

AVE MARIA GROWTH FUND

O4 2022 MANAGER O&A

Adam P. Gaglio, CFA and Chadd M. Garcia, CFA are co-managers of the Ave Maria Growth Fund. The Fund continues to attract investors seeking conservative exposure to the equity market. Recently, Adam and Chadd shared some thoughts regarding their management of the Fund.

Q: First off, can you talk a bit about the objective of the Fund?

A: The objective of the Fund is to generate long-term capital appreciation. In short, we make investments in companies that we feel have strong growth characteristics and do not violate core values and teachings of the Roman Catholic Church.

Q: What are these "core values?"

A: Our Catholic Advisory Board, which is comprised of prominent Catholics, has established four criteria they want us to use to screen companies out of the portfolio. Those four criteria are abortion, pornography, embryonic stem cell research and corporate contributions to Planned Parenthood.

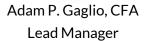
Q: Earlier you stated that the objective is "long-term" capital appreciation. Can you elaborate?

A: Our goal is to exceed the returns of the S&P 500[®] Index over a full economic cycle. Stocks are purchased with the intent to hold them for three years or more.

Q: Can you explain your investment process?

A: The fund utilizes a growth-at-a-reasonable-price (GARP) strategy. We use a bottom-up stock selection process to build a portfolio of 25-35 companies. An estimate of fair value is assigned to each company, and we update it quarterly. Our focus is on finding companies with sustainable competitive advantages. We focus on long-term factors to determine if a company's competitive advantages are strengthening or weakening. We find that primary sources, such as annual reports







Chadd M. Garcia, CFA Co-Manager

and meeting transcripts, plus industry journals and books are the best sources of information for our analysis. We read very little sell-side research, which overemphasizes short-term factors.

Q: How are companies screened for inclusion in the Fund?

A: We place heavy emphasis on return on total capital and the length of runway for growth. Consistence of high internally generated returns and profit margins are critical. Valuation is paramount, since even the best fundamental performance of a company can result in overpriced shares, which we endeavor to sell, not buy. We want to buy great businesses when their shares are priced for attractive future returns.

Q: What size companies does the Fund invest in?

A: The Fund invests in companies of all sizes. We feel that market capitalization is not important and as a result, we go where we find the most attractive potential returns.

Q: Is the Fund properly diversified with only 25-35 holdings?

A: Yes. We keep tabs on the diversification of the portfolio among the ten economic sectors of the S&P 500® Index. We won't add a stock that is less attractive than another just for the sake of having representation in one of those S&P sectors. We do pay particular attention to valuation and are cautious not to overpay for growth potential.



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Q4 2022 MANAGER Q&A

Q: Sounds like a classic "buy and hold" approach.

A: Indeed. Annual turnover tends to be low, typically below 25%.

Q: So why would you ever sell a stock?

A: Stocks are sold for three main reasons: 1) Shares are no longer priced for attractive future returns, 2) Developments adversely impair the company's sustainable competitive advantages, or 3) Company becomes a violator of any moral screen established by the Catholic Advisory Board.

Q: Do you limit the sector weightings of the portfolio?

A: Yes. Although portfolio construction is primarily based on bottom-up fundamental analysis and valuation, we pay close attention to industry concentrations. We restrict industry concentrations to a maximum of 25% of the portfolio. Stock positions are limited to a maximum of 5% at time of purchase.

Q: What are your thoughts on the market in general and are there any themes in the portfolio?

A: Because our investment process focuses on bottom-up stock selection, we don't have strong opinions on the broader market. The portfolio composition will tilt toward companies and industries that are out of favor because this is typically where we find the best value.

Performance for the periods ended December 31, 2022

						Prospectus
					Since	Expense
	1 Yr.	3 Yrs.^	5 Yrs.^	10 Yrs.^	Inception^*	Ratio
Ave Maria Growth Fund	-21.23%	3.10%	8.09%	11.22%	10.44%	0.90%
S&P 500 [®] Index	-18.11%	7.66%	9.42%	12.56%	9.71%	

[^] 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. 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.

The Adviser invests in securities only if they meet the Fund's investment and religious requirements, and as such, the returns may be lower or higher than if the Adviser made decisions based solely on investment considerations. The Fund's 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 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. 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.

