



AVE MARIA VALUE FUND

Q3 2023 MANAGER Q&A

Timothy S. Schwartz, CFA and Ryan M. Kuyawa, CFA are co-managers of the Ave Maria Value Fund. The Fund continues to attract investors seeking conservative exposure to the equity market. Recently, Tim and Ryan shared some thoughts regarding their management of the Fund.



Timothy S. Schwartz, CFA
Lead Manager



Ryan M. Kuyawa, CFA
Co-Manager

Q: *What would be your elevator pitch to financial advisors about the Ave Maria Mutual Funds?*

A: The funds were launched in 2001 to allow people to match their investments with their moral beliefs. We offer six funds and are the largest pro-life Catholic mutual fund family with almost \$3 billion in assets under management. We screen out companies engaged in abortion, pornography, embryonic stem cell research and those making corporate contributions to Planned Parenthood. The funds are managed in a pro-life and pro-family manner and appeal mostly to Catholics and other investors who are pro-life. Chances are you have clients in your practice whose beliefs are in alignment with those ideals.

Q: *Ok, so what can you tell readers specifically about the Ave Maria Value Fund?*

A: Sure, the Ave Maria Value Fund's investment objective is capital appreciation from primarily small- and mid-cap sized companies (between \$5-25 billion in market cap) that we believe are priced at a discount to their intrinsic value. Since we do our own independent research, we could be classified as bottom-up, fundamental value investors. We seek high-quality companies in sound financial condition, possessing strong operating fundamentals that are currently undervalued. Our value focus requires us to be long-term oriented, disciplined and patient. The Fund generally holds 35-45 positions, with the typical position size of 2-4%. And again, the portfolio is managed applying the same four moral screens that all our funds use.

Q: *What is the research process of the fund?*

A: Our equity research focuses on fundamentals of income statements, balance sheets, and cash flow statements in conjunction with the company's future growth prospects. Importantly, the price paid for a stock is crucial. This is augmented by

external research from a variety of sources. We make investment decisions based upon our assessment of the risk reward relationship, and we use external resources for factual input. We have an investment committee comprised of all portfolio managers and analysts that meets weekly. Our securities selection process is not committee driven, though. Individual portfolio managers are responsible for managing their portfolios, which may be partly informed by the input of other members of the investment committee.

Q: *What is your buy discipline?*

A: We feel that the price/value relationship is paramount in the security selection process, and that overpaying for even an exceptional company will reduce the chance for superior investment performance. We always seek a margin of safety by investing in companies when the price of their stock is below our estimate of intrinsic value. Typically, companies we own possess some or all the following characteristics: a long track record of rising sales, earnings, and cash flow; strong free cash flow; high returns on equity and capital; low debt levels; a sustainable competitive advantage derived from proprietary products or services; shareholder-friendly managements that wisely allocate capital; an attractive valuation based upon fundamentals.

Q: *Ok, conversely, what is your sell discipline?*

A: A portfolio position is typically reduced or outright liquidated when one of the following parameters is met: company violates one of the moral screens; the stock price significantly exceeds intrinsic value estimate; a superior security is identified that provides a more attractive risk-reward alternative; the company's financial performance deteriorates due to internal or external factors.



AVE MARIA VALUE FUND

Q3 2023 MANAGER Q&A

Q: Where do you see the markets heading over the next 6-12 months and how are you positioned to take advantage?

A: We don't put too much focus on the short term (less than one year). Just about anything (good or bad) could happen in the stock market over the short run. Longer term, stock prices tend to rise, and we expect our individual stock holdings as a group to outperform major stock market indices.

Q: Why your fund and why now?

A: Generally, we expect the fund to do well on a relative basis when the economy is struggling and have weaker relative performance when the economy is rapidly growing or when investors are more inclined to speculation. I will leave it up to your readers to determine where we are heading in the next 6-12 months. As the saying goes, "past performance does not guarantee future results," but the Ave Maria Value Fund achieved very strong investment returns in 2021 and 2022, both of which were very challenging years for many investors.

Performance for the periods ended September 30, 2023

	Year to Date	1 Yr.	3 Yrs.^	5 Yrs.^	10 Yrs.^	Since Inception^*	Prospectus Expense Ratio
Ave Maria Value Fund	1.04%	18.17%	16.49%	7.03%	6.86%	7.18%	0.94%
S&P MidCap 400® Index	4.27%	15.51%	12.05%	6.06%	8.94%	8.87%	

^ 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. 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 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.



**AVE MARIA
MUTUAL FUNDS**

1-866-AVE-MARIA (1-866-283-6274)
avemariafunds.com

01-06-011524 / 17454010-UFD-10/05/2023