AVE MARIA RISING DIVIDEND FUND

Q2 2023 MANAGER Q&A

Brandon S. Scheitler and George P. Schwartz, CFA are co-managers of the Ave Maria Rising Dividend Fund. The Fund has attracted investors seeking conservative exposure to the equity market. Recently, Brandon and George took time to answer questions to help provide insight into the mechanics of the Fund.

Brandon S. Scheitler

Co-Manager

George P. Schwartz, CFA

Co-Manager

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

A: Sure. By prospectus, the Fund's principal objective is to "provide increasing dividend income over time, long-term growth of capital and a reasonable level of current income." This is attempted through investments in dividend-paying common stocks of companies that 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 that they want us to use to screen companies out of the portfolio. Those four criteria are abortion, pornography, embryonic stem cell research and contributions to Planned Parenthood.

Q: ***The name of the Fund is Ave Maria Rising Dividend Fund. Does that mean you are searching for high-yielding stocks?***

A: No! Most of the stocks we purchase are of companies that have a well-established record of regular dividend increases. We are less concerned with a high dividend yield than a record of raising dividends. We believe rising dividends say a lot about the quality of a company and its underlying fundamentals.

Q: ***Why do you feel raising dividends is so important?***

A: It is important for several reasons. First, regular increases in dividends serve as an indicator of financial health and the growth potential of the underlying business. Companies that consistently raise their dividends often have high operating margins, sustainable competitive advantages, leading market positions, low financial risk, above average growth and high returns on total capital and equity. Their operating results also tend to be more stable than the average company. Finally, in our view, rising dividends reflect a management and board culture that both understands and respects its responsibility to shareholders.

Q: ***You have said that dividends can help reduce volatility when the market is turbulent. Can you prove it?***

A: Certainly. Take 2008 for example, which was an extremely volatile year. In that year ,the Fund had a negative return (-22.8%), but it was significantly better than the S&P 500®, which was down (-37.0%). We attribute this in part to the cash flow of the dividends, but more importantly, we feel that the stocks in our portfolio held up better due to their demonstrated consistency, i.e. they are fundamentally sound companies.

Q: ***Do you consider your style as growth or value?***

A: Our style is really a combination of the two, with a tilt towards value. Many of the characteristics we seek include, consistent history of growth, high margins, sustainable competitive advantage and leading market positions are attributes of growth companies. We also pay close attention to valuations, seeking to buy companies with better than average growth prospects at a discount to our estimate of intrinsic value.

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Q: ***Typically, how many stocks are in the portfolio?***

A: Because of the stringent discipline we use for inclusion into the portfolio, we generally own only 30-40 names.

Q: ***Can you talk about the reasons why you would sell a stock?***

A: The first is when we believe a stock becomes too expensive, a level well in excess of that justified by a reasonable estimation of future growth. Second, the company becomes a violator of the core values of the Roman Catholic Church. Third is a deterioration of underlying fundamentals, which includes, but is not limited to, a change in dividend policy. Last is really a portfolio consideration, where a stock's percentage of the overall portfolio has grown to a size that is inconsistent with our portfolio management policy.

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

A: Yes, we pay attention to sector weightings. Our primary focus is on operating fundamentals, and sector concentration is secondary. There are areas that we will probably never invest in, such as steel companies, highly cyclical businesses, auto OEMs and construction companies, to name a few. In short, we feel no obligation to cover the entire waterfront.

Q: ***Finally, is this a high turnover fund?***

A: Turnover has historically been well below the average equity fund. We expect to deliver attractive risk-adjusted returns over time based upon the underlying fundamentals of the companies we've selected. We are not stock flippers. During the most recent fiscal year, the Fund's turnover rate was 15% (2022).

Performance for the periods ended June 30, 2023

	Year to Date	1 Yr.	3 Yrs.^	5 Yrs.^	10 Yrs.^	Since Inception^*	Prospectus Expense Ratio
Ave Maria Rising Dividend Fund	5.25%	14.22%	14.33%	9.70%	10.13%	9.38%	0.91%
S&P 500® Value Index	12.15%	19.99%	16.79%	10.58%	10.51%	8.33%	

^ Annualized * Since Inception date is 5-2-2005

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. **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® Value Index is a market-capitalization-weighted index developed by Standard & Poor's consisting of those stocks within the S&P 500® Index that exhibit strong value characteristics. 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. AVEDX invests primarily in dividend paying companies and it is possible these companies may eliminate or reduce their dividend payments.

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.*