

Steward Covered Call Income Fund

Commentary | Quarterly update: 1Q25

Institutional shares



Paul Townsend Managing Director – Portfolio Manager

Snapshot

Ticker	SCJIX
Inception date	12/14/2017
Prospectus dated	8/28/2024
Prospectus expense ratio ¹	Gross 1.25% Net 1.00%
Primary benchmark	S&P 500 Index

Top 10 holdings (%)

Apple Inc.	4.76
Microsoft Corp.	4.48
NVIDIA Corp.	4.25
Amazon.com, Inc.	4.18
Meta Platforms Inc. Class A	2.98
Berkshire Hathaway Inc. Class B	2.31
Alphabet Inc. Class A	2.17
Broadcom Inc.	2.05
Alphabet Inc. Class C	1.75
Mastercard Inc. Class A	1.74
Total % of portfolio	30.66

Markets and performance

In 1Q25, the S&P 500 experienced a decline of 4.3%, primarily driven by economic uncertainty and newly implemented tariffs. The S&P 100 Index, composed of the largest companies within the S&P 500, faced similar headwinds. Despite these challenges, the labor market demonstrated resilience, and the Federal Reserve maintained steady interest rates, indicating caution amid heightened economic risks. Inflation expectations notably increased, contributing to market volatility.

Positive and negative contributors to performance

The Steward Covered Call Income Fund outperformed both the S&P 500, its primary benchmark, and the BXM, its secondary benchmark. Information technology and financials had positive contributions to return from a sector standpoint. Some individual stocks worth mentioning that had positive contributions to return were NVIDIA (NVDA), Apple Inc. (AAPL), and Berkshire Hathaway (BRK/B.) Healthcare and consumer discretionary were among the weakest-performing sectors, with Salesforce (CRM) and Tesla (TSLA) having negative contributions to return. From an option overlay standpoint, we were opportunistic in trading certain names and sectors while continuing to stay short in duration. We also took advantage of volatility spikes in March by resetting multiple option strikes, which allowed for a continued increase in cash flow.

When considering the Steward values-based screens we apply, the net impact on fund performance from not owning restricted companies was -73 basis points (bps) relative to the S&P 500. The majority of the negative impact came from not owning pharmaceutical companies engaged in abortion and embryonic stem cell research. The largest single-name negative impact on performance (-15 bps) came from not owning AbbVie Inc. (ABBV).

Looking ahead

Looking ahead to 2Q25 and beyond, market volatility is expected to persist as the full impact of recent tariff policies continues to unfold across supply chains and corporate earnings. These trade-related uncertainties create an ideal environment in our opinion for covered call strategies, particularly those focused on the S&P 100 Index—its concentration of large, established companies with global operations provides a compelling investment universe for navigating tariff-induced volatility. A covered call approach targeting these blue-chip stocks can generate enhanced income through option premiums during volatile periods while maintaining exposure to potential upside. Additionally, the strategy's inherent downside protection potentially offers a defensive posture against further tariff-related disruptions. These attributes align precisely with the Steward Covered Call Income Fund's investment philosophy, which seeks to leverage market volatility to generate income while managing risk in uncertain economic environments.

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	5-year	Since inception
Steward Covered Call Income Fund (SCJIX)	-2.71	-2.71	6.61	7.30	13.99	8.48
S&P 500 Index	-4.27	-4.27	8.25	9.06	18.59	12.70
CBOE S&P 500 BuyWrite Index (BXM)	-3.09	-3.09	9.80	4.60	11.69	5.68

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.

Our firm

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advisorsolutions@crossmarkglobal.com | 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, 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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