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June 30, 2017

STEWARD GLOBAL EQUITY INCOME FUND COMMENTARY

Factors Affecting Performance

U.S. economic growth was somewhat lackluster in the first quarter of 2017 but is expected to pick up in coming months. The anticipation for the administration's proposals on healthcare reform, trade policy and tax reform has been subdued as the challenge of getting a consensus through both the House and Senate becomes more apparent. While most of these policies would have a positive impact on the equity markets, there is also a degree of uncertainty associated with the final details of these bills and how they would be implemented. The Federal Reserve, confident that the economy has sufficient momentum, hiked rates in June and signaled that it intends to raise them again this year while also starting the process of reducing its balance sheet. In Canada, the economy's momentum remains strong, and real GDP growth is expected to pick up in the next few months. The Bank of Canada should now be in a position to potentially raise interest rates later this year. Overseas, the UK is beginning its Brexit negotiations, and the Bank of England has set its policy to cushion the economy from potential weaker demand. In the Eurozone, economic growth is picking up steam and unemployment is falling, however, wage growth remains weak.

Earnings growth has improved significantly in 2017. For the first quarter as represented by the S&P 500, earnings increased by 13.8% over the previous quarter. Estimated earnings growth for the full year of 2017 is now estimated to increase by 10%. The energy sector, after experiencing steep declines from low oil prices, is now estimated to rebound and have earnings growth of 268% for the full year.

Performance

The second quarter continued its momentum from the beginning of the year with equity markets moving higher as valuations increased. The Steward Global Equity Income benchmarks of the S&P Global 1200 and the S&P 500 ended the second quarter with returns of 4.31% and 3.09%, respectively. For dividend income comparison purposes, the MSCI World High Dividend Yield Index returned 3.20%.

The Steward Global Equity Income Fund outperformed all three comparable indices in the second quarter of 2017. The portfolio equity allocation at the end of the quarter was

2015 • 2016 • 2017
LIPPER BEST
STEWARD GLOBAL
EQUITY INCOME
FUND
Institutional (SGISX)
AWARD WINNER
FOR 5-YEAR PERIOD



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THIRD CONSECUTIVE YEAR

The U.S. Lipper Fund Awards recognized The Fund on March 31, 2015, March 22, 2016 and March 23, 2017 for delivering consistently strong risk-adjusted performance, relative to its peers, for the 5-year period. Chosen out of 66 others in 2015, 80 others in 2016, and 22 others in 2017, the Fund achieved the highest Lipper Leader for Consistent Return (Effective Return Net of Expenses) value over an individual time period in its classification.

Steward Global Equity Income Fund Commentary

57% U.S. and 43% international. The largest positive contributors were McDonald's Corp. (+18.90%), Quest Diagnostics Inc. (+13.73%), and InterContinental Hotels Group plc (+14.22%). Contributors to relative negative performance included International Business Machines Corp. (-10.80%) and Analog Devices, Inc. (-4.54%). Overall, the methodology has performed very well for the second quarter and will continue to seek high quality dividend paying companies that can provide solid performance over the long term.

Values-Based Screening Methodology:

The Fund uses Crossmark Consulting, LLC as its provider of widely held values research data in the screening of securities. The management team at Crossmark Consulting, LLC pioneered the initial development of values-based investing in the mid 1990's. Their experience includes having started an investment research firm dedicated to values-based investing data and analysis in 1996.

The Fund applies a comprehensive set of widely held values screens to all of the investments. Screens applied to the portfolio management process allow investors to avoid owning securities in companies that choose to profit from businesses that are at odds with values-based investing.

Strict exclusionary screens are applied to companies involved in the businesses of abortion and pornography. In addition, the Fund screens for businesses that are principally involved in gambling, or the manufacturing of alcoholic or tobacco products. The Fund employs only avoidance screens and does not dilute the portfolio by seeking to invest in companies that promote any individual widely held values or social issue.

This methodology gives the Fund the ability to serve a rapidly growing number of investors seeking competitive investment returns without compromising their personal convictions.

For more information contact us at: **Steward Funds** 713.243.6720 info@stewardmutualfunds.com

Risk Factors: *The Fund may not achieve its stated investment objective. Please be aware that the Fund may be subject to certain additional risks such as Cultural Values Screening and Foreign Securities Risk. The Fund may not achieve the same level of performance as it would have without the application of the Cultural Values Screening policies. Investments in foreign securities may involve greater risk, including political and economic uncertainties of foreign countries as well as the risk of currency fluctuations. Please see the Fund's prospectus for a further explanation of these risks.*

Past performance is no guarantee of future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. The Fund's current performance may be lower or higher than quoted. For the Fund's performance as of the most recent month end, please call 888-556-5369. Returns are historical and are calculated by determining the percentage change in the net asset value (NAV) with all income and capital gain distributions reinvested.

This is not an offer to sell or a solicitation to buy Fund shares. Sales of Fund shares may only be made by prospectus. Before investing you should carefully consider the Fund's investment objectives, risks, charges and expenses. This and other information is in the prospectus, a copy of which may be obtained by calling Crossmark Distributors, Inc. Distributor for the Steward Funds, Inc., 800-262-6631. Please read the prospectus carefully before you invest.

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3700 W. Sam Houston Parkway S., Suite 250, Houston, TX 77042, 800-262-6631**