



STEWARD SMALL CAP GROWTH FUND

COMMENTARY | QUARTERLY UPDATE: 4Q 2022

Institutional Shares



written by **Brent Liium, CFA®** Managing Director – Head of Equity Investments

Steward Small Cap Growth Fund - Institutional	
Ticker	SKGIX
Inception Date	11/15/2021
Prospectus Dated	8/28/2022
Prospectus Expense Ratio	Gross 1.31% Net 1.00%
Primary Benchmark	Russell 2000 Growth

Top 10 Holdings	
Box, Inc.	2.58%
HealthEquity, Inc.	2.35%
Iridium Communications, Inc.	2.35%
CBOE Global Markets, Inc.	2.12%
Inspire Medical Systems, Inc.	2.06%
Academy Sports & Outdoors	1.89%
Shockwave Medical, Inc.	1.89%
Qualys, Inc.	1.87%
World Wrestling Entertainment	1.73%
Halozyne Therapeutics, Inc.	1.71%
Total % of Portfolio	20.57%

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.

Markets and Performance

The fourth quarter of 2022 finished off a tough year for the market and the Steward Small Cap Growth Fund. The markets rallied in the fourth quarter as the Fed signaled they would slow the pace of interest rate increases as inflation appears to have peaked. Similar to last quarter, the higher interest rates continued to hurt the performance of growth companies as they are long duration assets (i.e. earnings are out in the future). While the Russell 2000 Growth index managed to report a positive return of 4.13% for the quarter, it remained in bear market territory for the year at -26.36%. The Steward Small Cap Growth Fund (the Fund) returned 0.43% for the quarter ending December 31, 2022, underperforming the Russell 2000 Growth by 3.70%.

Positive and Negative Contributors to Performance

The Fund's top contributors during the period were Halozyne Therapeutics (1.71% of total net assets), up 43.90%, BioXcel Therapeutics (1.11% of total net assets), up 81.73%, and Box (2.58% of total net assets), up 27.63%. Halozyne, with a novel drug delivery system, continued their strong revenue growth and added to their pipeline of future drugs. BioXcel, launched their first approved drug for agitation in patients with schizophrenia or bipolar disorder. The drug is in trials for agitation in patients with dementia with results expected in Q1. Box, a software company that allows companies to collaborate and manage their content in the cloud, reported strong revenue and margin growth in the quarter.

The Fund's bottom contributors during the period were Shockwave Medical (1.89% of total net assets), down 26.06%, Silvergate Capital (0.20% of total net assets), down 76.91%, and R1 RCM (1.12% of total net assets), down 40.91%. Shockwave, with a novel soundwave treatment for artery disease, was the top contributor last quarter. Despite another strong quarter with revenue growth over 100%, the stock gave up some of its prior gains. We believe they have years of strong growth ahead. Silvergate is a chartered bank holding company that operates a 24/7 network targeted at the crypto asset industry. Their network allows exchanges, banks, and customers the ability to transfer funds 24/7 versus traditional bank networks that only operate during business hours. The collapse of the FTX exchange and others didn't have a material direct affect on Silvergate, however, it did put a damper on crypto transfer volumes and reduced deposits in Silvergate dramatically. Our investment in Silvergate is under review. R1 RCM, a software and service provider for revenue management in hospitals and medical practices, reported a disappointing quarter with lower incentive fees. We believe RCM will recover from this as there is tremendous growth ahead for this category leader.

Looking Ahead

Looking forward, we expect the market to continue to be volatile. While some of the prior issues have faded or the market has become comfortable with them, a new issue will face the market in 2023. The Fed appears to have solved the inflation issue by dramatically raising interest rates; however, the concern has shifted to will it now cause a recession. We continue to focus on our key three pillars of investing in companies with visible and durable growth trends, strong business models, and healthy balance sheets.

Performance	QTD	YTD	1 Year	Since Inception
Steward Small Cap Growth Fund - Institutional	0.43%	-30.94%	-30.94%	-31.84%
Russell 2000 Growth	4.13%	-26.36%	-26.36%	-29.33%

Index returns shown assume the reinvestment of all dividends and distributions.

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. 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).

Small-cap investments may be subject to smaller companies risk. Stocks of smaller, less seasoned companies are generally subject to greater price fluctuations, less liquidity, higher transaction costs, and higher investment risk than those of larger, more seasoned issuers. Smaller companies may have limited product lines, markets, or financial resources, and they may be dependent on a limited management group or lack substantial capital reserves or an established performance record. There is generally less publicly available information about such companies than for larger, more established companies.

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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