



# STEWARD INTERNATIONAL ENHANCED INDEX FUND

## COMMENTARY | QUARTERLY UPDATE: 3Q 2022

Institutional Shares



written by  
**Ryan Caylor, CFA®** Portfolio Manager – Head of Research

Steward International Enhanced Index Fund - Institutional	
Ticker	SNTCX
Inception Date	2/28/2006
Prospectus Dated	8/28/2022
Prospectus Expense Ratio	0.76%
Primary Benchmark	S&P Global 1200 ADR

### Top 10 Holdings

Taiwan Semiconductor Mfg. Co.	5.86%
Alibaba Group Holding Ltd	4.34%
Shell PLC	3.08%
ASML Holding N.V.	2.80%
Royal Bank of Canada	2.54%
Unilever PLC	2.35%
Toronto-Dominion Bank	2.08%
BHP Group Ltd	2.05%
TotalEnergies SE	1.83%
HSBC Holdings PLC	1.77%
<b>Total % of Portfolio</b>	<b>28.70%</b>

### Markets and Performance

For the three months ended September 30, 2022, the Steward International Enhanced Index Fund outperformed its primary benchmark (the S&P Global 1200 ADR Index) by +84 basis points returning -10.75% and -11.59%, respectively. For comparison purposes, the return for the S&P Emerging 50 ADR Index for the same period was -9.79% while the return for the MSCI EAFE Index (Europe, Australia, and Far East) was -9.36%. Since the start of 2021 and ending in the first quarter of 2022, Emerging Markets (“EM”) were consistently a net drag on Fund relative performance against its primary benchmark. However, over the past two quarters, the Fund’s exposure to Emerging Markets has been a net positive impact on performance against the primary benchmark.

### Positive and Negative Contributors to Performance

The Fund’s dual market structure maintained the same allocation throughout the quarter: 85% allocated towards non-U.S. developed markets and 15% towards emerging markets. As a reminder, the Fund’s dual market structure has historically tilted its EM allocation between 10-20% of total net assets, with the current 15% representing a neutral positioning. The allocation to EM benefitted the Fund by +28 basis points relative to the primary benchmark during the quarter.

Over the third quarter, the values-based restriction screens bucked the ongoing trend of detracting from relative performance. The net impact on relative performance from not owning restricted securities was a positive +40 basis points. When looking at restriction categories, almost all of the net positive impact came from our stem cell research related restrictions, which contributed +33 bps to relative performance this quarter. The largest negative restriction category contributor this quarter was from our alcohol screens, which detracted -18 bps from relative performance.

### Looking Ahead

Going forward, we will continue to carefully examine the rationale of a neutral tilt weighting between non-U.S. developed markets and emerging markets.

**Looking Ahead (continued)**

Much of what we are monitoring are the direction of global interest rates, foreign exchange, inflation, commodity prices, changes in the unprecedented fiscal and monetary responses by governments and global central banks, changing developments in potential regulatory actions by the U.S. on Chinese ADR's, and more recently, the downstream effects of the Russian invasion of Ukraine, which are expected to be more problematic for Emerging Markets.

Performance	QTD	YTD	1 Year	3 Years	5 Years	10 Years
Steward International Enhanced Index Fund - Institutional	-10.75%	-22.54%	-20.54%	-1.06%	-0.78%	1.90%
S&P Global 1200 ADR	-11.59%	-21.71%	-18.56%	0.02%	0.44%	3.22%

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

**Our Firm**

Crossmark Global Investments is a faith-based firm that creates, manages, and distributes values-based investment strategies that equip financial intermediaries and their clients to align their wealth with their passions and convictions. For over 30 years, the firm has delivered uniquely constructed products based on its proprietary, disciplined, and repeatable process. Founded in 1987, the firm is headquartered in Houston, Texas. For more information visit: [www.crossmarkglobal.com](http://www.crossmarkglobal.com).

The Steward Funds are distributed by **Crossmark Distributors, Inc., member FINRA**. Crossmark Distributors is an affiliate of Crossmark Global Investments, Inc., the Steward Funds' investment adviser. Crossmark Global Investments is an investment adviser registered with the Securities and Exchange Commission that provides discretionary investment management services to mutual funds, institutions, and individual clients.

**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 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.

© 2022 Crossmark Distributors, Inc. Distributor Member FINRA

**Crossmark Global Investments, Inc.**  
 15375 Memorial Drive, Suite 200, Houston, TX 77079  
 888.845.6910 [advisorsolutions@crossmarkglobal.com](mailto:advisorsolutions@crossmarkglobal.com)  
[crossmarkglobal.com](http://crossmarkglobal.com)

**Not FDIC Insured - No Bank Guarantee - May Lose Value**