

# QUARTERLY UPDATE: 1Q 2022

## STEWARD VALUES-FOCUSED

### LARGE CAP ENHANCED

### INDEX FUND

### COMMENTARY



written by  
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#### Steward Values-Focused Large Cap Enhanced Index Fund - Institutional

Ticker	SEECX
Inception Date	10/1/2004
Net Expense Ratio	0.55%
Primary Benchmark	S&P 500

#### Top 10 Holdings

Apple, Inc.	6.56%
Microsoft Corp.	5.72%
Amazon.com, Inc.	3.43%
Tesla, Inc.	2.18%
Alphabet, Inc. Class A	2.03%
Alphabet, Inc. Class C	1.88%
NVIDIA Corp.	1.75%
Berkshire Hathaway, Inc.	1.60%
Meta Platforms, Inc.	1.24%
Procter & Gamble Co.	1.02%
<b>Total % of Portfolio</b>	<b>27.41%</b>

#### Markets and Performance

After almost two years, the first quarter of 2022 saw investor concerns shift from COVID-19 to interest rates, inflation, and a new problem, the Russia/Ukraine conflict. The market felt like it went down every day in January as it digested a more hawkish Federal Reserve and higher inflation before stabilizing in February and recovering a bit in March. The Steward Values-Focused Large Cap Enhanced Index Fund (Institutional shares) returned -5.44%, trailing its benchmark (S&P 500 Index) by 0.84%.

#### Positive and Negative Contributors to Performance

The Fund has implemented a strategy to increase the weighting of companies that score at the top of its values-focused composite rankings. At quarter-end, the Fund “upweighted” 72 companies by ten basis points (bps) each. This increase in weighting did not have a material impact on performance for the quarter.

Performance can also be affected by the Fund’s values-based screening policies. For the quarter, the values-based screening policies had a negative impact on Fund performance, costing 33 bps. Companies such as Johnson & Johnson (embryonic stem cell research - up 4.27%), United Health Group (abortion - up 1.86%), and Bristol-Myers Squibb (embryonic stem cell research - up 19.03%) outperformed the S&P 500 benchmark. Screening out these three securities detracted 26 bps from performance. Conversely, not owning companies such as Pfizer (embryonic stem cell research - down 11.67%), Thermo Fisher Scientific (embryonic stem cell research - down 11.43%), and Charles River Lab (embryonic stem cell research - down 24.63%) positively impacted performance by 11 basis points.

#### Looking Ahead

We believe 2022 will continue to be a year of volatility as the market digests a number of different issues, including (but not limited to) how much and fast does the Fed hike rates, the impact of inflation, the potential for additional COVID-19 variants, and the Russia/Ukraine conflict. These are all in addition to the typical market and economic concerns.

Trailing Returns	Qtr	YTD	1 Year	3 Years	5 Years	10 Years
Steward Values-Focused Large Cap Enhanced Index Fund - Institutional	-5.44%	-5.44%	16.94%	16.77%	14.16%	13.43%
S&P 500	-4.60%	-4.60%	15.65%	18.92%	15.99%	14.64%

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. 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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