

Steward Covered Call Income Fund

Commentary | Quarterly update: 3Q25

Institutional shares



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Snapshot

Ticker	SCJIX
Inception date	12/14/2017
Prospectus dated	8/28/2025
Prospectus expense ratio ¹	Gross 1.20% Net 1.00%
Primary benchmark	S&P 500 Index

Top 10 holdings (%)

Apple Inc.	4.90
NVIDIA Corporation	4.83
Microsoft Corporation	4.67
Amazon.com Inc.	4.22
Broadcom Inc.	3.16
Meta Platforms Inc. Class A	3.15
Alphabet Inc. Class A	2.84
Tesla Inc.	2.43
Alphabet Inc. Class C	2.24
Berkshire Hathaway Inc. Class B	2.06

Total % of portfolio 34.49

Markets and performance

The markets continued their strong push into 3Q25, with the S&P 500 and Nasdaq hitting new all-time highs. Sentiment remained optimistic with investors, as stocks traded higher due to strong earnings and the Fed's pivot toward rate cuts, which helped ease trade tensions. Artificial intelligence was a big headliner during the quarter, thanks to strong earnings growth and continued spending into the billions. After a nine-month pause, the Federal Reserve cut interest rates in September after holding steady in July. This was a clear shift from fighting inflation to supporting the labor market.

Positive and negative contributors to performance

Steward Covered Call Income Fund slightly underperformed the primary benchmark of the S&P 500, but outperformed the secondary benchmark of the BXM during 3Q25. Financials and real estate had positive contributions to return from a sector standpoint. Some individual stocks worth mentioning that had positive contributions to return during the quarter were Broadcom Inc. (AVGO) and Oracle Corp. (ORCL). Information technology and consumer staples were among the weakest-performing sectors, with Apple Inc. (AAPL) and NVIDIA (NVDA) having negative contributions to return due to underweights. 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 throughout the quarter by resetting multiple option strikes, allowing for a continued increase in cash flow.

When considering the Steward values-based screens we apply, the net impact on fund performance by not owning restricted companies was a positive 15 basis points (bps) relative to the S&P 500. The positive impact came from not owning pharmaceutical companies engaged in abortion and embryonic stem cell research. The largest single-name negative impact on performance (10 bps) came from not owning Johnson & Johnson (JNJ).

Looking ahead

The fourth quarter figures to be a busy one. Fed monetary policy will be front and center as policymakers signaled a gradual easing cycle rather than being overly aggressive. The markets are forecasting two more rate cuts in 2025. That could change quickly if inflation reaccelerates or the labor market stabilizes. Earnings season kicks off the second week of October and solid consumer spending remains. AI will also dominate the headlines as earnings are announced. In the short term, look for increased volatility as the markets navigate unexpected policy shifts, which seem to be a fairly common occurrence. The fund's inherent downside protection offers a defensive posture against further tariff-related disruptions. These attributes align with the 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, 2026. 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)	4.78	8.72	11.50	17.24	11.90	9.46
S&P 500 Index	8.12	14.83	17.60	24.94	16.47	14.48
CBOE S&P 500 BuyWrite Index (BXM)	3.53	2.23	8.15	13.61	9.54	6.03

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 toll-free at 888-845-6910.

Our firm

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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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