



STEWARD VALUES-FOCUSED LARGE CAP ENHANCED INDEX FUND COMMENTARY | QUARTERLY UPDATE: 1Q 2023

Institutional Shares



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

Steward Values-Focused Large Cap Enhanced Index Fund - Institutional	
Ticker	SEECX
Inception Date	10/1/2004
Prospectus Dated	8/28/2022
Prospectus Expense Ratio	0.58%
Primary Benchmark	S&P 500

Top 10 Holdings	
Apple, Inc.	6.53%
Microsoft Corp.	5.82%
Amazon.com, Inc.	2.42%
NVIDIA Corp.	1.90%
Alphabet, Inc.	1.65%
Berkshire Hathaway Inc.	1.51%
Tesla Inc.	1.47%
Alphabet, Inc.	1.44%
Meta Platforms, Inc.	1.25%
Exxon Mobil Corp.	1.24%
Total % of Portfolio	25.22%

Markets and Performance

In the first quarter of 2023, the market posted the second positive quarter in a row. The market rallied as “goldilocks” economic data was released. Inflation data, like commodity prices and owner equivalent rent, continued to cool, while the US GDP stayed positive. This combination led the market to think the Fed may achieve the elusive soft landing. The Steward Values-Focused Large Cap Enhanced Index Fund returned 7.35% for the quarter ending March 31, 2023, slightly trailing the S&P 500 benchmark by 0.15%.

Positive and Negative Contributors to Performance

The Fund implements a strategy to upweight companies that rank at the top of its values-focused composite rankings. At quarter end, the fund upweighted 83 companies by 10 bps each, which is 10 less than the prior quarter.

Performance of the Fund can also be affected by the Fund’s values-based screening policies. For the quarter, the values-based screening policies had a positive impact on fund performance, adding 107 bps. Companies such as General Electric (embryonic stem cell research), up 44.57%, Regeneron (embryonic stem cell research), up 13.89%, and MGM Resorts (gambling), up 32.48% outperformed the S&P 500 benchmark. Screening out these three securities detracted 12 bps from performance. Conversely, not owning companies such as, Pfizer (embryonic stem cell research), down 19.64%, Johnson & Johnson (embryonic stem cell research), down 11.64%, and United Health Group (abortion), down 10.54%, positively impacted performance by 79 basis points.

Looking Ahead

Looking forward, we think the market will remain focused on the economic data as it attempts to decipher if the Fed has won its battle with inflation and simultaneously keep the US from entering a recession. We expect the market to waffle in the coming months as we get data to support or reject the soft-landing scenario.

Performance	QTD	YTD	1 Year	3 Years	5 Years	10 Years
Steward Values-Focused Large Cap Enhanced Index Fund - Institutional	7.35%	7.35%	-8.36%	19.43%	9.16%	10.95%
S&P 500	7.50%	7.50%	-7.73%	18.60%	11.19%	12.24%

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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