QUARTERLY UPDATE: 3Q 2021

STEWARD FUNDS COMMENTARIES

ECONOMIC & MARKET
Commentary

written by
Bob Doll, CFA® Chief Investment Officer

EQUITY MARKETS (INDEX TOTAL RETURN)	Q3 2021	YEAR-TO-DATE
DJIA	-1.46%	12.12%
S&P 500	0.58%	15.92%
NASDAQ	-0.23%	12.66%
RUSSELL 2000	-4.36%	12.41%
RUSSELL 1000 GROWTH	1.16%	14.30%
RUSSELL 1000 VALUE	-0.78%	16.14%

S&P EQUITY SECTORS (INDEX TOTAL RETURN)	Q3 2021	YEAR-TO-DATE
COMMUNICATION SERVICES	1.60%	21.59%
CONSUMER DISCRETIONARY	0.01%	10.28%
CONSUMER STAPLES	-0.31%	4.69%
ENERGY	-1.66%	43.22%
FINANCIALS	2.74%	29.14%
HEALTHCARE	1.43%	13.45%
INDUSTRIALS	-4.23%	11.48%
INFORMATION TECHNOLOGY	1.34%	15.29%
MATERIALS	-3.51%	10.49%
REAL ESTATE	0.88%	24.38%
UTILITIES	1.78%	4.20%

Source: Morningstar Direct as of 9/30/21

Tug of War Between Cyclical Tailwinds and Higher Inflation and Interest Rates
Among the major averages, only the S&P 500 closed up in Q3 (+0.58%). All other averages fell, with the worst being the Russell 2000 (-4.36%). The path of least resistance remained higher for most of the quarter with the support of easy financial conditions, accommodative monetary policy, earnings beats, stock buybacks, and retail inflows. However, September was difficult as concerns about peak policy, peak growth, and peak earnings mounted. The Delta variant, supply chain pressures, and inflation concerns weighed on sentiment. Ten-year Treasury yields started the quarter at 1.45% and ended at 1.53% after dipping to 1.13% during the quarter. Growth stocks (+1.16%) handily beat value stocks (-0.78%). Best sectors were financials (+2.74%), communication services (+1.60%) and utilities (+1.78%); worst sectors were industrials (-4.23%), materials (-3.51%), and energy (-1.66%).

Global growth momentum has moderated from an economic boom to something that is still very solid and above what the market consensus anticipates. Likewise, U.S. core consumer price inflation will fall back from its post-pandemic spike but ultimately settle at a higher rate than investors expect. The near-term downshifting of the global economy could cause a temporary growth scare and briefly fuel the narrative that the world economy is returning to secular stagnation. If so, financial market volatility will increase as investors worry about risk assets, while bond yields may not offer a relief valve. However, the eventual realization that the global economy will continue to perform above the low growth and low inflation environment of the 2010s will encourage a gradual upward revision in longer-term expectations.

The dramatic policy-induced surge in the global economy over the past year is unsustainable, and the base effects from the deep contraction of a year ago will unwind. However, the key for investment strategy is determining how much economic growth will decelerate and to what sustainable level. Given the substantial distortions in the current economic data and heightened uncertainty due to unprecedented

ECONOMIC & MARKET
Commentary (continued)

INTERNATIONAL EQUITY MARKETS (INDEX NET RETURN)	Q3 2021	YEAR-TO-DATE
MSCI ACWI	-1.05%	11.12%
MSCI ACWI EX U.S.	-2.99%	5.90%
MSCI EAFE	-0.45%	8.35%
MSCI EM	-8.09%	-1.25%

FIXED INCOME MARKETS (INDEX TOTAL RETURN)	Q3 2021	YEAR-TO-DATE
BLOOMBERG U.S. AGGREGATE BOND	0.05%	-1.55%
BLOOMBERG U.S. CORP HIGH YIELD	0.89%	4.53%
BLOOMBERG U.S. GOV/CREDIT	0.04%	-1.93%
BLOOMBERG U.S. T-BILL 1-3 MONTH	0.01%	0.03%

