CROSSMARK
GLOBAL INVESTMENTS

STEWARD SELECT BOND FUND

COMMENTARY | QUARTERLY UPDATE: 2Q 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.	2.54%
Comcast Corp.	1.88%
Adobe, Inc.	1.85%
Valero Energy Corp.	1.80%
Nike, Inc.	1.72%
Freddie Mac REMICs	1.54%
CVS Health Corp.	1.27%
Federal Home Loan	1.27%
Home Depot, Inc.	1.26%
McDonald's Corp.	1.25%
Total % of Portfolio	**16.39%**

Markets and Performance

The market seemed to get ahead of itself in the first half of 2023 vis a vis the rate path hike of the Federal Reserve and other central banks. Multiple rate cuts were priced in earlier this year which is something we kept speaking to our clients about trying to determine how the market was coming to that conclusion when central banks kept saying there was more work to be done. During the 2nd quarter of the year, we started to see those rate cuts removed from market pricing causing bond yields to move higher. The U.S. 2yr Treasury yield moved up by 87 basis points during the quarter while the U.S. 10yr Treasury yield moved up 37 basis points. Although we still believe that the cycle highs in yields were seen during 4Q 2022, we do anticipate some movement higher in yields this year.

Positive and Negative Contributors to Performance

With the shift higher in yields, the strongest positive contributions to performance for the Steward Select Bond Fund for the quarter ending June 30, 2023 were the effects of both our duration positioning and our allocation decisions. The Fund outperformed the Bloomberg Barclays Govt/Credit index returning -0.56% and -0.93%, respectively, during this time period. Some of the drag on the fund relative to the benchmark came from the selection effect within the corporate allocation and placement along the yield curve as the yield curve continued to steepen to historically high levels. The overweight to the corporate allocation also provided a positive contribution to performance due to the higher levels of income generation from that sector. Many of the best performing holdings were the investment-grade corporate financial holdings as that sector was hit hard earlier this year from the regional banking issues, but has rebounded and provided positive performance for the fund.

Looking Ahead

The Federal Reserve continues to influence the markets with updated Fed Funds expectations at their last meeting and the belief by many FOMC participants that at least two more rate hikes are needed. Inflation remains sticky in part due to rents and labor costs as the labor market remains strong and wages continue to move higher. As central banks around the globe try to tackle inflation, continued volatility seems like the most likely path for the second half of this year. 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.

Performance	QTD	YTD	1 Year	3 Years	5 Years	10 Years
Steward Select Bond Fund - Institutional	-0.56%	2.06%	-0.20%	-3.61%	0.05%	0.86%
Bloomberg U.S. Govt/Credit	-0.93%	2.21%	-0.70%	-4.11%	1.03%	1.66%

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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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 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.

Not FDIC Insured - No Bank Guarantee - May Lose Value

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