



STEWARD COVERED CALL INCOME FUND

COMMENTARY | QUARTERLY UPDATE: 2Q 2023



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Institutional Shares

Steward Covered Call Income Fund - Institutional	
Ticker	SCJIX
Inception Date	12/14/2017
Prospectus Dated	8/28/2022
Prospectus Expense Ratio	Gross 1.61% Net 1.00%
Primary Benchmark	S&P 500

Top 10 Holdings

Apple, Inc.	4.82%
Microsoft Corp.	4.69%
Amazon.com, Inc.	3.51%
NVIDIA Corp.	3.17%
Berkshire Hathaway, Inc.	2.40%
Alphabet, Inc.	2.24%
Tesla, Inc.	2.00%
Eli Lilly & Co.	1.97%
Meta Platforms, Inc.	1.93%
Coca-Cola Co.	1.88%
Total % of Portfolio	28.61%

Markets and Performance

Coming off a fairly volatile first quarter, investors had a recession on their radar, inflation was still running high, there was no economic downturn in sight and the Fed was still raising rates. Throughout the second quarter the employment market continued to remain strong, earnings were relatively stable and the artificial intelligence or AI trade burst on to the scene in a big way. Mega-cap stocks such as Apple (AAPL), Meta Platforms (META), NVIDIA (NVDA) and the names included in the AI frenzy led the markets higher in the second quarter of the year. The major indexes are all sitting on the cusp of a breakout or have already participated in a major rally even with some quite sizable headwinds to navigate through.

Positive and Negative Contributors to Performance

The Steward Covered Call Income Fund returned 5.60% for the quarter ending June 30, 2023, slightly underperforming the primary benchmark of the S&P 500 but outperforming the secondary benchmark of the BXM returning 8.74% and 4.26%, respectively. Healthcare and information technology had positive contributions to return from a sector standpoint. Some individual stocks worth mentioning that had positive contributions to return during the quarter were Eli Lilly (1.97% of total net assets), Broadcom (1.30% of total net assets), NVIDIA (3.17% of total net assets), and Oracle Systems (0.66% of total net assets). Industrials and consumer staples were among the weakest performing sectors during the quarter with Danaher Corp. (1.44% of total net assets), Target (0.47% of total net assets), and Duke Energy (1.13% of total net assets) generating negative contributions to return during the second quarter. From an option overlay standpoint, we continued to be opportunistic trading certain names and sectors with the plan to stay short in duration. We also took advantage of the volatility throughout the quarter by resetting multiple option strikes allowing for a continued increase in cash flow.

When considering the Steward values-based screens that are applied to the fund, the net impact on performance by not owning restricted companies was a materially positive +67 basis points relative to the S&P 500. The majority of this positive impact came from not owning pharmaceutical companies engaged in abortion and Embryonic Stem Cell Research. The largest single name positive impact on performance (+19 bps) came from not owning Abbvie Inc. (restriction: Abortion – Owner of Acute Care Facilities). The largest single name negative impact on performance (-02 bps) came from not owning General Electric (restriction: Embryonic Stem Cell Research).

The net expense ratio reflects a contractual commitment by the Fund's investment adviser to waive fees and/or reimburse expenses through August 27, 2023. Absent the waiver and/or reimbursement, expenses would be higher and total returns would be less. Please see the prospectus for details.

Looking Ahead

As we head into the third quarter and second half of the year, all eyes will be fixated on the Fed and the direction of interest rates. Monetary tightening is either at, or close, to an end but the markets will also be anxiously looking for an increase in leading economic indicators that could lead to a viable move higher in the markets. The market rally so far this year has been highly concentrated as only seven companies have been responsible for three-quarters of the market gains. For the gains to continue, one would have to think that mid-cap and small-cap stocks will need to be included as well as the Value category. The Crossmark team will continue to look for trading opportunities on the option overlay aspect of the fund with the goal of increasing income through call option premiums and reducing overall volatility.

Performance	QTD	YTD	1 Year	3 Years	5 Years	Since Inception
Steward Covered Call Income Fund - Institutional	5.60%	11.90%	14.33%	11.38%	8.11%	7.48%
S&P 500	8.74%	16.89%	19.59%	14.60%	12.31%	11.74%
CBOE S&P 500 Buy/Write BXM	4.26%	10.47%	9.02%	10.56%	4.42%	4.40%

Index returns shown assume the reinvestment of all dividends and distributions.

Our Firm

Crossmark Global Investments is a faith-based firm that creates, manages, and distributes values-based investment strategies that equip financial intermediaries and their clients to go further by aligning their wealth with their passions and convictions. For over 30 years, the firm has delivered uniquely constructed products based on its proprietary, disciplined, and repeatable process. Founded in 1987, the firm is headquartered in Houston, Texas. For more information visit: www.crossmarkglobal.com.

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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.

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, creditworthiness, business plan, and overall perception of the viability of the issuer's business (selection risk).

Options are not suitable for every investor. Writing call options to generate income and to potentially hedge against market declines by generating option premiums involves risk. If the market price of a security increases, a call option written against that security limits the gain that can be realized. And, there can be significant differences between the securities and options markets that could result in an imperfect correlation between these markets, causing a given transaction not to achieve its objectives.

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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