CROSSMARK
GLOBAL INVESTMENTS

QUARTERLY UPDATE: 1Q 2021

STEWARD FUNDS COMMENTARIES

ECONOMIC & MARKET
Commentary

written by
Mel Cody, Sr. Portfolio Manager

Will an aggressive Fed and vaccine optimism keep the rally going?
Equities ended 2020 on a very strong note, bouncing back from the fastest drop into bear market territory ever due to the COVID-related shutdowns ravaging the economy. The S&P 500 Index fell 35% over February and March of last year, ending the longest bull market in history. But optimism that the worst was behind us then fueled a 70% rebound through year-end, with the Index closing at an all-time high of 3,756. Given this performance, surely the market was due for a breather as we entered the first quarter of 2021. However, the growing success of the vaccine rollout is changing the game, acting as an additional major stimulus to economic growth as the country moves toward herd immunity. We also have the benefit of an aggressively loose Federal Reserve and an even looser Congress and Administration. Their message is clear – all will do whatever it takes to continue boosting the economy, so we saw the S&P 500 jump another 6.2% in the first quarter. The Index actually crossed the 4,000 level for the first time ever at the beginning of April. Anticipating a recovery, the smaller-cap S&P 1000 Index jumped an impressive 14.9% during the quarter. Some of these smaller companies are quite leveraged to ride an economic recovery.

Reading the Data
The economy appears to be coming back strong, just like the stock market. As Fed Chairman Powell recently noted, the recovery could accelerate "more quickly than it has in the past because it involves reopening the economy as opposed to stimulating aggregate demand and waiting for that to produce demand for workers." The data bear this out. For example, the recently released ISM March Manufacturing PMI posted a reading of 64.7, up from 60.8 in February and ahead of the 61.3 consensus. That was the highest reading since 1983, some 37 years ago (any reading above 50 indicates economic expansion). Keep in mind that the expansion is resuming from a lower level of output than before the pandemic. The ISM Non-Manufacturing Index for March also came on like gangbusters. At 63.7, this is its highest reading since the series began in 1997. All 18 component industries showed growth for the month, which is a notable feat. The vaccine rollout and the easing of certain state restrictions (and better weather) helped boost results for customer-facing businesses comprising the services survey.

Promising News on Employment
Employment numbers are also strong, with March nonfarm payrolls jumping by 916,000, well ahead of expectations of 675,000. The unemployment rate fell to 6.0% from 6.2%. The labor force participation rate rose to 61.5% but is still below the pre-pandemic (February 2020) level of 63.3%. Leisure and hospitality boasted the strongest gains with

ECONOMIC & MARKET
Commentary (continued)

280,000 new jobs last month. With some schools reopening, education jumped by 190,000. Overall, it was a broad-based recovery across sectors. At the same time, January and February job numbers were revised upwards by 67,000 and 89,000, respectively. Demand for job seekers also looks excellent. In the most recent JOLTS (job openings) report for February, job openings jumped to a two-year high of 7.4 million (well ahead of the 7 million consensus). Still, there were 1.4 unemployed workers for every available job opening last month. This is well above the 0.82 number recorded just before the lockdowns started a year ago, so competition for positions will be tough.

Auto Sales and Stimulus Measures Should Boost GDP

Auto sales appear to be on the rise after the pandemic-induced collapse one year ago. According to Bloomberg research, March's seasonally adjusted annualized sales jumped to 17.8 million units, a 56% increase over March of 2020 and a 4% increase over March 2019 (pre-pandemic). Fear of infection has translated into a greater desire for personal transportation (as opposed to mass transit or ride sharing), helping to boost demand for cars and trucks. With all this good news and the Biden Administration's recent $1.9 trillion stimulus package, we expect strong GDP growth in 2021. Some estimates for the first quarter are as high as 10%, a huge gain after 4.3% growth in the fourth quarter of last year. For 2021, growth could top 7% by some estimates, which would be the fastest since 1984 and a dramatic turnaround from the 3.5% contraction in 2020.

