



Steward Global Equity Income Fund

Commentary | Quarterly update: 4Q 2023

Institutional shares



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Steward Global Equity Income Fund	
Ticker	SGISX
Inception date	4/1/2008
Prospectus dated	8/28/2023
Prospectus expense ratio	1.02%
Primary benchmark	S&P Global 1200 Index

Top 10 holdings (%)	
McDonald's Corp.	2.85
Cigna Group	2.81
Gap, Inc.	2.46
ASE Technology Holding Co.	2.14
Texas Instruments, Inc.	2.11
Williams-Sonoma, Inc.	1.98
Abbott Laboratories	1.97
Skyworks Solutions, Inc.	1.91
Taiwan Semiconductor Manufacturing Co.	1.90
Paychex, Inc.	1.89
Total % of portfolio	22.02

Markets and performance

Performance for the global equity markets overall returned positive results for the fourth quarter of 2023. Steward Global Equity Income Fund returned 12.59% for the quarter, outperforming both its primary and secondary benchmarks, the S&P Global 1200 Index and the MSCI World High Dividend Yield Index, which returned 11.29% and 6.99%, respectively. Dividend stocks overall underperformed the general equity market.

Positive and negative contributors to performance

The leading positive contributors to performance included Gap (2.46% of total net assets), Williams-Sonoma (1.98% of total net assets), and ASE Technology (2.14% of total net assets). These three stocks rose 99.59%, 30.59%, and 25.13%, respectively, during the fourth quarter. Crescent Point Energy (1.11% of total net assets), C.H. Robinson Worldwide, and Nutrien (1.15% of total net assets) were the leading negative contributors, returning -15.44%, -8.31%, and -7.94%, respectively. Relative to the S&P Global 1200 Index, the fund's primary benchmark, performance was negatively impacted by relative underweights in Microsoft Corp and Amazon.com, which rose 19.34% and 19.52%, respectively. These stocks were excluded from the fund because their dividend yields failed to meet longstanding minimum criteria for the strategy. Consumer Discretionary and Health Care were the leading positive sector contributors to performance. Financials and Materials were the leading negative sector contributors. International exposure in the fund, especially Canada and South Korea, underperformed relative to the U.S.

For the fourth quarter, the faith-based investment policies had a positive impact on performance. For example, the Steward Screening Criteria restricted UnitedHealth Group from purchase in the fund due to the company being an owner of Acute Care Facilities that perform abortions, while Bristol-Myers Squibb was restricted due to the company's Embryonic Stem Cell & Fetal Tissue Research. During the fourth quarter, UnitedHealth Group's total return was 4.78% while Bristol-Myers Squibb total return was -10.70%. Not owning these underperforming stocks positively impacted performance for shareholders in the fund.

Looking ahead

Investors have faced unprecedented challenges that have left the markets shaky: a global pandemic, soaring inflation, a ground war in Europe, massive fiscal spending, and one of the swiftest Fed tightening cycles in history. The conflict in the Middle East further compounds the uncertainty. This has led to a gradual increase in credit stress, weakening medium-term economic prospects. With higher interest rates, multiple expansion may be limited. In this environment, the onus falls on earnings growth to be the driving force behind market performance.

Looking ahead (continued)

Emerging markets face challenges due to a strong U.S. dollar, while concerns over growth in both the developed world and China continue to be headwinds. In international developed markets, attractive valuations, higher dividend yields, and high quality, global companies with strong cash flows stand to benefit. As inflation moderates, corporate profits begin to recover, and the Fed approaches its peak for this tightening cycle, a more positive outlook should emerge. Our investment strategy will remain grounded in companies with strong, resilient balance sheets that support rising dividends, favorable earnings growth, and robust free cash flow.

Performance (%)	QTD	YTD	1-year	3-year	5-year	10-year
Steward Global Equity Income Fund	12.59	15.59	15.59	7.08	10.69	8.70
S&P Global 1200 Index	11.29	23.38	23.38	7.64	13.07	9.11
MSCI World High Dividend Yield Index	6.99	9.13	9.13	6.39	8.19	5.79

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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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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