

# Steward Large Cap Core Fund

Commentary | Quarterly update: 2Q24

Institutional shares



**Robert C. Doll, CFA®** CEO/CIO

## Snapshot

Ticker	SJCIX
Inception date	11/15/2021
Prospectus dated	8/28/2023
Prospectus expense ratio <sup>1</sup>	Gross 0.99% Net 0.75%
Primary benchmark	Russell 1000 Index

## Top 10 holdings (%)

Microsoft Corporation	6.26
Apple Inc.	5.24
NVIDIA Corporation	5.00
Alphabet Inc. Class A	3.12
Amazon.com, Inc.	2.55
Visa Inc. Class A	1.84
Mastercard Inc. Class A	1.72
Home Depot, Inc.	1.61
Salesforce, Inc.	1.60
Intuit Inc.	1.53
<b>Total % of portfolio</b>	<b>30.46</b>

## Markets and performance

Steward Large Cap Core Fund returned 1.33% last quarter, lagging the Russell 1000 Index (3.57%) by 224 basis points. The underperformance was primarily driven by negative stock selection, while allocation was modestly positive. Information technology (IT) was the top-performing sector, returning 12.77%. While the overweight to the sector proved positive, stock selection detracted from returns. From a style perspective, the overweight to management quality and favorable earnings yield added to performance, but the underweight to the mega cap companies detracted.

## Positive and negative contributors to performance

IT and consumer discretionary sectors were the most significant detractors from performance. Specifically, software and services companies within IT and distribution and retail companies within consumer discretionary exacerbated the underperformance. On the positive side, the fund's underweight to healthcare, energy, and materials added to performance.

On an individual position basis, the underweight to NVIDIA Corporation (4.98% of total net assets) was the largest individual detractor from performance. The company posted strong first-quarter results, surpassing expectations and driven by robust performance in direct current power (DC), gaming, and artists and repertoire (A&R). In addition, the fund's overweight to Carter's Inc. (0.71%) detracted from performance, as the company underperformed despite posting strong earnings and revenue results. The company's second-quarter guidance was less optimistic, attributed to inflationary pressures and a slow spring selling season. On the positive side, Cirrus Logic (0.97%) was the top contributor to performance after delivering impressive earnings results, with meaningful content growth for iPhone 16 driving gains. NetApp (1.10%) and Hewlett Packard Enterprise (1.10%) also added to performance.

## Looking ahead

Investors have been lulled into a false sense of security concerning the resiliency of the U.S. economy. Investors believe the economy is in a steady state if nothing changes. Inflation will likely remain in a downtrend, but a return to target levels is unlikely. At some point, stocks are likely to run into difficulty when earnings estimates come under pressure. Considering the market environment, the fund is continuing to focus on higher-quality companies with more earnings predictability. During the quarter, the fund trimmed exposure to IT and real estate sectors while adding to financials on the weakness. The largest additions to the fund included Coca-Cola (1.19%), Cisco (1.40%), and Progressive (1.29%), and the largest sells included Applied Materials, Nike, and Equinox. At the end of the quarter, the fund held the largest overweight positions in consumer discretionary and financials while being underweight healthcare and energy.

<sup>1</sup> The net expense ratio reflects a contractual commitment by the fund's investment adviser to waive fees and/or reimburse expenses through Aug. 31, 2024. Absent the waiver and/or reimbursement, expenses would be higher and total returns would be less. Please see the prospectus for details.

Performance (%)	Quarter	YTD	1-year	Since inception
Steward Large Cap Core Fund (SJCIX)	1.33	11.54	22.52	5.32
Russell 1000 Index	3.57	14.24	23.88	6.51

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](http://crossmarkglobal.com).

## Contact a member of our Advisor Solutions Team

[advisorsolutions@crossmarkglobal.com](mailto:advisorsolutions@crossmarkglobal.com) | 888-845-6910

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.

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).

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.

Information and recommendations contained in market commentaries and writings are of a general nature and are not intended to be construed as investment, tax or legal advice. These materials reflect the opinion of Crossmark on the date of production and are subject to change at any time without notice. Where data is presented that was prepared by third parties, the source of the data will be cited, and we have determined these sources to be generally reliable. However, Crossmark does not warrant the accuracy of the information presented.

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