Easy Comparisons for Corporate Earnings

After getting slammed in 2020 by the pandemic, corporate earnings are rebounding nicely. Of course, the comparisons are fairly easy. Currently, positive guidance for S&P 500 companies in the first quarter is far outpacing negative guidance. Of the 95 companies issuing guidance so far, 61 have been positive (64%) - the five-year average is 35%. If this trend holds it will be the highest since FactSet began tracking this metric in 2006. The consensus year-over-year growth rate estimate for the first quarter is a stellar 23.8%, well above the five-year average of 3.8%. Nine of the eleven S&P 500 sectors are expected to show positive growth, led by Consumer Discretionary, while two sectors, Energy and Industrials, are expected to post negative growth. Sales also look solid with expected growth of 6.3% versus the five-year average of 3.5%. The second quarter is expected to be a corporate earnings blowout, up 52.5% compared to last year's second quarter plunge. For 2021, analysts are looking for earnings growth of 25.9% on revenue growth of 9.9%.

Don't Fight the Fed (Says the Stock Market)

Stocks have had a tremendous run since the March 2020 bottom, with the S&P 500 up over 80% through the end of the first quarter. Other indexes have done even better, with many at all-time highs (including the "advance-decline line"). The advance-decline line is a fairly reliable leading indicator of market strength and direction, as it usually gives several months warning if it peaks and starts to decline before the broad market follows suit. Of course, after a rebound like we have seen the last year valuations are getting stretched. At the end of the first quarter the S&P 500 was trading at a 12-month forward price/earnings ratio of 21.9X, according to FactSet. This is well above the five-year average P/E of 17.8X. So the market is certainly no bargain, but is it reasonably priced? We believe the valuation is reasonable given the current environment. First, the Federal Reserve has made it clear they will do whatever it takes to support the economy and our policy is always "don't fight the Fed." The rest of Washington D.C. is on board as well. We now have low inflation, low interest rates, an extremely accommodative Fed and a Congress and Administration throwing money at everything. This is about as good as it gets for stock valuations and it could push P/E ratios into the mid-20s or even higher. One canary in the coal mine, however, is that sentiment has gotten very bullish, so much so that it is considered a negative. And the volume of IPOs and SPACs, not to mention bitcoin and non-fungible token (NFT) speculation, is also flashing a warning light. Bottom line – we believe we are in a strong bull market that could use a breather for earnings to catch up to prices before resuming its move to the upside.

STEWARD COVERED CALL INCOME FUND

Commentary

written by

Paul Townsen, Managing Director – Head of Trading & Investment Operations

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

Top 10 Holdings	
MICROSOFT CORP	4.40%
APPLE INC	4.36%
AMAZON.COM INC	3.45%
FACEBOOK INC	2.54%
ADOBE INC	2.52%
ALPHABET INC	2.30%
NVIDIA CORP	2.23%
BERKSHIRE HATHAWAY INC	1.92%
VISA INC	1.89%
MASTERCARD INC	1.88%
Total % of Portfolio	27.49%

Markets and Performance

The first quarter of 2021 is not looking much different from where we finished in 2020. U.S. equity markets experienced some volatility but for the most part continued to advance with cyclical stocks leading the way, building on outperformance that started with positive vaccine news last November. Market volatility from last month seemed to center around the potential for higher inflation, rising bond yields and the collapse of the investment firm Archegos Capital. The Fund (Institutional Shares) benefitted from the rise in volatility by having the trade team strategically execute trades on the option overlay to maximize income and limit as much risk as possible. The Fund slightly underperformed its primary benchmark (the CBOE S&P 500 Buy/Write Index) by 7 basis points.

Positive and Negative Contributors to Performance

With regard to performance attribution for the Fund during the first quarter, there are several sectors and individual stocks worth highlighting. For the quarter, all S&P 500 sectors returned positive performance, but the Fund was led by positive contributions from the energy, financial and industrial sectors. Several stocks that performed well relative to the benchmark were JP Morgan (1.57% of total net assets), Bank of America (1.62% of total net assets), Home Depot (1.79% of total net assets), and Caterpillar (0.97% of total net assets). The Fund incurred a negative contribution to return by holding Apple (4.36% of total net assets), Amazon (3.45% of total net assets), Qualcomm (0.78% of total net assets), and Tesla Motors (1.49% of total net assets). When considering the values-based screening policies that are applied, the impact for the Covered Call Income Fund was a positive 13 basis points due to not owning Merck or Altria. These are screened out due to embryonic stem cell research and tobacco business, respectively.