ALTERNATIVES (INDEX TOTAL RETURN)	Q3 2021	YEAR-TO-DATE
FTSE NAREIT (REAL ESTATE)	0.12%	21.40%
DJ COMMODITIES	3.08%	27.09%
RED ROCKS GLOBAL LISTED PRIVATE EQUITY	1.37%	19.96%
DB G10 CURRENCY FUTURES	-0.21%	4.28%

Source: Morningstar Direct as of 9/30/21

events, most market participants and central bankers have merely adopted the 2010s economic/inflation backdrop as their base-case endpoint once the dust settles. However, this assumption ignores the end of powerful headwinds in the U.S. and euro-area economies, including fiscal austerity and household sector deleveraging. The end of deleveraging for the U.S. and the euro-area household sectors is lifting underlying growth in the global economy above the last decade. However, there is also room for upside surprises given the accumulation of excess household savings, strong job prospects, and recent massive wealth gains from both housing and financial assets, all of which provide firepower for consumer spending over the next year and beyond.

In terms of inflation, investors and central banks have discounted this year's spike as being predominantly "transitory." U.S. core consumer price inflation will ease after surging to levels not seen in decades, given that base effects and supply bottlenecks have exaggerated it. However, our estimate of the underlying trend in inflation is above the pre-pandemic rate and rising steadily across a wide set of goods and services. Surprises will be to the upside beyond the near term, with U.S. core inflation showing resilience and eventually settling in closer to 3% rather than returning to 2% or lower. Economic slack in the U.S. is rapidly being absorbed and will contribute to a sustained period of price pressures until the next global recession. Also, many of the structural drags on consumer price inflation faded last decade, including the impact of globalization and adjustments to private sector balance sheets. Technology-related disinflation will need to intensify to keep underlying price pressures from rising, especially since monetary policy is ultra-accommodative and most central bankers are aggressively aiming for above-target inflation.

Fixed Income

The message from Jackson Hole is that the majority of the FOMC is ready to begin tapering asset purchases before year-end. The Fed is trying to communicate a separation of the balance sheet and interest rate components of its monetary policy, hoping to limit bond volatility stemming from markets pulling forward the timing of rate hikes during the taper. A tightening U.S. labor market will make that separation difficult given the shallow path for interest rates currently discounted in the U.S. yield curve, particularly if the current surge in U.S. inflation proves not to be transitory as the Fed is expecting. G7 government bond markets are priced for the current boom to give way to a resumption of the low growth and low inflation environment of the 2010s. This is not supported by underlying macro fundamentals. Fixed-income will represent a drag for multi-asset portfolio performance over the next 6-12 months. We expect higher Treasury yields as the Fed transitions from talking about tapering to actual tapering and, eventually, to rate hikes starting late 2022. Within a fixed-income portfolio, we recommend remaining maximum underweight government bonds while favoring inflation-protection and spread product, although absolute returns will be low by historical standards.

ECONOMIC & MARKET
Commentary (continued)

Equities

Equities have started to stumble as of late as growth concerns mount and bond yields move higher. Our constructive cyclical view on the global economy points to continued upside for earnings and underlying support for equities. However, share prices have moved decisively ahead of improving underlying fundamentals, leaving market leaders overbought at a point when growth conditions are moderating. Given this outlook, we recommend near-term caution. The major offset for our near-term cautiousness on equities is that the global economy will remain stronger than investors expect and support a continued rise in corporate earnings. Also, policy conditions are hyper-accommodative, and the world is flush with liquidity. Real interest rates are very negative and continue to encourage growth and risk-taking. Outside of an adverse shock, sustained selloffs typically only occur in response to tighter policy conditions.

Equity leadership indicates a reluctance among investors to embrace a constructive longer-term economic outlook. Nonetheless, the combination of extremely forceful policy reflation and the rapid recovery in the global economy to where it left off pre-crisis have caused equities and other risk assets to be bid up dramatically over the past year. The primary risk for equities is that they have materially front-run improving underlying fundamentals, at a point when growth conditions are moderating and could lead to a temporary growth scare. In recent months, there have already been some major corrections underneath the surface in individual stocks and sectors, a trend that is likely to persist. As a result, we recommend being discriminate and scaling back on the leaders who have elevated earnings expectations and will be more vulnerable to another move up in bond yields. U.S. highly valued growth stocks which face tough earnings comparisons will lose some relative appeal if bond yields rise. We recommend some caution in high-duration equities. Conversely, many of the value-oriented equity laggards (e.g., financials) have healthy relative valuations, cushions that should help protect against near-term uncertainty and will eventually benefit from an upward revision to longer-term growth, inflation, and interest rate expectations.

