



STEWARD INTERNATIONAL ENHANCED INDEX FUND

COMMENTARY | QUARTERLY UPDATE: 4Q 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.	6.69%
Alibaba Group Holding Ltd	4.22%
ASML Holding N.V.	2.95%
Shell PLC	2.86%
Unilever PLC	2.50%
Royal Bank of Canada	2.36%
BHP Group Ltd	2.20%
TotalEnergies SE	2.12%
Toronto-Dominion Bank	1.97%
SAP SE	1.79%
Total % of Portfolio	29.66%

Markets and Performance

For the three months ended December 31, 2022, the Steward International Enhanced Index Fund (the Fund) underperformed its primary benchmark, the S&P Global 1200 ADR Index, by 2.61%, returning 14.14% and 16.75%, respectively. For comparison purposes, the return for the S&P Emerging 50 ADR Index for the same period was 9.13% while the return for the MSCI EAFE Index (Europe, Australia, and Far East) was 17.40%.

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 emerging markets allocation between 10-20% of total net assets, with the current 15% representing a neutral positioning. During the fourth quarter of 2022, the allocation to emerging markets negatively impacted the Fund by 48 basis points relative to the primary benchmark.

Over the fourth quarter of 2022, the values-based restriction screens detracted from relative performance. The net impact on relative performance from not owning restricted securities was negative 46 basis points. When looking at restricted stocks, the largest negative contributors were Novo Nordisk and Astrazeneca, which were both restricted based on Human Embryonic Stem Cell, Fetal Tissue Research. Not owning Toyota Motor Corp and Diageo PLC were the largest positive contributors to performance. These stocks were excluded based on Ownership of an Abortion Provider and Alcohol screens, respectively.

Looking Ahead

Global markets are challenged with the ongoing monetary tightening that has been experienced in the U.S. and several other countries around the world. Inflationary pressures have negatively impacted costs for companies in both developed and emerging markets. We will carefully examine the rationale of a neutral tilt weighting between non-U.S. developed markets and emerging markets. We continue to monitor the direction of global interest rates, foreign exchange, commodity prices, and inflationary impacts that are affected by the ongoing fiscal and monetary actions of governments and central banks around the globe.

Performance	QTD	YTD	1 Year	3 Years	5 Years	10 Years
Steward International Enhanced Index Fund - Institutional	14.14%	-11.59%	-11.59%	0.91%	1.20%	2.68%
S&P Global 1200 ADR	16.75%	-8.60%	-8.60%	2.83%	2.82%	4.17%

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