



AVE MARIA FOCUSED FUND

Q4 2021 COMMENTARY

For the three months ended December 31, 2021, the total return on the Ave Maria Focused Fund (AVEAX) was 9.09%, compared to the S&P 500® Index which returned 11.03% and the S&P MidCap 400® Growth Index at 8.00%. The returns for the Ave Maria Focused Fund compared to its benchmark as of December 31, 2021 were:

	1 Yr.	Since Inception ^{^*}	Gross/Net Prospectus Expense Ratio ¹
Ave Maria Focused Fund	27.96%	32.33%	1.30%/1.26%
S&P 500® Index	28.71%	38.84%	
S&P MidCap 400® Growth Index	18.91%	40.10%	

[^] 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.

A Brief Note on Performance and the Benchmark Change:

The Fund exhibited strong performance in 2021. It outperformed the S&P MidCap 400® Growth Index by 905 basis points and slightly lagged the S&P 500® Index by 75 basis points. Additionally, the Fund's 2021 performance placed it within the top 15% of its Large Growth Morningstar Category [out of 1,230 funds], outperforming its Morningstar category average by 725 basis points based on its total return.

When the Fund was launched in May of 2020, it was envisioned that the holdings would be eclectic, resulting from a bottom-up research process and representing diverse industries, geographies, and market capitalizations. The opportunities that were attractive at the launch of the Fund, a time of heightened economic uncertainty due to the beginning of the COVID-19 pandemic, were primarily U.S.-based large capitalization companies. Accordingly, the S&P 500® Index was initially chosen as the benchmark for the Fund. However, we believed that over time, the composition of the Fund's holdings would include additional smaller and mid-capitalization companies, as well as more international companies. This prediction came to fruition during 2021. The current average market capitalization of the Fund's holdings is \$12 billion, which is significantly lower than the \$39 billion average as of 12/31/2020. Additionally, the Fund now owns several international companies. Given how the portfolio has evolved, we believe a more appropriate benchmark is the S&P MidCap 400® Growth Index. Regulations require us to disclose the original primary benchmark for one year, after which the S&P MidCap 400® Growth Index will become the primary benchmark replacing the S&P 500® Index.



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New Investments:

New investments in 2021 include: APi Group Corporation, Archaea Energy, Inc., Green Plains, Inc. and NextDC Ltd. Each of these companies have been discussed in previous investor letters. There are two new investments that occurred in the fourth quarter, which are noted below.

- AMMO, Inc. (“Ammo”) is a leading U.S. manufacturer of ammunition products and the owner of GunBroker.com, the leading online marketplace for dealer-to-consumer and peer-to-peer firearm transactions. AMMO acquired GunBroker.com in mid-2021. AMMO can accelerate GunBroker’s already impressive growth by enhancing customer service, offering credit cards and buy now pay later options, selling ancillary products such as hunting supplies, creating a mobile application, and selling its own ammunition direct to consumers. AMMO, Inc.’s ammunition business should benefit from the national shortage in ammunition, the recent growth of US firearm ownership (an estimated 5 million new owners in 2020), the sale of proprietary ammunition for military applications, and the ability to sell its own products direct to consumers through GunBroker.com.

- Purple Innovation, Inc. is a vertically integrated designer and manufacturer of gel-grid mattresses. The company’s proprietary gel-grid technology feels remarkably different from existing mattress technologies, such as innersprings and memory foam, allowing Purple mattresses to stand out in a commoditized industry. Purple’s marketing operation is also highly efficient. Viral advertising campaigns have resulted in extensive marketing reach despite relatively little advertising spend. Purple’s stock price has declined recently as they faced temporary manufacturing problems and elevated costs from supply chain constraints. However, we expect the company to overcome its operational setbacks and resume growing at an attractive rate. Furthermore, the company can re-deploy capital at attractive returns as it opens new retail stores.

Exited Positions:

During 2021, The Fund exited Change Healthcare, Inc., SBA Communications, Software AG and Hermes, in favor of other investment opportunities.

Notable Portfolio Company Events:

eDreams ODIGEO SA provides an online travel service in Europe. In Q1 2021, eDreams’ Prime program had 758,000 paying subscribers. As of November 12, 2021, eDreams had 1,976,000 paying Prime members. Furthermore, management presented a goal of having more than 7,250,000 Prime members by the end of fiscal year 2025. eDreams’ stock price is up approximately 5 times since our initial purchase in the summer of 2020, yet there could be plenty of upside remaining if the company realizes management’s aggressive goals.

Since Q2 2020, part of our thesis for the investment in Valvoline, Inc. was that an activist could unlock value by forcing the company to spin off its fast-growing instant oil change business. In October, the company announced that it would indeed be spinning off that business. While details are forthcoming, the announcement was positive and bodes well for future performance of the company.

Thank you for partnering with us. Your investment in the Ave Maria Focused Fund is appreciated.



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IMPORTANT INFORMATION FOR INVESTORS

As of 12-31-21, the holding percentages of the stocks mentioned in this commentary are as follows: APi Group Corporation (10.0%), Archaea Energy, Inc. (1.5%), Green Plains, Inc. (5.0%), NextDC Ltd. (4.8%), AMMO, Inc. (3.4%), Purple Innovation, Inc. (5.1%), eDreams ODIGEO SA (16.7%), and Valvoline, Inc. (3.7%). 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 12-31-21: eDreams ODIGEO ADR (16.7%), APi Group Corporation (10.0%), GFL Environmental, Inc. (8.6%), Purple Innovation, Inc. (5.1%), Green Plains, Inc. (5.0%), NEXTDC Ltd. (4.8%), Frontdoor, Inc. (4.4%), Microsoft Corporation (3.8%), Adobe, Inc. (3.8%) and Equinix, Inc. (3.7%). 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. 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.

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.

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.



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