Looking Ahead

As we look ahead to the second quarter (April in particular), investors will be seeking solid evidence that the economic recovery is firmly in place. Earnings season will be in full swing in a few weeks with the street wanting to see a continuation of momentum from the fourth quarter of 2020. Historically, April has been the second strongest month for performance on average. Outside of earnings announcements, April could witness market-moving news coming from the COVID vaccine rollout and the reopening of the economy.

Trailing Returns

	Qtr	YTD	1 Year	3 Years	Since Inception
Steward Covered Call Income Fund- Instl	5.66	5.66	40.03	10.08	8.73
CBOE S&P 500 BuyWrite BXM	5.73	5.73	32.20	4.79	4.01

Source: Morningstar Direct

STEWARD GLOBAL EQUITY INCOME FUND

Commentary

written by

John Wolf, Managing Director

Steward Global Equity Income Fund - Instl	
Ticker	SGISX
Inception Date	4/3/2008
Net Expense Ratio	0.95%
Primary Benchmark	S&P Global 1200 TR

Top 10 Holdings	
TEXAS INSTRUMENTS INC	2.63%
INFOSYS LTD ADR	2.49%
TAIWAN SEMICON. MFG. AD	2.43%
MCDONALD'S CORP	2.41%
ELI LILLY AND CO	2.33%
KB HOME	2.15%
CUMMINS INC	2.15%
NETAPP INC	2.13%
COMCAST CORP	2.12%
HP INC	2.10%
Total % of Portfolio	22.94%

Markets and Performance

Global equity markets carried considerable performance momentum into the first quarter, but not enough to outperform the Steward Global Equity Income Fund (Institutional Shares). The Fund benchmarks (the S&P Global 1200 Index and the S&P 500 Index) ended the quarter with returns of 5.29% and 6.17%, respectively. Dividend stocks overall slightly outperformed the general equity market. For global dividend index comparison purposes, the MSCI World High Dividend Yield Index returned 6.12%. The Fund outperformed its benchmarks for the first quarter with Institutional shares gaining 9.72%.

Positive and Negative Contributors to Performance

Positive relative performance for the quarter was led by HP Inc. (2.10% of total net assets) which closed up 29.95%. Shares jumped as quarterly results were strong across the board. The ongoing work and learn from home environment has significantly increased PC demand as well as demand for consumer print hardware. Supply challenges appear to be the bottleneck as key hardware component shortages continue to constrain sales. However, the company has a record sales backlog. HP expects the current PC unit growth trend to continue through 2021. Shares of ViacomCBS (1.77% of total net assets) rose 21.35% as the company transitions from a traditional cable network to a significant player in the streaming market. The massive programming catalog on Paramount+, the recently launched subscription streaming service is providing the base for the company to become a major competitor. Adding to the positive momentum was the recent televised interview with Prince Harry and Meghan Markle which had blockbuster ratings and further boosted the price of the stock. Snap-on, Inc. (1.46% of total net assets) climbed 35.68% on a solid earnings report that beat analyst consensus on strong organic growth. The company engineers, manufactures, and markets tools, equipment, diagnostics, repair information and systems solutions for professional installers across multiple industries. The tools group was the standout segment with organic sales up nearly 20% year-over-year. Double-digit growth occurred in both the U.S. franchises as well as international operations.

Negative contributors to relative performance included Unilever PLC (1.59% of total net assets) which finished down 6.63%. Shares declined after the company reported earnings slightly lower than the forecast for the fiscal year. Sales were in-line with consensus estimates. Financial disclosures indicated that the company experienced a good level of organic growth (particularly in the Americas) but this came at a cost - it was offset by a disappointing contraction of operating margin. The company also reported it is raising its dividend by 4%. PepsiCo, Inc. (1.89% of total net assets) shares fell 3.86% despite fourth quarter results that beat both sales and earnings expectations along with a 5% dividend increase. The company also reported earnings guidance for 2021 that was in line with its previous projections but slightly lower than analyst expectations. Other than the general COVID-related volatility affecting many large-cap companies, the only investor disappointment was related to a lack of buyback activity. For the first quarter, the values-based screening policies had a slight positive impact on performance.

