

# STEWARD SELECT BOND FUND

Profile

**Fund Objective:**

Seeks to provide high current income with capital appreciation.

**Ticker:**

Institutional	SEACX
Class A	SEAKX

**Fund Snapshot:**

Product Inception	10/1/2004
Category	Intermediate Core Bond

The Steward Select Bond Fund seeks to enhance its performance over its primary benchmark (Bloomberg Barclays U.S. Government/Credit Bond Index) by focusing on high quality, primarily intermediate maturity securities, and adding value through active duration management and the selective rotation of market sectors and the securities within those sectors. We believe this fixed-income strategy can achieve superior long-term returns with less-than market risk, subject to the limitations of the Fund’s values-based screening policies.

The Fund invests primarily in fixed-income securities, including, but not limited to, corporate bonds, mortgage-backed securities and government and agency bonds and notes. In order to construct the most appropriate portfolio to realize the Fund’s objective, the portfolio manager will seek to balance three primary portfolio characteristics: duration, yield curve structure, and sector allocations.

## Key Highlights

CURRENT INCOME



- The Fund attempts to achieve its objective by focusing on issuers that our analysis suggests will provide the steady cash flows needed to support consistent interest payments. For the Fund, income is a large component of total return.

CAPITAL PRESERVATION



- The portfolio generally consists of securities rated investment grade by a nationally recognized statistical rating organization in order to reduce the risk of default.

FLEXIBLE DURATION



- With the ability to shorten or lengthen the average duration of the portfolio, the Portfolio Manager can analyze and adjust for the appropriate yield curve positioning to mitigate interest rate risk. The analysis begins with a bias toward intermediate maturities (two to ten years).

## Investment Process

The fund employs a four-step process focused on high-quality, fixed income securities.

<b>Duration Selection</b>	Analyze Current and Projected Economic and Market Conditions: <ul style="list-style-type: none"> <li>Economic Indicators</li> <li>Monetary Policy Indicators</li> <li>Fiscal Policy Indicators</li> <li>Geo-Political Events</li> </ul>	Establish Portfolio Duration: <ul style="list-style-type: none"> <li>Identify Market Duration</li> <li>Establish Variation Range from Market</li> <li>Establish Target Portfolio Duration</li> </ul>
<b>Yield Curve Selection</b>	<ul style="list-style-type: none"> <li>Begin with a bias toward intermediate maturities (i.e., 2-10 years); the majority of the Fund’s investments tend to have intermediate maturities</li> <li>Allocations to very short maturities or very long maturities may be used to implement the Fund’s duration positioning</li> <li>When nominal interest rates trend higher, shorter-term issues typically will be favored; and vice versa</li> </ul>	
<b>Sector Selection</b>	<ul style="list-style-type: none"> <li>Investments in U.S. Treasuries are generally determined by the demand for safety and liquidity of these investments.</li> <li>Corporate sectors may be underweight when slowing economic activity places increased stressed on corporate balance sheets and produces potential downgrades and other credit events (resulting in widening credit yield spreads); and vice versa</li> </ul>	
<b>Issue Selection</b>	Apply the Values-Based Screens Credit Analysis: <ul style="list-style-type: none"> <li>Quality Guidelines</li> <li>Monitor Existing Holdings</li> <li>Identify Potential Upgrade Candidates</li> </ul> Issue Size and Trading Activity: <ul style="list-style-type: none"> <li>Maintain Adequate Liquidity</li> </ul>	Special Features: <ul style="list-style-type: none"> <li>Call Provisions</li> <li>Step-Up Provisions</li> <li>Floating Rate Features</li> </ul>

## Values-Based Screening Methodology

The Fund applies a set of investment screens consistent with widely-held traditional values. Screens utilized in the portfolio management process allow investors to avoid owning securities in companies that choose to profit from businesses that may be at odds with their personal convictions. Our screening methodology is scalable, replicable and verifiable in order to maximize integrity and to deliver the most evidence-based results for our investors.

## Steward Avoidance Screens

Common Addictions Based:	Alcohol	Gambling	Recreational Cannabis	Tobacco
Family Values Based:	Abortion	Adult Entertainment	Embryonic Stem Cell Research	

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**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.**

**All Investments are subject to risks, including the possible loss of principal. Past performance does not guarantee future results.** The Steward Equity Select Bond Fund may not achieve its objective if the managers’ expectations regarding particular securities or markets are not met. Fixed income investments generally involve three principal risks—interest rate risk, credit risk, and liquidity risk. Prices of fixed-income securities rise and fall in response to interest rate changes (interest rate risk). Generally, when interest rates rise, prices of fixed-income securities fall. The longer the duration of the security, the more sensitive the security is to this risk. There is also a risk that the issuer of a note or bond will be unable to pay agreed interest payments and may be unable to repay the principal upon maturity (credit risk). Lower-rated bonds, and bonds with longer final maturities, generally have higher credit risks. As interest rates rise and/or the credit risk associated with a particular issuer changes, bonds held within a portfolio may become difficult to liquidate without realizing a loss (liquidity 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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