

Steward Large Cap Value Fund

Commentary | Quarterly update: 1Q25

Institutional shares



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Snapshot

Ticker	SJVIX
Inception date	11/15/2021
Prospectus dated	8/28/2024
Prospectus expense ratio ¹	Gross 0.99% Net 0.75%
Primary benchmark	Russell 1000 Value Index

Top 10 holdings (%)

Berkshire Hathaway Inc. Class B	2.94
Cisco Systems, Inc.	2.02
Wells Fargo & Company	1.98
International Business Machines Corp.	1.95
AT&T Inc.	1.86
Verizon Communications Inc.	1.83
JPMorgan Chase & Co.	1.79
Accenture Plc Class A	1.72
S&P Global, Inc.	1.63
Gilead Sciences, Inc.	1.62
Total % of portfolio	19.33

Markets and performance

The Steward Large Cap Value Fund (Institutional shares) returned -0.88% in the first quarter, underperforming the Russell 1000 Value Index (2.14%) by 302 basis points (bps). The underperformance was driven by a combination of sector allocation and challenged stock selection.

Positive and negative contributors to performance

Consumer discretionary was the most significant detractor with a total effect of -1.58%, particularly led by the consumer durables & apparel industry, which alone contributed -67 bps to the underperformance. Conversely, healthcare added positively with a total effect of 64 bps, with healthcare equipment & services being the largest contributor within this sector, enhancing performance by 42 bps.

On an individual position basis, PVH Corp. was the largest detractor from performance, as the company faced significant challenges during the period regarding their operations in China and downgrades from some Wall Street analysts. On the positive side, AT&T was the best-performing stock in the portfolio during the quarter, posting strong financial results with robust free cash flow and positive momentum in the mobility and broadband revenue growth.

Looking ahead

Recently, the S&P 500 traded at an all-time high with enthusiasm among consumers, businesses, and investors. While the initial reaction to Trump's victory in November was certainly pro-risk (stocks rose, the U.S. dollar strengthened, and bond yields fell), the markets settled back into an uneasy holding period, acknowledging the challenges that await the new administration, and corrected 10%. The policy uncertainty stemming from the on-again, off-again tariff announcements has done little to restore confidence, and the biggest risk now is that the market has entered a negative feedback loop, contributing to a sentiment-induced slowdown. As a result, recession probabilities have moved up from 20% at year-end to 35–40% now. Earnings estimates are only beginning to fall and multiples, while down a bit, are still high.

Considering the market environment, the fund continues focus on companies with higher management quality and earnings yield but is slightly overweight beta. During the quarter, the fund trimmed exposure to the consumer staples and utility sectors, adding exposure to the financials and healthcare sectors. At the end of the quarter, the fund held the largest overweight positions in financials and consumer discretionary while being underweight energy and consumer staples.

¹ The net expense ratio reflects a contractual commitment by the fund's investment adviser to waive fees and/or reimburse expenses through Aug. 31, 2025. Absent the waiver and/or reimbursement, expenses would be higher and total returns would be less. Please see the prospectus for details.

Performance (%)	Quarter	YTD	1-year	3-year	Since inception
Steward Large Cap Value Fund (SJVIX)	-0.88	-0.88	7.49	8.76	7.09
Russell 1000 Value Index	2.14	2.14	7.18	6.64	5.96

Index returns shown assume the reinvestment of all dividends and distributions. An investment cannot be made directly in an index. 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. Before investing in a mutual fund, you should read the fund's prospectus carefully and consider the fund's investment objectives, risks, charges, and expenses. The prospectus contains this and other information about the fund. To obtain fund performance as of the most recent month-end or to obtain a copy of the Steward Funds' prospectus free of charge, call Crossmark Distributors at 888-845-6910.

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The fund may not achieve its objective if the managers' expectations regarding particular securities or markets are not met. Equity investments generally involve two principal risks—market risk and selection risk. The value of equity securities will rise and fall in response to general market and/or economic conditions (equity market risk). The value of any individual equity security will rise and fall in response to the market's perception of the issuer's revenues, earnings, balance sheet, credit worthiness, business plan, and overall perception of the viability of the issuer's business (selection risk).

The fund's values-based screening policies exclude certain securities issuers from the universe of otherwise available investments. As a result, the fund may not achieve the same level of performance as it otherwise would have in the absence of the screening process. If the fund has invested in a company that is later discovered to be in violation of one or more screening criteria and liquidation of an investment in that company is required, selling the securities at issue could result in a loss to the fund. Further, the fund's values-based screening policies may prevent the fund from participating in an otherwise suitable investment opportunity.

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