Source: Morningstar Direct

STEWARD GLOBAL EQUITY INCOME FUND

Commentary (continued)

written by

John Wolf, Managing Director

Looking Ahead

With COVID vaccinations well underway the growth to value rotation appears to be gathering momentum as local economies begin to open and more steps toward normalcy are taken. Value stocks which dramatically underperformed during the pandemic last year are now beginning to outperform their growth counterparts. This reflects investor expectations of a powerful economic rebound. With general equity market valuations currently at high levels, some investor caution may be warranted. This makes a good case for quality and dividend income stocks, which are well positioned to benefit from this type of equity market environment.

Trailing Returns

	Qtr	YTD	1 Year	3 Years	5 Years	10 Years
Steward Global Equity Income Fund - Instl	9.72%	9.72%	56.53%	11.30%	12.73%	10.57%
S&P Global 1200 TR	5.29%	5.29%	53.49%	13.09%	14.04%	10.37%
MSCI World High Dividend Yield NR	6.12%	6.12%	35.69%	7.63%	8.49%	7.58%
S&P 500 TR USD	6.17%	6.17%	56.35%	16.78%	16.29%	13.91%

Source: Morningstar Direct

STEWARD LARGE CAP ENHANCED INDEX FUND

Commentary

written by

Brent Lium, CFA® Managing Director – Head of Equity Investments

Steward Large Cap Enhanced Idx Fund - Instl	
Ticker	SEECX
Inception Date	10/1/2004
Net Expense Ratio	0.53%
Primary Benchmark	S&P 500 TR USD

Top 10 Holdings	
APPLE INC	3.90%
MICROSOFT CORP	3.57%
AMAZON.COM	2.95%
FACEBOOK IN	1.72%
TESLA INC	1.62%
ALPHABET INC-CLASS A	1.33%
ALPHABET INC-CLASS C	1.31%
PAYPAL HLDGS. INC	1.25%
NVIDIA CORP	1.20%
BERKSHIRE HATHAWAY INC	1.09%
Total % of Portfolio	19.94%

Markets and Performance

During the first quarter of 2021, the market made a dramatic shift towards value and cyclicals, leaving growth stocks, the darlings of 2020, to underperform. The Steward Large Cap Enhanced Index Fund (Institutional Shares) returned 5.95%, trailing the benchmark S&P 500 Index by just 0.22%. For comparison purposes, the return of the S&P 500 Pure Growth Index for the same period was 0.82% while the S&P 500 Pure Value Index was 21.04%.

Positive and Negative Contributors to Performance

The Fund's blended style structure remained tilted towards growth with an allocation of 60% large-cap core, 30% growth, and 10% value stocks. The Fund is tilted towards growth to keep the sector weights in line with the benchmark. If the Fund were invested at its neutral tilt of 60% core, 20% growth, and 20% value, it would be dramatically underweight technology and overweight financials. While it would have been the right weighting for the quarter, we do not believe it is the right weight looking forward. The exposure to growth cost the Fund 161 basis points while the exposure to value added 149 basis points. Overall, the allocations towards value and growth detracted 12 basis points from performance when compared to the S&P 500.

Performance of the Fund can also be affected by our values-based screening policies. For the quarter, the values-based screening policies had a positive impact on performance, adding 12 basis points. Companies such as Altria (tobacco), up 26.95%, and General Electric (embryonic stem cell research), up 21.66% outperformed the S&P 500 benchmark. Screening out these two securities detracted 10 basis points from performance. Conversely, not owning companies such as Merck (embryonic stem cell research - down 0.51%), Thermo Fisher Scientific (embryonic stem cell research - down 1.96%), and Pfizer (abortifacient manufacturer - down 4.94%), positively impacted performance by 16 basis points.

