



STEWARD LARGE CAP VALUE FUND

COMMENTARY | QUARTERLY UPDATE: 2Q 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	
JPMorgan Chase & Co.	3.24%
Berkshire Hathaway, Inc.	2.25%
Cisco Systems, Inc.	2.13%
Bank of America Corp.	2.03%
Verizon Comms. Inc.	1.80%
ConocoPhillips	1.64%
Goldman Sachs Group, Inc.	1.56%
Mondelez Intl., Inc.	1.51%
Elevance Health, Inc.	1.50%
Gilead Sciences, Inc.	1.49%
Total % of Portfolio	19.14%

Markets and Performance

Equity markets have benefitted from relatively calm bond markets since late-2022, expectations for policy easing down the road, and acceptable corporate profits. Stock market gains have not been broadly-based and there is the seemingly omnipresent fear that a recession could develop at any time. Supportive liquidity conditions and the ongoing rise in corporate profits should continue to prop up prices until the bond market sells off and/or central banks go too far. The rebound in stocks since late-2022 is now looking extended and at the risk of pausing or reversing out since recent gains have relied on a handful of mega-cap and AI-related stocks.

The Steward Large Cap Value Fund increased by 3.75% in the second quarter ending June 30, 2023, underperforming the Russell 1000 Value Index (+4.07%) by 32 basis points. Stock selection modestly detracted from performance of the fund while sector allocation provided modestly positive contributions to performance for the quarter. Our security holdings that exhibited high profitability, strong management quality and low beta were the ones that hurt performance. Stock selection within the consumer discretionary sector struggled, but was positive within the technology sector.

Positive and Negative Contributors to Performance

The best performing stocks for the quarter were Owens Corning (1.09% of total net assets) and Teradata (1.10% of total net assets). The worst performing stocks in the fund were Cirrus Logic (0.69% of total net assets) along with our underweight of Meta. Our bet on down cap names in the fund began working well for the fund performance in the month of June.

Looking Ahead

Heading into Q3 we remain cautious on the markets for many reasons – the yield curve remains deeply inverted, the money supply is shrinking, corporate profits have peaked, banks are tightening their lending standards, the Fed has raised rates 500 basis points in just over a year and threaten to do more, liquidity conditions are not good, and stocks are not cheap. As such, we expect an economic slowdown, earnings cuts during the quarter, and possibly a recession. In such an environment, stock selection in the fund requires a focus on quality, the ability to deliver earnings and cash flow, and reasonable valuations.

Performance	QTD	YTD	1 Year	Since Inception
Steward Large Cap Value Fund - Institutional	3.75%	3.61%	12.92%	-2.54%
Russell 1000 Value	4.07%	5.12%	11.54%	-1.15%

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.

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.

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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