



# STEWARD GLOBAL EQUITY INCOME FUND

## COMMENTARY | QUARTERLY UPDATE: 1Q 2023

Institutional Shares



written by  
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| Steward Global Equity Income Fund - Institutional |                 |
|---|-----------------|
| Ticker  | SGISX           |
| Inception Date                                    | 4/1/2008        |
| Prospectus Dated                                  | 8/28/2022       |
| Prospectus Expense Ratio                          | 0.99%           |
| Primary Benchmark                                 | S&P Global 1200 |

| Top 10 Holdings             |               |
|-----------------------------|---------------|
| McDonald's Corp.            | 3.54%         |
| Cigna Group                 | 2.87%         |
| Texas Instruments, Inc.     | 2.38%         |
| Quest Diagnostics, Inc.     | 2.05%         |
| Paychex, Inc.               | 2.02%         |
| ASE Technology Holding Co.  | 1.98%         |
| ABB Ltd.                    | 1.95%         |
| Coca-Cola Co.               | 1.94%         |
| Gilead Sciences, Inc.       | 1.91%         |
| HP, Inc.                    | 1.88%         |
| <b>Total % of Portfolio</b> | <b>21.74%</b> |

### Markets and Performance

Performance for the global equity markets overall returned positive results for the first quarter of 2023. The Steward Global Equity Income Fund benchmark, the S&P Global 1200 Index, ended the quarter with a return of 7.70%. Dividend stocks overall underperformed the general equity market. For global dividend index comparison purposes, the MSCI World High Dividend Yield Index returned 1.66% during the period. The Fund underperformed the S&P Global 1200 Index but outperformed the MSCI World High Dividend Yield Index for the quarter, returning 2.60%.

### Positive and Negative Contributors to Performance

The leading positive contributors to performance included ASE Technology Holding Co. (1.98% of total net assets), Taiwan Semiconductor Manufacturing Co. (1.20% of total net assets), and United Microelectronics Corp. (1.20% of total net assets). These three stocks rose 27.1%, 25.4%, and 34.2%, respectively, during the first quarter. In a reversal from the fourth quarter of 2022, Cigna Group (2.87% of total net assets) was our worst performing stock position, down 22.5% during 1Q23. Relative to the S&P Global 1200 Index, the Fund's primary benchmark, underperformance was driven by relative underweights in Apple Inc., NVIDIA Corp., Microsoft Corp., Tesla, and Meta. These stocks were excluded from the Fund because they either do not pay a dividend or their dividend yield failed to meet longstanding minimum criteria for the strategy.

For the first quarter, the faith-based investment policies had a slightly positive impact on performance.

### Looking Ahead

The markets entered the new year with optimism that China's reopening coupled with strong economic data and easing inflation could lead to a soft landing. Price inflation and wage growth has moved down quickly, especially when considering how tight the labor market is in the U.S., but has remained higher than Fed targeted levels. Monetary tightening by the Fed during this cycle has led to liquidity issues, most notably at regional banks, but also in other sectors of the market. Rising rates and tighter lending standards have negatively impacted U.S. factories, compounded by weak demand.

**Looking Ahead (continued)**

As we move forward into the second quarter, many of these issues persist. Uncertainty regarding the direction of monetary policy by central banks around the world will create both turmoil and opportunity in the markets. We will continue to invest in companies with strong, flexible balance sheets that support increasing dividends, favorable earnings growth and free cash flow.

| Performance                                       | QTD   | YTD   | 1 Year | 3 Years | 5 Years | 10 Years |
|---|-------|-------|--------|---------|---------|----------|
| Steward Global Equity Income Fund - Institutional | 2.60% | 2.60% | -7.34% | 15.85%  | 6.49%   | 8.56%    |
| S&P Global 1200                                   | 7.70% | 7.70% | -6.00% | 16.65%  | 8.38%   | 9.38%    |
| MSCI World High Dividend Yield                    | 1.66% | 1.66% | -3.38% | 12.78%  | 5.68%   | 6.28%    |
| S&P 500   | 7.50% | 7.50% | -7.73% | 18.60%  | 11.19%  | 12.24%   |

Index returns shown assume the reinvestment of all dividends and distributions.

**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, 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.

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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