



AVE MARIA VALUE FUND

Q2 2021 COMMENTARY

The Ave Maria Value Fund (AVEMX) had a total return of 4.31% for the three months ended June 30, 2021, compared to 3.64% for the S&P MidCap 400® Index. The returns for the Fund compared to its benchmark as of June 30, 2021:

	Year to					Since	Prospectus
	Date	1 Yr.	3 Yrs.^	5 Yrs.^	10 Yrs.^	Inception^*	Expense Ratio
Ave Maria Value Fund	22.46%	56.76%	11.35%	13.60%	7.88%	7.62%	0.97%
S&P MidCap 400® Index	17.59%	53.24%	13.17%	14.29%	12.40%	10.12%	

^ 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 Fund's recent outperformance was driven by strong gains in three sectors: healthcare, energy, and financials. For the first six months of 2021, the Fund's two best performing stocks were Avid Bioservices, Inc. ("Avid") +131%, and Texas Pacific Land Corporation ("TPL") +121%. Avid is a rapidly growing, commercial biologic contract development and manufacturing company focused on the development and manufacture of biopharmaceuticals. Since the Fund's initial purchase in 2018, the stock price is up more than ten-fold. For its most recent fiscal year, the company recorded annual revenue growth of 61%, while gross margins significantly improved from 7% to more than 30%. Revenue for the current year is expected to grow another 20-25%.

TPL's weighting in the portfolio (13.1% of Fund assets) is much larger than Avid's (1.8%), so it had a much greater positive impact on performance. Like Avid, TPL has appreciated nearly ten-fold since the Fund's initial purchase in 2016. In our view, shares of TPL remain undervalued. The company operates a remarkably profitable royalty business model and owns 880,000 surface acres in West Texas, in the oil and natural gas-rich Permian Basin. With low expenses and minimal capital expenditures, the company produces sizable free cash flow, which it returns to shareholders via dividends (increased for 17 consecutive years) and share repurchases. Additionally, the balance sheet has zero debt with \$311 million in cash.

The Fund's five best performing securities in the first half of 2021 were:

<u>Company</u>	<u>Industry</u>	<u>YTD Return</u>
Avid Bioservices, Inc.	Biopharmaceuticals	131.13%
Texas Pacific Land Corporation	Royalties/real estate	121.06%
KKR & Co., Inc.	Financials - asset management	47.12%
Schlumberger Limited	Oil & gas equipment/services	45.99%
Pioneer Natural Resources Co.	Oil & gas exploration/production	43.75%



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The primary detractor from performance in the first six months of 2021 was Haemonetics Corporation. The stock price fell in April after the company announced a large customer declined to renew a supply contract. We viewed this news as a temporary setback and took advantage of the stock price decline to increase the Fund's position.

The Fund's five worst performing securities in the first half of 2021 were:

<u>Company</u>	<u>Industry</u>	<u>YTD Return</u>
Haemonetics Corporation	Medical instruments	-39.27%
Madison Square Garden Entertainment	Entertainment	-17.61%
Barrick Gold Corporation	Metals & mining	- 7.90%
Allison Transmission Holdings, Inc.	Consumer cyclical	- 7.01%
Madison Square Garden Sports	Entertainment	- 6.26%

During the past six months, 12 stocks were eliminated from the portfolio, most of which were small holdings. Only two sizable holdings were liquidated – Spectrum Brands Holdings, Inc. (household & personal products) and Zimmer Biomet Holdings, Inc. (medical devices). Both were long-time holdings that had appreciated substantially and had surpassed our intrinsic value estimates. New positions were established in five companies which meet our criteria of owning shares of high-quality businesses, in strong financial condition, selling at a discount to our estimate of intrinsic value: Brown & Brown, Inc. (insurance brokers), Chemed Corporation (plumbing services & hospice care), Intercontinental Exchange, Inc. (financial data & stock exchanges), Vontier Corporation (mobility technology & auto repair solutions) and YETI Holdings, Inc. (consumer products).

The Fund's positive recent performance has not led us to rest on our laurels. We remain committed to working tirelessly to find superior investments that meet our stringent, value-oriented criteria. Thank you for being a shareholder in the Ave Maria Value Fund.



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IMPORTANT INFORMATION FOR INVESTORS

As of 6-30-21, the holding percentages of the stocks mentioned in this commentary are as follows; Avid Bioservices, Inc. (1.8%), Texas Pacific Land Corporation (13.1%), KKR & Co., Inc. (3.8%), Schlumberger Limited (1.3%), Pioneer Natural Resources Co. (4.7%), Haemonetics Corporation (1.9%), Madison Square Garden Entertainment (no longer held), Barrick Gold Corporation (2.0%), Allison Transmission Holdings, Inc. (2.0%), Madison Square Garden Sports (2.5%), Brown & Brown, Inc. (0.5%), Chemed Corporation (1.5%), Intercontinental Exchange, Inc. (1.6%), Vontier Corporation (2.0%), and YETI Holdings, Inc. (0.3%). 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 6-30-21: Texas Pacific Land Corporation (13.1%), Pioneer Natural Resources Co. (4.7%), Chevron Corporation (4.2%), Graham Holdings Co. Class B (4.1%), KKR & Co., Inc. (3.8%), AMERCO (3.8%), Franco Nevada Corporation (3.7%), Valvoline, Inc. (3.4%), Alleghany Corporation (3.1%) and Alcon, Inc. (3.0%). 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 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.



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1-866-AVE-MARIA (1-866-283-6274)

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