Looking Ahead

Looking forward, we believe the Fund's tilt towards growth should serve it well if the realities of the economic reopening don't meet the lofty market expectations. We think it will take years for many of these companies to regain their pre-pandemic revenue and earnings levels while many of the stocks have already climbed past their pre-pandemic highs.

Trailing Returns

	Qtr	YTD	1 Year	3 Years	5 Years	10 Years
Steward Large Cap Enhanced Index - Instl	5.95%	5.95%	58.98%	13.09%	13.89%	12.42%
S&P 500 TR USD	6.17%	6.17%	56.35%	16.78%	16.29%	13.91%

Source: Morningstar Direct

STEWARD INTERNATIONAL ENHANCED INDEX FUND

Commentary

written by

Ryan Caylor, CFA® Portfolio Manager / Head of Research

Steward Intl Enhanced Index Fund - Instl	
Ticker	SNTCX
Inception Date	2/28/2006
Net Expense Ratio	0.73%
Primary Benchmark	S&P ADR TR

Top 10 Holdings	
TAIWAN SEMICON. MFG. AD	4.86%
ASML HLDG. NV	3.87%
ALIBABA GRP. HLDG. LT ADR	3.03%
UNILEVER PLC ADR	2.63%
ROYAL BANK OF CANADA	2.37%
SONY CORP ADR	2.03%
SAP SE ADR	2.02%
TORONTO-DOMINION BANK	1.94%
CANADIAN NATL. RAILWAY C	1.76%
HSBC HLDGS. PLC ADR	1.72%
Total % of Portfolio	26.22%

Markets and Performance

For the quarter ended March 30, 2021, the total return for the Steward International Enhanced Index Fund (Institutional Shares) was 6.68%. When compared against the 7.04% total return of the S&P ADR Index (the Fund's primary benchmark), the Fund underperformed by 0.36%. Going into 2021, one of the prevailing market narratives was the expectation that continued U.S. dollar weakness would be bullish for emerging market (EM) equity performance. Through mid-February, the dollar had found support but it was believed the currency would continue lower in due time. This updated outlook likely helped EM equities (led by Chinese tech stocks) to run materially higher through mid-February. However, hopes of a quick return to dollar weakness began to wane thereafter as it continued to hit new 2021 highs through the end of March. In short order, Chinese tech stocks reversed, driving EM equities lower as well. By the end of March, EM equities eventually fell below the technical trend channel that had been in place since March 2020.

Positive and Negative Contributors to Performance

Why does this matter for the Fund? It has a dual market strategy that allocates to both non-U.S. developed market (DM) securities and to EM securities. During the quarter, this allocation remained unchanged at 85% non-U.S. DM securities and 15% EM securities, and continues to represent our relatively neutral outlook between the two going forward. The biggest driver of Fund underperformance was our allocation to EM, which reduced our return by 1.09% in the first quarter relative to the primary benchmark. More specifically, it was the Fund's exposure to Chinese tech stocks (via our EM allocation) that detracted the most on a relative basis. For example, the seven stocks with the most underperformance last quarter were all Chinese tech stocks, combining for approximately 0.96% of underperformance. Alibaba (3.03% of total net assets) was again the biggest single-name source of relative underperformance, as the stock continues to be plagued by regulatory concerns at home in China and abroad in the U.S.

Conversely, it was our values-based screening policies that contributed the most relative outperformance last quarter. As a whole, the net impact of not owning the stocks in our values-based screens added 1.55%, led by Novartis and Novo Nordisk (both screened out due to embryonic stem cell research). Overall, our restriction on stem cell research and abortion-related securities accounted for nearly all of this net relative positive impact (+1.30%). Alcohol provided the remaining 0.25% of positive screening impact, while the tobacco (+0.02%) and recreational cannabis (-0.02%) screens netted each other out.

