AVE MARIA BOND FUND

Q1 2021 COMMENTARY

For the three months ended March 31, 2021, the total return on the Ave Maria Bond Fund (AVEFX) was 2.84%, compared to the Bloomberg Barclays Intermediate U.S. Government/Credit Index at -1.86%. The returns for the Fund compared to its benchmark as of March 31, 2021 were:

	Year to Date	1 Yr.	3 Yrs.^	5 Yrs.^	10 Yrs.^	Since Inception^*	Prospectus Expense Ratio
Ave Maria Bond Fund	2.84%	15.16%	5.98%	4.62%	4.16%	4.41%	0.49%
Bloomberg Barclays Intermediate U.S. Govt./Credit Index	-1.86%	2.01%	4.36%	2.75%	2.88%	3.53%	

^ 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 Fund's combination of high-quality, short-maturity bonds and dividend-paying common stocks were the primary drivers of the outperformance during the quarter.

The spectacular amount of monetary and fiscal spending unleashed on the economy in the past year has blunted the detrimental economic impacts of COVID-19. At some point, the bill will come due in the form of higher inflation and perhaps we are witnessing the early stages of it. The 10-year U.S. Treasury Note yield has nearly doubled in the past 3 months, having started the year at 0.9% and ending the quarter at 1.7%. Additionally, inflation expectations are rising, as trillions of dollars have been directly injected into the economy with trillions more likely on the way. These additional dollars are chasing a finite amount of goods and services available in the economy.

The Federal Reserve (the Fed) is committed to keeping short-term interest rates near zero and will continue quantitative easing (QE) to the tune of $120 billion per-month. Additionally, it will remain exceedingly accommodative until unemployment is back to pre-pandemic levels and inflation is running above its 2% target. The growing concern is whether the Fed will be able to thread the needle between tightening rates too soon, which chokes off growth, and acting too late, which could lead to runaway inflation.

Corporate credit spreads remained relatively unchanged throughout the quarter, as interest rates increased on the underlying reference securities (U.S. Treasuries). While spreads on the aggregate are near historic lows, opportunity still exists on an individual security basis.

In reviewing the performance of the Fund, the top contributors were the common stocks of Texas Pacific Land Corporation (royalty income – oil and gas), Chevron Corporation (integrated oils) and First Horizon National Corporation (banks). The Fund's weakest-performing asset was the common stock of VF Corporation (apparel).

While interest rates are up significantly from this time last year, they are still extremely low in a historical context. For this reason, the Fund will continue to be managed in a conservative manner, with the average bond maturity short and credit quality high. Dividend-paying common stocks continue to offer an attractive combination of current income and potential price appreciation.

We appreciate your investment in the Ave Maria Bond Fund.

IMPORTANT INFORMATION FOR INVESTORS

As of 3-31-21, the holding percentages of the stocks mentioned in this commentary are as follows: Texas Pacific Land Corporation (2.0%), Chevron Corporation (1.2%), First Horizon National Corporation (1.4%) and VF Corporation (1.1%). 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. Fund holdings are subject to change and should not be considered purchase recommendations. The Fund's top ten holdings as of 3-31-21: Illinois Tool Works, Inc. 2.65% due 11/15/26 (2.6%), U.S. Treasury Note 2.125% due 11/30/24 (2.5%), Texas Pacific Land Corporation (2.0%), BlackRock, Inc. 3.20% due 03/15/27 (1.9%), U.S. Treasury Inflation Protected Sec. 0.375% due 07/15/27 (1.8%), Texas Instruments, Inc. (1.6%), Electronic Arts, Inc. 4.80% due 03/01/26 (1.5%), Watsco, Inc. (1.4%), First Horizon National Corporation (1.4%) and Medtronic, Inc. 3.50% due 03/15/25 (1.4%). 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. The Fund invests primarily in fixed income securities and as a result the Fund is also subject to the following risks: interest rate risk, credit risk, credit rating risk and liquidity risk. 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 Bloomberg Barclays Intermediate U.S. Govt./Credit Index is the benchmark index used for comparative purposes for this fund. Indexes do not incur fees and it is not possible to invest directly in an index. The 10-Year U.S. Treasury note is a debt obligation issued by the United States government that matures in 10 years. A 10-year Treasury note pays interest at a fixed rate once every six months and pays the face value to the holder at maturity.

Request a prospectus, which includes investment objectives, risks, fees, 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.*