

QUARTERLY UPDATE: 3Q 2021

STEWARD COVERED CALL INCOME FUND COMMENTARY



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Steward Covered Call Income Fund - Instl	
Ticker	SCJIX
Inception Date	12/14/2017
Net Expense Ratio	1.00%
Primary Benchmark	S&P 500 TR USD

Top 10 Holdings

MICROSOFT CORP	4.47%
APPLE INC	4.41%
AMAZON.COM INC	3.47%
ALPHABET INC	2.83%
FACEBOOK INC	2.60%
ALPHABET INC	2.11%
BERKSHIRE HATHAWAY INC	1.97%
JPMORGAN CHASE & CO	1.95%
NVIDIA CORP	1.95%
VISA INC	1.88%
Total % of Portfolio	27.60%

Markets and Performance

For the third quarter ended September 30, 2021, the total return for the Steward Covered Call Income Fund Institutional class shares was 0.72%, trailing its primary benchmark (the CBOE S&P 500 BuyWrite Index), which returned 1.35%. For comparison purposes, the total return for the S&P 500 Index for the same period was 0.58%. The S&P 500 Index was up more than 5.5% during July and August, but it gave up nearly all that gain in September. Concerns seemed to build into the last month of the quarter on prospects of monetary policy tapering by the Federal Reserve, uncertainty around the Chinese regulatory crackdown on select sectors of their economy, the possibility of contagion from the default of Chinese real estate developer Evergrande, and the risk of the U.S. Congress not agreeing to extend the debt limit.

Positive and Negative Contributors to Performance

Sectors contributing the most to relative performance against the S&P 500 were Utilities, Consumer Discretionary, Consumer Staples, and Financials, all of which the Fund was overweight versus the benchmark. Sectors detracting most from relative performance were Industrials (overweight), Tech (overweight), and Healthcare (underweight). Stocks contributing the most to relative performance were Danaher (DRR, 1.21% of average total net assets), Accenture (ACN, 1.18% of average total net assets), and Costco (COST, 0.95% of average total net assets). Stocks detracting the most from relative performance were Nvidia (NVDA, 1.95% of average total net assets), T-Mobile (TMUS, 0.81% of average total net assets), and Union Pacific (UNP, 0.98% of average total net assets). When considering the values-based screens we apply, the net impact for the Fund by not owning certain companies was a positive six basis points. The majority of this impact resulted from our Embryonic Stem Cell Research screen.

Looking Ahead

As we head into Fall and the fourth quarter, portfolio managers will continue trying to keep their heads around a monetary and economic environment that seems to be constantly transitioning. This uncertainty is playing out in sector rotation, with a drop in the economic recovery theme relative to the S&P 500. All this should lead to heightened volatility across the broad equity markets. The Crossmark team will continue to monitor volatility with the intent to trade the option overlay to maximize income and reduce as much inherent market risk as possible. The fourth quarter looks to be ripe with trading opportunities.

Trailing Returns

	Qtr	YTD	1 Year	3 Years	Since Inception
Steward Covered Call Income Fund- Instl	0.72%	13.73%	22.95%	9.84%	9.64%
S&P 500 TR USD	0.58%	15.92%	30.00%	15.99%	15.60%
CBOE S&P 500 BuyWrite BXM	1.35%	12.61%	21.10%	4.15%	5.20%

Our Firm

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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. These risks include, but are not limited to, potential losses if equity markets or an individual equity security do not move as expected, and the potential for greater losses than if these techniques had not been used. If the market price of a security increases, a call option written against that security limits the gain that can be realized. And, there are 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.

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