Commodities and Currencies

Commodity prices are overbought and vulnerable to near-term downside, but good growth conditions should provide support on a 6-12 month horizon. The U.S. dollar is likely to face headwinds when investors eventually raise their longer-term global growth expectations.

Conclusion

Near-term caution is warranted as the global economy downshifts. However, our constructive cyclical macro outlook favors equities on a 6-12 month horizon. This is supported by a resilient expansion in the global economy but tempered by the likelihood of higher bond yields and cyclically building inflation pressures.

STEWARD COVERED CALL INCOME FUND

Commentary

written by

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

written by

Ryan Caylor, CFA® Portfolio Manager – Head of Research

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%

Source: Morningstar Direct

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.

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	0.98%
Primary Benchmark	S&P Global 1200 TR

Top 10 Holdings	
ELI LILLY & CO	2.80%
TEXAS INSTRUMENTS INC	2.60%
NETAPP INC	2.56%
MCDONALD'S CORP	2.52%
TAIWAN SEMICON. MFG. AD	2.23%
QUEST DIAGNOSTICS INC	2.12%
RELX PLC ADR	2.11%
ANALOG DEVICES INC	2.06%
KIRKLAND LAKE GOLD LTD	2.02%
PAYCHEX INC	1.99%
Total % of Portfolio	23.00%

Markets and Performance

Global equity markets posted mixed results in total return for the third quarter. The Global Equity Income benchmarks (the S&P Global 1200 Index and the S&P 500 Index) ended the quarter with returns of -0.65% and 0.58%, respectively. Dividend stocks overall underperformed the general equity market. For global dividend index comparison purposes, the MSCI World High Dividend Yield Index returned -2.04%. The Fund outperformed the MSCI World High Dividend Yield Index but underperformed the S&P Global 1200 Index for the quarter, with Institutional shares returning -1.69%.

Positive and Negative Contributors to Performance

NetApp, Inc. (2.56% of total net assets), a hybrid cloud data services and data management provider, was a positive relative performer for the quarter. Shares climbed 10.38% on a solid earnings report that beat analyst revenue and net income estimates. Additional earnings gains were generated through increased margin expansion and accelerated top-line growth. Fears of supply chain inflation (that did not materialize) and a broad recovery in enterprise spending drove the results. The company has also increased its forward guidance estimates across nearly all segments. Quest Diagnostics Inc. (2.12% of total net assets) rose 10.62% as the company updated its full-year outlook to reflect better than expected COVID-19 testing volumes. Both revenue and earnings estimates have been revised higher, and this increase has boosted guidance by approximately 9%. These higher volumes are anticipated to continue due to the surge in the Delta variant. The company's base business has also seen continued improvement despite a modest decline in August due to increased vacations and storm disruptions.

Negative contributors to relative performance included Companhia Brasileira de Distribuicao (0.70% of total net assets), which dropped -39.54% in the third quarter. The Brazil-based supermarket and department store retailer posted an impressive (+41%) second-quarter return that was boosted by increased demand for essentials. The pandemic led to customers stockpiling supplies and increasing consumption at home. This trend has moderated recently as demand returns to a more normal level. Shares of Cardinal Health Inc. (1.60% of total net assets) dropped -12.51% after the company reported weak quarterly results. The company's revenue grew at 15% versus the same fiscal quarter last year, but it was a weak comparable period. Also, an unexpected adjustment of $197 million for inventory reserves weighed down profitability. The adjustment was due to an excess supply of personal protective equipment and a resulting reduction in price. The company also provided fiscal 2022 guidance that was below analyst consensus. For the third quarter, our faith-based investment policies had a slight negative impact on performance.

Source: Morningstar Direct

STEWARD GLOBAL EQUITY INCOME FUND

Commentary (continued)

written by

John Wolf, Managing Director

Looking Ahead

The new COVID variants have begun to impact the U.S. economic recovery, particularly in the south, where cases have been rising significantly. Renewed outbreaks across Asia have also increased risks in that region. Investors are reassessing economic growth outlooks as another wave of outbreaks is reducing expectations. This scenario has temporarily reestablished growth-style equity momentum in the market as technology software, hardware companies, and media companies were favorably positioned. The markets, however, are forward-looking, and as we project beyond the current pandemic wave, the style rotation should reverse as value and dividend income stocks come back into favor.

