



STEWARD VALUES-FOCUSED LARGE CAP ENHANCED INDEX FUND

COMMENTARY | QUARTERLY UPDATE: 3Q 2022

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.	6.51%
Microsoft Corp.	5.45%
Amazon.com, Inc.	3.02%
Tesla, Inc.	2.03%
Alphabet, Inc. Class A	1.76%
Alphabet, Inc. Class C	1.64%
Berkshire Hathaway, Inc.	1.52%
Exxon Mobil Corp.	1.17%
Procter & Gamble Co.	1.05%
Home Depot, Inc.	1.01%
Total % of Portfolio	25.16%

Markets and Performance

In the third quarter of 2022, the market continued its march lower marking one of the worst starts to a year in decades. While there were many issues to worry about during the quarter, inflation remained the primary concern. Inflation remained stubbornly high and the Fed continued to aggressively raise rates in order to fight it, leading markets lower. The Steward Values-Focused Large Cap Enhanced Index Fund underperformed the benchmark, the S&P 500 Index, by 33 basis points returning -5.21% and -4.88%, 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 79 companies by 10 bps each. The upweighting did not have a material impact on performance for the 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 9 bps. Companies such as United Health Group (abortion) down 1.36%, HCA Healthcare (abortion) up 9.65%, and Regeneron (embryonic stem cell research), up 16.53% outperformed the S&P 500 benchmark. Screening out these three securities detracted 11 bps from performance. Conversely, not owning companies such as, Johnson & Johnson (embryonic stem cell research), down 7.35%, Philip Morris (tobacco), down 14.70%, and Pfizer (embryonic stem cell research), down 15.88%, positively impacted performance by 19 basis points.

Looking Ahead

Looking forward, we see continued volatility with many issues for the market to face from inflation to the energy crisis to the Fed aggressively raising interest rates to a slowing economy to the impacts from the Ukraine/Russia conflict. Hopefully, some of these issues can be resolved in the coming months and the market can begin to lift.

Performance	QTD	YTD	1 Year	3 Years	5 Years	10 Years
Steward Values-Focused Large Cap Enhanced Index Fund - Institutional	-5.21%	-24.95%	-16.24%	6.15%	7.30%	10.71%
S&P 500	-4.88%	-23.87%	-15.47%	8.16%	9.24%	11.70%

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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