Looking Ahead

Going forward, we will continue to carefully examine the rationale of a neutral weighting between non-U.S. developed markets and emerging markets. Given the delayed rollout of COVID-19 vaccinations in EM countries, the abundance of more transmissive COVID-19 strains, changing views on China and Chinese securities on U.S. exchanges, a possible global movement toward de-globalization, unprecedented monetary and fiscal policy interventions by central banks and governments worldwide, and a new U.S. President with majority control in both the House and Senate, we will be monitoring the global macro situation closely to ensure the DM vs. EM allocation remains consistent with our global outlook going forward.

Trailing Returns

	Qtr	YTD	1 Year	3 Years	5 Years	10 Years
Steward International Enhanced Index Fund - Instl	6.68%	6.68%	51.28%	5.28%	8.94%	2.85%
S&P ADR TR	7.04%	7.04%	47.47%	5.74%	8.87%	4.18%

Source: Morningstar Direct

STEWARD SMALL-MID CAP ENHANCED INDEX FUND

Commentary

written by

Ryan Caylor, CFA® Portfolio Manager / Head of Research

Steward Small-Mid Cap Enhanced Idx - Instl	
Ticker	SCECX
Inception Date	4/3/2006
Net Expense Ratio	0.56%
Primary Benchmark	S&P 1000 TR

Top 10 Holdings	
NI FDS TREAS PORT PREMIER	0.74%
FULGENT GENETICS INC	0.53%
SOLAREDGE TECHS. INC	0.50%
WILLIAMS-SONOMA INC	0.47%
RH	0.47%
SCOTTS MIRACLE-GRO CO/T	0.44%
MR COOPER GRP. INC	0.43%
REPLIGEN CORP	0.43%
LITHIA MOTORS INC	0.42%
IROBOT CORP	0.41%
Total % of Portfolio	4.83%

Markets and Performance

For the quarter ended March 30, 2021, the total return for the Steward Small-Mid Cap Enhanced Index Fund (Institutional Shares) was 14.97%. When compared against the 14.88% total return of the S&P 1000 TR Index (the Fund's primary benchmark), the Fund outperformed by 0.09%. For comparison purposes, pure value stocks in the U.S. small and mid-cap (SMID) space advanced by 29.2% on a total return basis for the quarter, led by energy and financials. Pure U.S. growth stocks in the SMID space also performed well, with a total return of 11.9% last quarter, but underperformed both pure value and the primary benchmark. Energy names were boosted by a 21.9% rise in spot crude oil prices and from the optimistic narrative of a coming commodity supercycle. Banks, which borrow short and lend long, benefitted from an approximately 80 basis point widening of 10-Year Treasury yields relative to 3-Month bills, with similar optimism in the outlook going forward.

Positive and Negative Contributors to Performance

Throughout the quarter, the blended style of the Fund was unchanged at 60% U.S. SMID, 30% pure growth securities, and 10% towards pure value securities. Our allocation toward pure growth resulted in an 89 basis point negative hit to performance. However, this was more than offset by our allocation toward pure value, which ended the quarter with a net positive performance impact of 143 basis points. In total, the net pure style impact was a positive 54 basis points for the quarter. The other material source of relative performance often comes from our values-based screens. This quarter, the net impact of not owning the stocks in our values-based screens was a negative 24 basis points, driven mainly by alcohol (-12 basis points) and gambling (-5 basis points).

Looking Ahead

The Fund's style allocation to pure growth and pure value continue to be the biggest focus of our time, thought, and research. Despite the underperformance of pure growth relative to pure value for the past six months, we continue to prefer our current overallocation toward sectors with long-term secular growth opportunities over value sectors like energy and financials that have done well recently. We believe that the energy names face a tough road ahead with a materially backwardated commodity futures curve (current prices are higher than futures) to digest and an unsupportive political environment. For financials like banks, we think it will be increasingly difficult to outperform the current optimism in the sector. This is due to the prospects of yield curve control by the Fed and a still-tough economic and demographic backdrop that is not conducive to materially higher interest rates.