Trailing Returns

	Qtr	YTD	1 Year	3 Years	5 Years	10 Years
Steward Global Equity Income Fund - Instl	-1.69%	12.06%	29.68%	10.13%	11.82%	11.93%
S&P Global 1200 TR	-0.65%	12.49%	28.46%	13.23%	14.12%	13.11%
MSCI World High Dividend Yield NR	-2.04%	8.25%	20.84%	6.76%	7.73%	8.83%
S&P 500 TR USD	0.58%	15.92%	30.00%	15.99%	16.90%	16.63%

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	0.76%
Primary Benchmark	S&P ADR TR

Top 10 Holdings	
ALIBABA GRP. HLDG. LT ADR	4.60%
TAIWAN SEMICON. MFG. AD	4.58%
ASML HLDG. NV	4.03%
UNILEVER PLC ADR	2.32%
ROYAL BANK OF CANADA	2.29%
SAP SE ADR	2.07%
SHOPIFY INC	2.03%
SONY GROUP CORP ADR	1.88%
TORONTO-DOMINION BANK	1.77%
TOTALENERGIES SE	1.50%
Total % of Portfolio	27.06%

Markets and Performance

For the three months ended September 30, 2021, the total return for the Steward International Enhanced Index Fund Institutional Class shares was -4.93%, trailing its primary benchmark (the S&P ADR Index) by 0.87%. For comparison purposes, the return for the BNY Mellon Emerging Markets ADR Index for the same period was -16.23%. The primary driver of the poor emerging market returns was the continuous stream of bad news out of China, including political and regulatory risk to particular Chinese sectors, Evergrande default risk and the threat of contagion, an energy crisis affecting much of the eastern hemisphere, and the continuing spread of the COVID-19 Delta variant.

Positive and Negative Contributors to Performance

The Fund's dual-market structure maintained the same allocation throughout the second quarter: 85% towards non-U.S. developed markets and 15% towards emerging markets. The allocation to emerging markets cost the fund 372 basis points during the quarter. In particular, Chinese equities were the biggest driver of the Fund's underperformance relative to the primary benchmark.

Over the quarter, the values-based investment screens again had a net negative performance impact on the Fund, which amounted to -0.26% in the third quarter. Overall, our restriction on stem cell research and abortion-related securities was the most significant source of this negative impact (-0.41%). At the same time, the tobacco, alcohol, and cannabis screens had a positive net result of 0.15%.

Looking Ahead

In the future, we will continue to carefully examine the rationale of a neutral tilt weighting between non-U.S. developed markets and emerging markets. Much of what we are monitoring is the direction of global interest rates, COVID-19 variants and vaccinations, global economy reopenings, changes in the unprecedented fiscal and monetary responses by global central banks, and changing views and outlooks for Chinese equities.

Trailing Returns

	Qtr	YTD	1 Year	3 Years	5 Years	10 Years
Steward International Enhanced Index Fund - Instl	-4.93%	8.05%	26.53%	6.02%	7.63%	5.53%
S&P ADR TR	-4.06%	11.52%	30.77%	6.98%	8.19%	6.99%

Source: Morningstar Direct

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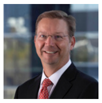
STEWARD LARGE CAP ENHANCED INDEX FUND

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	0.55%
Primary Benchmark	S&P 500 TR USD

Top 10 Holdings	
APPLE INC	4.06%
MICROSOFT CORP	3.86%
AMAZON.COM INC	2.79%
FACEBOOK INC	1.76%
TESLA INC	1.64%
NVIDIA CORP	1.60%
ALPHABET INC-CLASS C	1.56%
ALPHABET INC-CLASS A	1.49%
PAYPAL HLDGS. INC	1.14%
BERKSHIRE HATHAWAY INC	1.08%
Total % of Portfolio	20.98%

Markets and Performance

Growth outperformed value during the third quarter of 2021 as the COVID-19 Delta variant surged worldwide and held back the reopening trade. The Steward Large Cap Enhanced Index Fund returned 1.42%, beating the S&P 500 Index benchmark by 0.84%. For comparison purposes, the return for the S&P 500 Pure Growth Index for the same period was 4.68%, while the S&P 500 Pure Value Index was -1.14%.

