

# Steward Large Cap Value Fund

Commentary | Quarterly update: 4Q24

Institutional shares



**Robert C. Doll, CFA** CEO/CIO

## Snapshot

Ticker	SJVIX
Inception date	11/15/2021
Prospectus dated	8/28/2024
Prospectus expense ratio <sup>1</sup>	Gross 0.99% Net 0.75%
Primary benchmark	Russell 1000 Value Index

## Top 10 holdings (%)

Walmart Inc.	2.41
Berkshire Hathaway Inc. Class B	2.38
Cisco Systems, Inc.	2.01
International Business Machines Corp.	1.87
JPMorgan Chase & Co.	1.77
Verizon Communications Inc.	1.70
AT&T Inc.	1.63
Caterpillar Inc.	1.59
Lowe's Companies, Inc.	1.57
Comcast Corp. Class A	1.56
<b>Total % of portfolio</b>	<b>18.48</b>

## Markets and performance

The Steward Large Cap Value Fund rose 0.77% in the fourth quarter, outperforming the Russell 1000 Value Index (-1.98%) by 275 basis points (bps). Performance was driven by positive sector allocation and robust stock selection.

## Positive and negative contributors to performance

Notably, the healthcare sector contributed impressively to fund performance with a total of 130 bps; the financials sector also added positively (85 bps) to overall performance. On the negative side, positions in the communication services and consumer staples detracted from performance, primarily driven by stock selection.

On an individual position basis, Synchrony Financial was the best-performing stock in the portfolio; the company reported strong earnings supported by increased revenue from higher interest rates and fees. In addition, Salesforce Inc. contributed to relative performance, as the company reported strong revenue growth and revised guidance higher while increasing margins. On the negative side, the position in Target Corporation detracted from performance as the company sold off after reporting disappointing third-quarter earnings in November. Cigna Group also detracted from performance.

## Looking ahead

Policy uncertainty is higher than usual, in part because there are so many policy changes at the same time. Trump campaigned on a mix of policies that are both economy-supportive (tax cuts and deregulation) and economy-disruptive (tariffs and deportation). As a result, the election outcome has created fatter tails for the U.S. economy. The stock market is already pricing in an optimistic backdrop and carries high valuations, creating risks as we enter 2025. An early-in-the-new-year 5-10% pullback is possible (if not probable) given the sharp gains, froth in sentiment, and stretched valuations, leaving the market vulnerable to bad news or simply in need of consolidation.

Considering the market environment, the fund continues to focus on companies with higher earnings quality and profitability. During the quarter, the fund trimmed exposure to the industrials and energy sectors, adding exposure to information technology and utilities. 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, 2025. 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	3-year	Since inception
Steward Large Cap Value Fund (SJVIX)	0.77	21.20	21.20	7.77	7.97
Russell 1000 Value Index	-1.98	14.37	14.37	5.63	5.73

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 (Crossmark) is a faith-based investment management firm that creates and manages values-based investment strategies with a goal of providing performance excellence for financial intermediaries and their clients. Founded in 1987, the firm specializes in developing tailored solutions and has a rich history of inspiring and equipping its clients to align their investments with their values. 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**