

Steward Values Enhanced Large Cap Fund¹

Commentary | Quarterly update: 1Q25

Institutional shares



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Snapshot

Ticker	SEECX
Inception date	10/1/2004
Prospectus dated	8/28/2024
Prospectus expense ratio	0.61%
Primary benchmark	S&P 500 Index

Top 10 holdings (%)

Apple Inc.	6.97
Microsoft Corporation	5.77
NVIDIA Corporation	5.70
Amazon.com, Inc.	3.67
Meta Platforms Inc Class A	2.70
Berkshire Hathaway Inc. Class B	2.07
Alphabet Inc. Class A	1.88
Alphabet Inc. Class C	1.65
Broadcom Inc.	1.61
JPMorgan Chase & Co.	1.49
Total % of portfolio	33.51

Markets and performance

Large cap names had their worst quarterly performance since mid-2022, with the Mag 7 being the largest drag. Markets lost the presidential euphoria as concerns about U.S. trade policy cast a dark shadow on equities. Investors reacted swiftly to each tariff announcement, causing heavy volatility and whipsaws. Energy was the standout sector, returning more than 10% and coinciding with a strong quarter for natural gas. Defensive sectors healthcare, staples, and utilities all performed positively, aligning with uneasiness in the markets. For the period, Steward Values Enhanced Large Cap Fund returned -4.50% versus the S&P 500 return of -4.27%.

Positive and negative contributors to performance

The fund implements a strategy to upweight companies that score at the top of its values-focused composite rankings. At quarter-end, the fund upweighted 72 companies by 10 basis points (bps) each, which is four more names than the prior quarter.

The performance of the fund was also affected by its values-based exclusionary screening policies; their impact negatively contributed to relative fund performance, detracting 39 bps. Philip Morris (33.1%), AbbVie (19.0%), and Johnson and Johnson (15.6%) all had strong quarters that reduced relative performance by 32 bps. Philip Morris cannot be held due to revenue from tobacco, while Johnson and Johnson and AbbVie are removed for participation in embryonic stem cell research.

On the positive side, only a couple of names that performed poorly added meaningfully to the portfolio. KKR (-21.7%) and Merck (-9.0%) collectively added 8 bps of relative performance. KKR cannot be held due to abortion-related activities, while Merck cannot be held due to participation in embryonic stem cell research.

Looking ahead

With an eventful start to the year, the rest of 2025 should be anything but calm. Markets have jitters not seen in many years, with any mention of tariffs, pauses, or deal-making sparking large swings. The VIX continues to push new highs, and consumer confidence is dwindling. Whispers of stagflation have begun to enter the conversation as investors wait to understand the impact tariffs will have on prices and economic growth. It is a pivotal moment in the history of global trade policy, and each day seemingly brings new challenges. Caution and perseverance should win the day as we move forward.

¹ Effective Aug. 28, 2024, Steward Values-Focused Large Cap Enhanced Index Fund has been renamed Steward Values Enhanced Large Cap Fund.

Performance (%)	Quarter	YTD	1-year	3-year	5-year	10-year	Since inception
Steward Values Enhanced Large Cap Fund (SEECX)	-4.50	-4.50	7.05	8.05	18.59	10.74	9.87
S&P 500 Index	-4.27	-4.27	8.25	9.06	18.59	12.50	10.25

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

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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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