



Steward Global Equity Income Fund

Commentary | Quarterly update: 1Q24

Institutional shares



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Snapshot

| | |
|--------------------------|------------------|
| Ticker | SGISX |
| Inception date | 4/1/2008 |
| Prospectus dated | 8/28/2023 |
| Prospectus expense ratio | 1.02% |
| Primary benchmark | MSCI World Index |

Top 10 holdings (%)

| | |
|--|--------------|
| Cigna Group | 3.17 |
| Gap, Inc. | 3.01 |
| McDonald's Corporation | 2.52 |
| ASE Technology Holding Co. | 2.32 |
| Taiwan Semiconductor Manufacturing Co. | 2.30 |
| Canadian Natural Resources Limited | 2.03 |
| Texas Instruments Incorporated | 2.00 |
| Tapestry, Inc. | 1.97 |
| Juniper Networks, Inc. | 1.92 |
| Abbott Laboratories | 1.90 |
| Total % of portfolio | 23.14 |

Markets and performance

Performance for the global equity markets overall returned positive results for the first quarter of 2024. The Steward Global Equity Income Fund benchmark, the MSCI World Index, ended the quarter with a return of 9.01%. Dividend stocks overall underperformed the general equity market. For global dividend index comparison purposes, the MSCI World High Dividend Yield Index returned 5.53% during the period. The fund return was 7.26%

Positive and negative contributors to performance

The leading positive contributors to performance included Gap Inc. (3.01% of total net assets), Taiwan Semiconductor Manufacturing Co. (2.30% of total net assets), and Cigna Group (3.17% of total net assets). These three stocks rose 32.70%, 31.24%, and 21.80%, respectively, during the first quarter. Archer-Daniels-Midland, Gilead Sciences (1.38% of total net assets), and Air Products and Chemicals (0.83% of total net assets) were the leading negative contributors, declining 25.36%, 8.64%, and 10.87%, respectively. Archer-Daniels-Midland was sold from the portfolio during the quarter. Relative to the MSCI World Index, the fund's primary benchmark, performance was negatively impacted from relative underweights in NVIDIA, Meta, and Amazon.com, which rose 82.46%, 37.33%, and 18.72%, respectively. These stocks were excluded from the fund because their dividend yields failed to meet longstanding minimum criteria for the strategy. Information technology and financials were the leading positive sector contributors to performance. Materials and consumer staples were the leading negative sector contributors. International exposure in the fund, especially the U.K. and Taiwan, outperformed relative to the U.S.

For the first quarter, the faith-based investment policies had a slightly negative impact on performance. For example, the Steward Screening Criteria restricted Novo Nordisk and Merck from purchase in the fund due to the company's Human Embryonic Stem Cell/Fetal Tissue Research. These stocks rose 24.24% and 21.81%, respectively. Not owning these outperforming stocks negatively impacted fund performance.

Looking ahead

The Fed's aggressive rate hikes, an inverted yield curve, and negative money growth curtailed bank lending. Even so, economic growth has continued due to fiscal stimulus, pandemic savings, and a surge in private credit. While labor market indicators suggest a recession postponement rather than prevention, solid U.S. growth, expected policy rate cuts, and plenty of liquidity have helped global risk asset markets to soar. Monetary conditions seem less restrictive, supporting global expansion but also likely prolonged inflation. Investors continue to chase higher yields, buoyed by corporate profitability. While U.S. equities have led markets this quarter, as recession fears abate, a global equity rally could strengthen, especially in Europe and Japan. A concern ahead is balancing rising bond yields and economic growth. 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 (%) | Quarter | YTD | 1-year | 3-year | 5-year | 10-year | Since inception |
|---|---------|------|--------|--------|--------|---------|-----------------|
| Steward Global Equity Income Fund (SGISX) | 7.26 | 7.26 | 20.85 | 6.28 | 9.99 | 9.26 | 8.06 |
| MSCI World Index | 9.01 | 9.01 | 25.72 | 9.13 | 12.63 | 9.97 | 8.12 |
| MSCI World High Dividend Yield Index | 5.53 | 5.53 | 13.27 | 6.19 | 7.23 | 6.09 | 5.31 |
| S&P Global 1200 Index | 9.07 | 9.07 | 24.96 | 8.92 | 12.42 | 9.92 | 8.04 |

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

Crossmark Global Investments is a faith-based firm that creates and manages values-based investment strategies for financial intermediaries and their clients. Founded over 35 years ago, the firm has a rich history of inspiring and equipping its clients to go further in aligning their investments with their values. Crossmark is based in Houston, Texas. For more information, visit crossmarkglobal.com.

Contact a member of our Advisor Solutions Team

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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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