CROSSMARK GLOBAL INVESTMENTS

STEWARD SELECT BOND FUND

COMMENTARY | QUARTERLY UPDATE: 1Q 2023

Institutional Shares

written by

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Steward Select Bond Fund - Institutional	
Ticker	SEACX
Inception Date	10/1/2004
Prospectus Dated	8/28/2022
Prospectus Expense Ratio	0.72%
Primary Benchmark	Bloomberg U.S. Govt/Credit

Top 10 Holdings	
Qualcomm, Inc.	2.68%
Comcast Corp.	1.97%
Adobe, Inc.	1.95%
Valero Energy Corp.	1.92%
Nike, Inc.	1.83%
Freddie Mac REMICs	1.63%
McDonald's Corp.	1.33%
CVS Health Corp.	1.32%
Amazon.com, Inc.	1.32%
Home Depot, Inc.	1.31%
Total % of Portfolio	**17.25%**

Markets and Performance

The story heading into this quarter was one of rising inflation, central bank hiking for the foreseeable future, and a call from many on Wall Street that the Federal Reserve would be able to maneuver a soft landing for the economy. As we approached the one-year mark from the first rate hike of this cycle, the "long and variable lags" that we anticipated would rear its ugly head appeared with a bang in the form of banking stress. The final month of the quarter showed tech stocks taking leadership and bond yields falling with the probability of recession moving higher.

Positive and Negative Contributors to Performance

The strongest positive contribution to performance for the Steward Select Bond Fund for the quarter ending March 31, 2023 was the effect of our selection process, although the Fund underperformed the Bloomberg Barclays Govt/Credit index returning 2.64% and 3.17%, respectively, during this time period. Positive performance for the quarter was welcome, but the largest drag on performance came from the shorter overall duration of the fund as compared to the index. At quarter-end, the fund was positioned at about 81% of the benchmark's duration. We have been extending the overall duration positioning of the fund from our shorter positioning over recent quarters in anticipation of hitting a peak in the levels of the yield curve. However, we are still slightly short and with yields dropping by such a large magnitude in such a short period of time during the month of March due to the banking issues, duration served as a drag for performance. Our positioning along the yield curve and the income effects from our overweight to the corporate sector were both positive contributors to performance for the quarter.

Looking Ahead

The debate around a soft landing or recession continues but most will agree that the Federal Reserve is close to the end of their hiking cycle, but we don't think they are completely done. As of now, inflation is still too high and we are just now beginning to see the effects of the previous 475bps of hikes. In our opinion, this means continued volatility for the upcoming quarters and a probable recession. In such an environment, our 4-step investment process of focusing on duration, yield curve placement, sector and security selection allows us to evaluate the economy and participate in opportunistic trades as appropriate. We will continue to work towards a neutral duration positioning while maintaining an investment-grade quality fund.

Performance	QTD	YTD	1 Year	3 Years	5 Years	10 Years
Steward Select Bond Fund - Institutional	2.64%	2.64%	-3.88%	-2.10%	0.15%	0.63%
Bloomberg U.S. Govt/Credit	3.17%	3.17%	-4.81%	-2.63%	1.16%	1.50%

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. Fixed income investments generally involve three principal risks—interest rate risk, credit risk, and liquidity risk. Prices of fixed-income securities rise and fall in response to interest rate changes (interest rate risk). Generally, when interest rates rise, prices of fixed-income securities fall. The longer the duration of the security, the more sensitive the security is to this risk. There is also a risk that the issuer of a note or bond will be unable to pay agreed interest payments and may be unable to repay the principal upon maturity (credit risk). Lower-rated bonds, and bonds with longer final maturities, generally have higher credit risks. As interest rates rise and/or the credit risk associated with a particular issuer changes, bonds held within a portfolio may become difficult to liquidate without realizing a loss (liquidity 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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