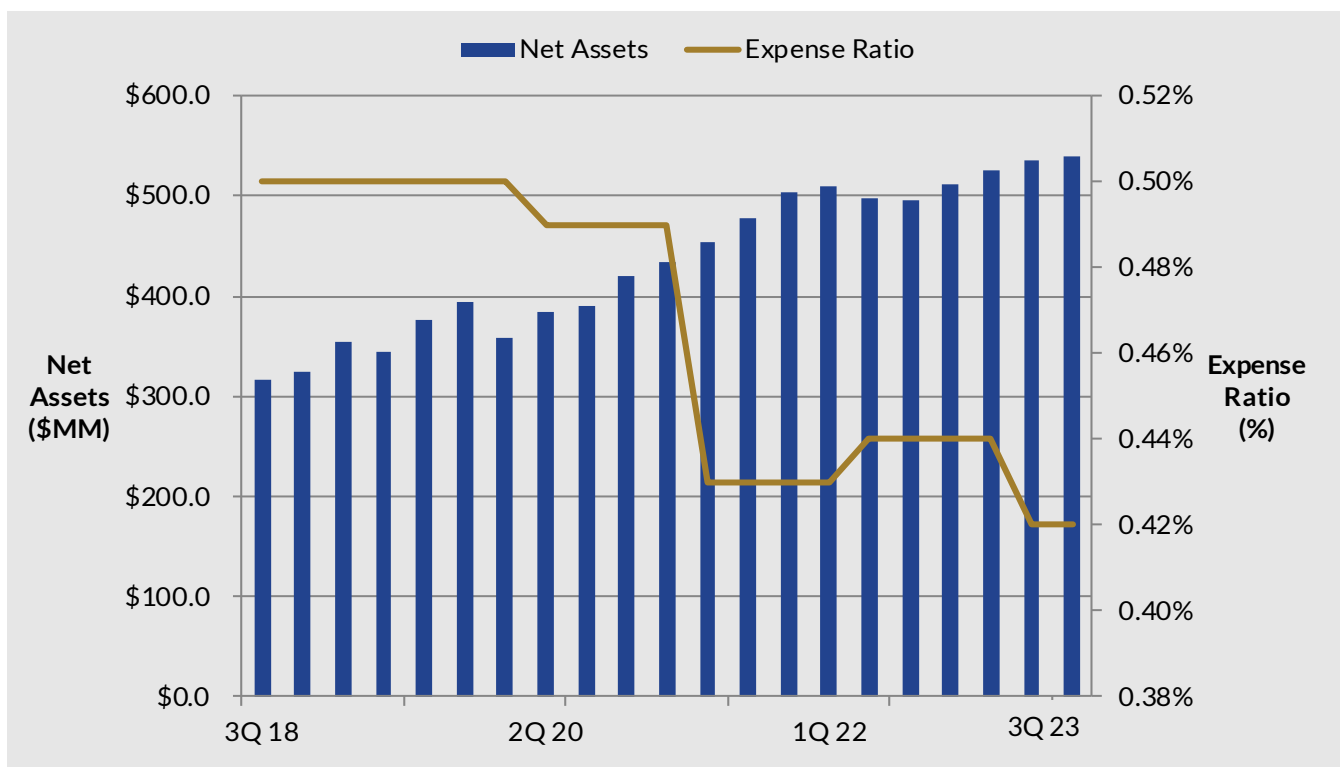
† From 5-1-03 to 9-30-23. Reflects reinvested distributions and the beneficial effect of any expense reduction and does not guarantee future results.

Performance data quoted represents past performance, which is no guarantee of future results.

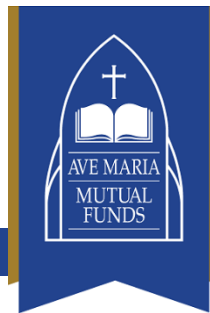


# AVE MARIA BOND FUND

## Assets and Expenses (Last Five Years)



The expense ratio has decreased in recent years.



For additional information, call  
**1-866-AVE-MARIA (1-866-283-6274)**  
Or visit [avemariafunds.com](http://avemariafunds.com)

## IMPORTANT INFORMATION FOR INVESTORS

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 followings 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. 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.

**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 it can be viewed at [www.avemariafunds.com](http://www.avemariafunds.com).** Distributed by Ultimus Fund Distributors, LLC. Schwartz Investment Counsel, Inc. is not affiliated with Ultimus Fund Distributors, LLC.