

# Steward Values Enhanced Small-Mid Cap Fund<sup>1</sup>

Commentary | Quarterly update: 1Q25

Institutional shares



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## Snapshot

Ticker	SCECX
Inception date	4/3/2006
Prospectus dated	8/28/2024
Prospectus expense ratio	0.64%
Primary benchmark	S&P 1000 Index

## Top 10 holdings (%)

US Foods Holding Corp.	0.58
Interactive Brokers Group, Inc. Class A	0.56
RB Global, Inc.	0.54
Guidewire Software, Inc.	0.52
Dynatrace, Inc.	0.51
Sprouts Farmers Market, Inc.	0.47
Fidelity National Financial, Inc. - FNF Group	0.45
BJ's Wholesale Club Holdings, Inc.	0.45
CNH Industrial NV	0.44
RPM International Inc.	0.44
<b>Total % of portfolio</b>	<b>4.95</b>

## Markets and performance

Small and mid cap names had a bang and bust first quarter, running up over 5% through the presidential election into January, to subsequently fall the remainder of the quarter, finishing down 7%. Visions of economic euphoria were replaced by fear and uncertainty of tariffs and a potential trade war. As conventional wisdom would indicate in times of turmoil, defensive sectors performed best with utilities leading, returning 9.66% for the quarter. Steward Values Enhanced SMID Cap Fund returned -7.87%, underperforming the primary benchmark, the S&P 1000 Index, which returned -7.00%.

## 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 39 companies by 10 basis points (bps) each, which is one more name than used in the prior quarter.

The performance of the fund can also be affected by its values-based exclusionary screening policies. For the quarter, the net impact of the values-based exclusionary screening detracted from relative fund performance by 5 bps. Corcept Therapeutics (126.7%), Halozyme Therapeutics (33.5%), and Casey's General Stores (9.7%) all had strong quarters that detracted 23 bps of relative performance. Corcept and Halozyme derive revenue from abortion-related activities, while Casey's derives revenue from alcohol and tobacco, barring all three from investment.

On the positive side, Shake Shack (-32.1%) and Churchill Downs (-16.8%) each had declines for the first quarter that collectively added 8 bps of relative performance. Shake Shack is removed from the universe for alcohol sales while Churchill Downs is removed for gambling.

## Looking ahead

As we look to the second quarter and even the remainder of the year, the only reliable constant seems to be uncertainty. Small and mid cap names have felt the impact more acutely than large cap names and will continue to whipsaw as U.S. trade policy unfolds. There are more questions than answers, with rates remaining stubbornly high, the potential downstream effects of tariffs on inflation, and looming Fed decisions. Investors will need to buckle up for the near term, as turbulence shows no sign of abating.

<sup>1</sup> Effective Aug. 28, 2024, Steward Values-Focused Small-Mid Cap Enhanced Index Fund has been renamed Steward Values Enhanced Small-Mid Cap Fund.

Performance (%)	Quarter	YTD	1-year	3-year	5-year	10-year	Since inception
Steward Values Enhanced Small-Mid Cap Fund (SCECX)	-7.87	-7.87	-4.94	2.06	16.49	6.91	7.62
S&P 1000 Index	-7.00	-7.00	-2.92	3.29	16.36	8.16	8.49

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.

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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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