

Steward International Enhanced Index Fund

Commentary | Quarterly update: 1Q24

Institutional shares



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Snapshot

Ticker	SNTCX
Inception date	2/28/2006
Prospectus dated	8/28/2023
Prospectus expense ratio	0.78%
Primary benchmark	S&P International 700 ADR Index

Top 10 holdings (%)

Taiwan Semiconductor Manufacturing Co.	9.14
ASML Holding NV ADR	4.42
Alibaba Group Holding Ltd. Sponsored ADR	2.99
Shell Plc Sponsored ADR	2.75
SAP SE Sponsored ADR	2.58
Unilever PLC Sponsored ADR	2.47
Royal Bank of Canada	1.91
TotalEnergies SE Sponsored ADR	1.90
HSBC Holdings PLC Sponsored ADR	1.71
BHP Group Ltd. ADR	1.67
Total % of portfolio	31.53

Markets and performance

For the three months ended March 31, 2024, the Steward International Enhanced Index Fund underperformed its primary benchmark, the S&P International 700 ADR Index, returning 6.00% vs. the benchmark's 8.71%. For comparison purposes, the return for the S&P Emerging 50 ADR Index for the same period was 1.58%, while the return for the MSCI EAFE Index was 5.94%.

Positive and negative contributors to performance

The fund's dual market structure maintained the same allocation throughout the quarter: 85% allocated toward non-U.S. developed markets and 15% toward 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 first quarter, the allocation to emerging markets negatively impacted the fund by 107 basis points (bps) relative to the primary benchmark.

Investments in Taiwan and the Netherlands had the largest positive contribution to performance. Total return for Taiwan Semiconductor Manufacturing Co. was 31.24%. ASML Holding NV total return was 28.40% over the period. Australia and Brazil had the largest negative contribution to performance. Performance was weighed down by BHP Group and Vale S.A., down 13.47% and 19.70%, respectively.

Over the first quarter, the values-based restricted stocks negatively contributed to relative performance. The net impact on relative performance from not owning restricted securities was negative 63 bps. Outperforming stocks Toyota Motor Corp. and Novo Nordisk were the largest negative contributors to performance. These stocks were excluded based on restrictions for ownership of Abortion Provider and Human Embryonic Stem Cell/Fetal Tissue Research, respectively. Not owning underperforming stocks Novartis AG and AstraZeneca PLC positively impacted relative performance. These stocks were both excluded based on Human Embryonic Stem Cell/Fetal Tissue Research restrictions.

Looking ahead

The evolving market landscape continues to challenge long-held investment assumptions. Despite strong U.S. economic growth, inflation fell rapidly without a global recession, attributed to increased workforce participation and improved labor supply. Globally, Japan saw a shift in corporate behavior, driving improved return on equity, while Canada's exhibits continued slow growth. U.S. mega-cap stocks show divergent returns. Inflation remains a concern as global economies recover from recessionary levels. The dollar is likely to weaken as U.S. slows some and non-U.S. economies recover. Europe shows positive economic indicators, while the UK faces stagnant GDP growth and slower inflation decline. We continue to monitor the global macro situation to ensure the developed markets vs. emerging markets 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)	6.00	6.00	15.78	4.60	6.60	4.12	3.11
S&P International 700 ADR Index	8.71	8.71	21.12	8.91	9.20	5.42	4.99

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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