



STEWARD VALUES-FOCUSED LARGE CAP ENHANCED INDEX FUND

COMMENTARY | QUARTERLY UPDATE: 2Q 2023

Institutional Shares



written by **Brent Lium, 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.	7.12%
Microsoft Corp.	6.39%
Amazon.com, Inc.	2.87%
NVIDIA Corp.	2.67%
Alphabet, Inc.	1.75%
Tesla, Inc.	1.74%
Meta Platforms, Inc.	1.57%
Berkshire Hathaway, Inc.	1.55%
Alphabet, Inc.	1.54%
Exxon Mobil Corp.	1.10%
Total % of Portfolio	28.30%

Markets and Performance

In the quarter ending June 30, 2023, the market continued to power forward posting positive returns for the third quarter in a row with large cap stocks generally outperforming small caps stocks. In addition, the more “risk on” sectors like technology and consumer discretionary outperformed while the “risk off” sectors like staples and utilities underperformed. For the period, the Steward Values-Focused Large Cap Enhanced Index Fund slightly trailed the benchmark, S&P 500, by 0.48% with the fund and index returning 8.26% and 8.74%, respectively.

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 76 companies by 10 basis points each, which is 7 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 66 basis points. Companies such as General Electric (embryonic stem cell research), up 14.91%, HCA Healthcare (abortion – owner acute care facilities), up 15.34%, and Take-Two Interactive (adult entertainment producer), up 23.35%, outperformed the S&P 500 benchmark. Screening out these three securities detracted 4 basis points from performance. Conversely, not owning companies such as, Pfizer (embryonic stem cell research), down 9.12%, AbbVie (embryonic stem cell research), down 14.69%, and Thermo Fisher Scientific (embryonic stem cell research), down 9.42%, positively impacted performance by 43 basis points.

Looking Ahead

Looking forward, we think the key question for the market is will the Fed engineer the soft landing or send the economy into recession. Based on the last couple quarters, clearly the market seems to be pricing in a soft landing or maybe even no landing. In support of that, GDP has remained positive, employment remains strong, and the consumer continues to spend. In addition, based on historical performance, the longer that the market continues to move higher, the less likely the market is to make new lows. However, while all of those economic data points remain positive, they are also slowing. This will end up being either one of the longest bear market rallies or one of the weakest starts of a bull market in decades.

Performance	QTD	YTD	1 Year	3 Years	5 Years	10 Years
Steward Values-Focused Large Cap Enhanced Index Fund - Institutional	8.26%	16.22%	18.49%	14.80%	10.30%	11.45%
S&P 500	8.74%	16.89%	19.59%	14.60%	12.31%	12.86%

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

Crossmark Global Investments is a faith-based firm that creates, manages, and distributes values-based investment strategies that equip financial intermediaries and their clients to go further by aligning their wealth with their passions and convictions. For over 30 years, the firm has delivered uniquely constructed products based on its proprietary, disciplined, and repeatable process. Founded in 1987, the firm is headquartered in Houston, Texas. For more information visit: www.crossmarkglobal.com.

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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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