



STEWARD LARGE CAP VALUE FUND

COMMENTARY | QUARTERLY UPDATE: 1Q 2023

Institutional Shares



written by **Robert C. Doll, CFA**® Chief Investment Officer

Steward Large Cap Value Fund - Institutional	
Ticker	SJVIX
Inception Date	11/15/2021
Prospectus Dated	8/28/2022
Prospectus Expense Ratio	Gross 0.91% Net 0.75%
Primary Benchmark	Russell 1000 Value

Top 10 Holdings	
Cisco Systems, Inc.	2.18%
Bank of America Corp.	2.10%
Berkshire Hathaway, Inc.	2.02%
Gilead Sciences, Inc.	1.62%
Morgan Stanley	1.60%
Home Depot Inc.	1.51%
American Express Co.	1.50%
Mondelez Intl., Inc.	1.49%
Exxon Mobil Corp.	1.47%
Elevance Health, Inc.	1.39%
Total % of Portfolio	16.87%

Markets and Performance

The Steward Large Cap Value Fund fell by -0.13% in the quarter ending March 31, 2023, underperforming the Russell 1000 Value Index (+1.01%) by 114 basis points. Underperformance came from stock selection, especially in the technology sector. Simply stated, we owned too many cheap stocks with good earnings and cash flow profiles in a quarter where the market rewarded low quality, high valuations, and mediocre (or worse) fundamentals.

Positive and Negative Contributors to Performance

From a macro perspective, positive factors during the quarter included disinflation momentum, positive macro surprise momentum, soft landing expectations, an accelerated China reopening following the unexpected zero Covid pivot late last year, warmer weather in Europe that helped prevent an energy crisis, and one-off global liquidity injections that seemed to dampen some of the bite from the Fed's QT. Banking sector turmoil grabbed the headlines in March with the focus on the funding/liquidity pressures at the regional level from deposit flight and the impact of the Fed's aggressive tightening cycle on investment portfolios. Fed pivot expectations provided an outsized tailwind for big tech (and other growth/long duration plays). In the fund, our best performing stocks were Jabil (1.10% of total net assets) and Reliant Steel & Aluminum (1.07% of total net assets); the stocks with the worst contributions to performance were Cigna Group (1.26% of total net assets) and an underweight position in Meta Platforms (1.01% of total net assets).

Looking Ahead

Our view is that the impact of the fastest rise in Fed funds (0 to 4¾% in twelve months) has only begun to be felt as evidenced in the March banking crisis. A significant economic slowdown and perhaps a recession still looms. As such, we remain focused on quality, earnings and cash flow deliveries, reasonable valuations and below market betas. The events over the past month have strengthened our conviction that investors should be conservatively positioned. We continue to expect that the U.S. economy will likely enter a recession over the coming year and that defensive positions are warranted within an equity portfolio.

Performance	QTD	YTD	1 Year	Since Inception
Steward Large Cap Value Fund - Institutional	-0.13%	-0.13%	-5.60%	-5.56%
Russell 1000 Value	1.01%	1.01%	-5.91%	-4.19%

The net expense ratio reflects a contractual commitment by the Fund's investment adviser to waive fees and/or reimburse expenses through August 27, 2023. Absent the waiver and/or reimbursement, expenses would be higher and total returns would be less. Please see the prospectus for details.

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).

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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