

Steward International Enhanced Index Fund

Commentary | Quarterly update: 1Q25

Institutional shares



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Snapshot

Ticker	SNTCX
Inception date	2/28/2006
Prospectus dated	8/28/2024
Prospectus expense ratio	0.78%
Primary benchmark	S&P International 700 ADR Index

Top 10 holdings (%)

SAP SE Sponsored ADR	5.78
Unilever PLC Sponsored ADR	5.69
Shell Plc Sponsored ADR	5.12
ASML Holding NV Sponsored ADR	4.96
RELX PLC Sponsored ADR	3.99
HSBC Holdings PLC Sponsored ADR	3.94
Sony Group Corporation Sponsored ADR	3.51
Alibaba Group Holding Limited Sponsored ADR	2.94
Mitsubishi UFJ Financial Group, Inc. Sponsored ADR	2.72
TotalEnergies SE Sponsored ADR	2.65
Total % of portfolio	41.33

Markets and performance

International and emerging markets heavily outperformed domestic markets, bucking the downtrend and finishing in positive territory. China was a major driver, with technology stocks rallying, hints of more supportive policy, and Alibaba surging almost 56%. In the Eurozone, cheaper valuations and fiscal spending initiatives with Germany's infrastructure fund helped deliver European returns not seen in decades. Steward International Enhanced Index Fund outperformed its benchmark, returning 9.51% versus the S&P International 700 ADR Index return of 5.65%. For comparison, the return of the S&P Emerging 50 ADR Index for 1Q was 8.85%; the MSCI EAFE Index returned 6.68%.

Positive and negative contributors to performance

The fund's dual market structure kept the same allocation to emerging markets (EM) during the quarter: 80% allocated toward non-U.S. developed markets (DM) and 20% toward EM. As a reminder, that structure has historically tilted its EM allocation between 10–20% of total net assets, with 15% representing a neutral position. During the fourth quarter, the allocation to EM positively impacted the fund by 148 basis points (bps) relative to the primary benchmark. The fund's natural underweight to Taiwan Semiconductor helped the portfolio on a relative basis by 101 bps due to its poor quarter. For countries, the UK was the best relative performer, thanks to strong energy and banking returns, with Shell, HSBC, Lloyds, and BP all posting double-digit returns. Hong Kong was a close second, buoyed by the tech rally and Alibaba. The values-based restricted stocks negatively contributed to relative performance, detracting 32 bps. The overwhelming majority derived from top index weights Novartis and AstraZeneca, up 18.6% and 13.7%, respectively. The fund is unable to hold Novartis or AstraZeneca due to human embryonic stem cell/fetal tissue research. Not owning underperforming stocks Novo Nordisk and Toyota positively impacted relative performance (excluded based on abortion-related activities and owning abortion facilities, respectively).

Looking ahead

Tariffs will continue to dominate the market narrative, especially as it relates to international and emerging economies. With U.S. trade policy fluctuating rapidly, markets will continue to respond with volatility. Investors should be cautious of the exchanges between the U.S. and China—rhetoric has been aggressive and antagonizing, with neither willing to back down or come to the table. Another trend to watch is the decline of the U.S. dollar. With growth fears outweighing inflation impacts, investors may direct flows away from the domestic markets and into the international markets. We continue to monitor the global macro situation to ensure the DM versus EM allocation remains consistent with our global outlook going forward.

Performance (%)	Quarter	YTD	1-year	3-year	5-year	10-year	Since inception
Steward International Enhanced Index Fund (SNTCX)	9.51	9.51	12.21	7.51	14.20	5.81	3.57
S&P International 700 ADR Index	5.65	5.65	7.05	8.26	15.32	6.46	5.09

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.

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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).

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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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