

QUARTERLY UPDATE: 4Q 2021 STEWARD VALUES-FOCUSED LARGE CAP ENHANCED INDEX FUND COMMENTARY



written by
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Steward Values-Focused Large Cap Enhanced Idx Fund	
Ticker	SEECX
Inception Date	10/1/2004
Net Expense Ratio	0.55%
Primary Benchmark	S&P 500 TR USD

Top 10 Holdings

Apple, Inc.	6.32%
Microsoft Corp.	5.87%
Amazon.com, Inc.	3.32%
Alphabet, Inc.	2.00%
Tesla, Inc.	1.96%
Alphabet, Inc.	1.83%
Meta Platforms, Inc.	1.82%
NVIDIA Corp.	1.77%
Berkshire Hathaway, Inc.	1.26%
Home Depot, Inc.	1.13%
Total % of Portfolio	27.28%

Markets and Performance

The start of the fourth quarter of 2021 marked the peak of investor fear regarding the Delta variant and its potential economic impact. The market spent much of the quarter climbing higher as fears abated and ended the year very close to all-time highs. Investors sought the relative safety of large caps, leading to large-cap outperformance. The Steward Values-Focused Large Cap Enhanced Index Fund's Institutional Class shares returned 11.61%, beating its benchmark (the S&P 500 Index) by 0.59%.

Positive and Negative Contributors to Performance

During the quarter, the Fund changed its blended style structure from an allocation of 60% large-cap core, 30% growth stocks, and 10% value stocks to a 100% large-cap core allocation. At the same time, the Fund implemented a strategy to increase the weighting of companies at the top of its values-focused composite rankings. By quarter-end, the Fund had increased the weighting of 71 companies by 10 basis points (bps) each. This new strategy did not have a material impact on performance for the quarter. Performance can also be affected by the Fund's values-based exclusionary screening policies. For the quarter, the values-based screening policies had a negative impact on Fund performance, costing 13 basis points. Companies such as Pfizer (embryonic stem cell research), up 38.51%, United Health Group (abortion) up 28.92%, and Thermo Fisher Scientific (embryonic stem cell research), up 16.84%, outperformed the S&P 500 benchmark. Screening out these three securities detracted 40 basis points from performance. Conversely, not owning companies such as Johnson & Johnson (embryonic stem cell research), up 6.63%, General Electric (embryonic stem cell research), down 8.23%, and Merck (embryonic stem cell research), up 2.99%, positively impacted performance by 15 basis points.

Looking Ahead

We believe 2022 could be a year of volatility as the market digests many different issues of concern, including but not limited to the Fed taper, the potential for rate hikes, the impact of inflation, and the potential for additional COVID variants. This is in addition to typical market and economic uncertainties.

Trailing Returns

	Qtr	YTD	1 Year	3 Years	5 Years	10 Years
Steward Values-Focused Large Cap Enhanced Index Fund - Institutional	11.61%	31.02%	31.02%	24.13%	16.65%	15.53%
S&P 500 TR USD	11.03%	28.71%	28.71%	26.07%	18.47%	16.55%

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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