Trailing Returns

	Qtr	YTD	1 Year	3 Years	5 Years	10 Years
Steward Small-Mid Cap Enhanced Index Fund - Instl	14.97%	14.97%	93.33%	11.09%	13.13%	11.04%
S&P 1000 TR	14.88%	14.88%	86.95%	13.50%	14.75%	12.25%

Source: Morningstar Direct

STEWARD SELECT BOND FUND

Commentary

written by

Victoria Fernandez, CFA® Chief Market Strategist

Steward Select Bond Fund - Instl	
Ticker	SEACX
Inception Date	10/1/2004
Net Expense Ratio	0.66%
Primary Benchmark	BBgBarc US Govt/Credit TR USD

Top 10 Holdings	
UNITED STATES TREASURY	6.98%
NI FDS TREAS PORT PREMIER	4.52%
QUALCOMM INC	2.79%
PEPSICO INC	1.99%
AMAZON.COM INC	1.90%
COMCAST CORP	1.88%
VALERO ENERGY CORP	1.85%
NIKE INC	1.81%
MCDONALD'S CORP	1.58%
FREDDIE MAC REMICS	1.56%
Total % of Portfolio	26.86%

Markets and Performance

The first quarter of 2021 saw a jump in Treasury yields to levels many didn't expect to see until much later in the year. The quick pace of yield movement from around 0.92% on the 10-Year Treasury at the beginning of the year to around 1.70% at the end of the first quarter was a shock to many fixed income investors. It is not necessarily the level of 1.70% that makes people nervous, but rather the pace at which we moved approximately 80 basis points. This also led to volatility in the equity markets, although we did not see a strong "flight-to-quality" move to the bond market that many times accompanies pullbacks in equity indices. The consolidation in the 1.60% to 1.70% range for the 10-Year Treasury, along with corporate spreads that seemed to suggest there were no credit concerns, helped support the fixed income market in general.

Positive and Negative Contributors to Performance

For the Steward Select Bond Fund, our investment process led us to maintain a shorter duration positioning during the quarter. This was the largest positive contributor to outperformance, with Institutional shares of the Fund reporting a return of -2.90% for the first quarter versus the Bloomberg Barclay's U.S. Government/Credit Index return of -4.28%. Along with the shorter duration, our yield curve positioning, income generation, and sector allocation were all positive contributors to the performance for the Fund. The selection effect within individual sectors was the only negative contributor last quarter, and usually is due to the Fund only having a fraction of the number of holdings as the Index.

Looking Ahead

As we move into the second quarter, we continue to extend duration in the Fund. Our four-step investment process begins with the evaluation of many factors, including central bank actions and economic reports, to determine our duration target versus the comparable index. As yields have moved higher and our outlook for rates has this trend continuing in the coming quarter, we will maintain a shorter duration as compared to the index, but will keep shifting that position closer to neutral. We maintain our focus on investment-grade securities that provide steady cash flow for the Fund which we see as a positive contribution to return over the coming quarter.

Trailing Returns

	Qtr	YTD	1 Year	3 Years	5 Years	10 Years
Steward Select Bond Fund - Instl	-2.90%	-2.90%	2.41%	3.22%	2.09%	2.26%
BBgBarc US Govt/Credit TR USD	-4.28%	-4.28%	0.86%	4.99%	3.36%	3.70%

Source: Morningstar Direct

Our Firm

Crossmark Global Investments is a faith-based boutique investment management firm that provides a full suite of investment strategies to institutional investors, financial advisors, and the clients they serve. For over 30 years we have delivered uniquely constructed products based on our proprietary, disciplined, and repeatable process. We are especially known for helping our clients align their investments with their values by creating socially conscious, responsible investment strategies. Founded in 1987, we are headquartered in Houston, Texas.

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 Funds may not achieve their objectives 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, credit worthiness, business plan, and overall perception of the viability of the issuer's business (selection risk). Investments in securities of issuers in foreign countries involves additional risks not associated with domestic investments. These risks include, but are not limited to: (1) political and financial instability; (2) currency exchange rate fluctuations; (3) greater price volatility and less liquidity in particular securities and in certain foreign markets; (4) lack of uniform accounting, auditing, and financial reporting standards; (5) less government regulation and supervision of some foreign stock exchanges, brokers and listed companies; (6) delays in transaction settlement in certain foreign markets; (7) less availability of information; and (8) imposition of foreign withholding or other taxes.

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).

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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