Positive and Negative Contributors to Performance

The Fund's blended style structure remained tilted towards growth, allocating 60% large-cap core, 30% growth stocks, 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. The exposure to growth added 123 basis points (bps) while the exposure to value cost the Fund 17 bps. Overall, the allocations towards value and growth added 106 bps to performance compared to the S&P 500.

The performance of the Fund can also be affected by our values-based screening policies. For the quarter, the values-based screening policies positively impacted fund performance, adding six bps. Companies such as Pfizer (embryonic stem cell research), up 10.83%, HCA Healthcare (abortion) up 17.62%, and Thermo Fisher Scientific (embryonic stem cell research), up 13.31%, outperformed the S&P 500 benchmark. Screening out these three securities detracted 16 bps from performance. Conversely, not owning companies such as Johnson & Johnson (embryonic stem cell research), down 1.38%, UnitedHealth Group (abortion), down 2.07%, and Bristol-Myers Squibb (embryonic stem cell research), down 10.06%, positively impacted performance by nine basis points.

Looking Ahead

At this time, we plan to continue keeping the Fund tilted towards growth. As the economic surge from multiple stimulus bills and the reopening begins to normalize, we expect cyclical stocks to experience a slowdown in their revenue and earnings growth trajectory. This second derivative change usually leads to stock underperformance, which would allow growth to outperform.

Trailing Returns

	Qtr	YTD	1 Year	3 Years	5 Years	10 Years
Steward Large Cap Enhanced Index - Instl	1.42%	17.39%	34.34%	13.57%	14.97%	15.45%
S&P 500 TR USD	0.58%	15.92%	30.00%	15.99%	16.90%	16.63%

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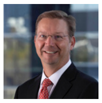
Source: Morningstar Direct

STEWARD SMALL-MID CAP ENHANCED INDEX FUND

Commentary



written by

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

Steward Small-Mid Cap Enhanced Idx - Instl

Ticker	SCECX
Inception Date	4/3/2006
Net Expense Ratio	0.57%
Primary Benchmark	S&P 1000 TR

Top 10 Holdings

NI FDS TREAS PORT PREMIER	1.02%
REPLIGEN CORP	0.60%
CROCS INC	0.51%
MR COOPER GRP. INC	0.51%
RH	0.51%
FULGENT GENETICS INC	0.48%
CELSIUS HLDGS. INC	0.47%
VISTA OUTDOOR INC	0.45%
SOLAREDGE TECHS. INC	0.45%
INNOVATIVE INDL. PROPS. I	0.44%
Total % of Portfolio	5.46%

Markets and Performance

As the COVID-19 Delta variant surged during the third quarter of 2021, investors sought the relative safety of large caps, leading to small-cap underperformance. The Steward Small Mid-Cap Enhanced Index Fund returned -1.72%, beating the S&P 1000 Index benchmark by 0.38%. For comparison purposes, the return for the S&P 1000 Pure Growth Index for the same period was -2.03%, while the S&P 1000 Pure Value Index was -1.30%.

Positive and Negative Contributors to Performance

The Fund's blended style structure remained tilted towards growth, allocating 60% small/mid-cap core, 30% growth stocks, 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. The exposure to growth added two basis points (bps), while the exposure to value added eight bps to Fund performance. Overall, the allocations towards value and growth added ten bps to performance compared to the S&P 1000.

The performance of the Fund can also be affected by our values-based screening policies. For the quarter, the values-based screening policies positively impacted Fund performance, adding 16 bps. Companies such as Scientific Games (gambling), up 7.27%, Murphy USA (tobacco, alcohol) up 25.61%, and Churchill Downs (gambling), up 21.09%, outperformed the S&P 1000 benchmark. Screening out these three securities detracted nine bps from performance. Conversely, not owning companies such as Community Health (abortion), down 14.99%, Boston Beer (alcohol), down 50.06%, and Brinker International (alcohol), down 20.70%, positively impacted performance by 16 basis points.

Looking Ahead

We believe the Fund's tilt towards growth should continue to help it outperform as the "sugar high" from the reopening continues to fade. As economic fundamentals return to a more normal status, we believe investors will favor steady growth over a one-time reopening surge.

Trailing Returns

	Qtr	YTD	1 Year	3 Years	5 Years	10 Years
Steward Small-Mid Cap Enhanced Index Fund - Instl	-1.72%	17.58%	49.37%	8.34%	11.66%	13.84%
S&P 1000 TR	-2.10%	16.86%	47.66%	10.57%	13.16%	15.02%

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	0.70%
Primary Benchmark	Bloomberg US Govt/Credit TR USD

Top 10 Holdings	
NI FDS TREAS PORT PREMIER	4.72%
UNITED STATES TREASURY 2%	3.70%
UNITED STATES TREASURY 2%	2.63%
QUALCOMM INC 4.65%	2.61%
VALERO ENERGY CORP	1.73%
TAPESTRY INC	1.72%
AMAZON.COM INC	1.72%
COMCAST CORP	1.69%
NIKE INC	1.69%
ADOBE INC	1.69%
Total % of Portfolio	23.88%

Markets and Performance

The first quarter brought inflation fears, with 10-year Treasury yields moving to a 2021 high of around 1.75%. As investors acclimated to the Fed's story of inflation being transitory, yields began to move lower. This continued into the third quarter, with yields dropping to a low of 1.13% in early August. Inflation, along with the anticipation of Fed balance sheet tapering, brought concerns once again as supply chain issues were not diminishing as quickly as expected. Some of the wage and input costs proved to be more permanent than initially thought. The quarter ended with 10-year Treasury yields at 1.53% and trending higher, benefiting the Steward Select Bond Fund as we incorporate a shorter duration strategy to reduce volatility associated with interest rate risk. The Fund has outperformed the Bloomberg Government/Credit Index this year through September 30, returning -1.57% and -1.93%, respectively. Although September proved to be a strong performance month for the Fund (outperforming the Index by 37 basis points), the move higher in yields was not quite strong enough for the Fund to outperform for the entire quarter, returning -0.26% versus 0.04% for the Index during that period.

Positive and Negative Contributors to Performance

The two largest positive contributors to Fund performance were the duration and income effects. As mentioned, as yields move higher, the shorter duration positioning of the Fund works as a positive contributor to performance (compared to the Index). Our Treasury allocation had a much shorter duration than that of the Index, resulting in the largest positive contributor to performance. Our overweight to the corporate allocation, along with the addition of fixed-rate preferreds and taxable municipal securities, allows a higher level of income generation for the Fund (compared to the Index) while boosting the income component into one of the largest positive contributors to total return. The negative contributors to performance were the allocation and yield curve effects. During the quarter, the shape of the yield curve shifted, with the steepest part in the 2-year to 5-year area. We focused purchases on the longer end of the curve to help extend duration as yields moved towards the upper band levels.

Looking Ahead

With yields trending up, the shorter duration positioning of the Fund should be a benefit to performance versus the Index in the final quarter of 2021. Typically, October is a volatile month, but it is followed by tailwinds pushing markets higher into the end of the year. With COVID cases and hospitalizations beginning to fall compared to the surge seen just a month ago, we should start seeing more people returning to work and conducting more "normal" activities. This would be a positive for sentiment and growth, which would help move yields back towards the 1.75% level. In that type of environment, the Fund is well-positioned, with lower-interest-rate risk than the broader market and a focus on investment-grade securities.

Trailing Returns

	Qtr	YTD	1 Year	3 Years	5 Years	10 Years
Steward Select Bond Fund - Instl	-0.26%	-1.57%	-0.88%	3.57%	2.02%	2.12%
Bloomberg US Govt/Credit TR USD	0.04%	-1.93%	-1.13%	5.94%	3.24%	3.24%

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.

Source: Morningstar Direct

Our Firm

Crossmark Global Investments is a faith-based 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, the firm has delivered uniquely constructed products based on its proprietary, disciplined, and repeatable process. Crossmark is especially known for helping its clients align their investments with their values by creating socially conscious, responsible investment strategies. Founded in 1987, the firm is headquartered in Houston, Texas. For more information visit: www.crossmarkglobal.com

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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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