



STEWARD VALUES-FOCUSED LARGE CAP ENHANCED INDEX FUND

COMMENTARY | QUARTERLY UPDATE: 4Q 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.	5.56%
Microsoft Corp.	5.22%
Amazon.com, Inc.	2.12%
Berkshire Hathaway, Inc.	1.63%
Alphabet, Inc. Class A	1.51%
Alphabet, Inc. Class C	1.36%
Exxon Mobil Corp.	1.35%
Procter & Gamble Co.	1.21%
JPMorgan Chase & Co.	1.14%
NVIDIA Corp.	1.11%
Total % of Portfolio	22.21%

Markets and Performance

In the fourth quarter of 2022, the market posted its first positive quarter of the year as the Fed signaled a slowing in the increase in the Federal Funds rate. Additionally, there are hopes that we might have seen the peak in inflation. The Steward Values-Focused Large Cap Enhanced Index Fund (the Fund) returned 7.56% for the quarter essentially in line with the benchmark, S&P 500, at 7.56% for the quarter ending December 31, 2022.

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 93 companies by 10 bps each, an increase of 14 companies. 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 negative impact on fund performance, costing 39 bps. Companies such as Merck (embryonic stem cell research) up 29.67%, Pfizer (embryonic stem cell research) up 18.10%, and Philip Morris (tobacco), up 23.47% outperformed the S&P 500 benchmark. Screening out these three securities detracted 32 bps from performance. Conversely, not owning companies such as, United Healthcare (abortion), up 5.30%, Bristol-Myers Squibb (embryonic stem cell research), up 1.99%, and Vertex Pharmaceuticals (embryonic stem cell research), down 0.26%, positively impacted performance by 8 basis points.

Looking Ahead

Looking forward, we see continued volatility into 2023. Many of the issues that the market was grappling with have faded. The market has become more comfortable with the conflict in Ukraine, despite it being tragic. Inflation seems to have peaked with commodity prices pulling back and energy prices are returning to more normal levels. However, the market is still facing a large issue; will the Fed's large rate increases used to battle inflation end up leading to a recession. If we can avoid a recession, the market will likely be up in 2023. If we do enter a recession, the market might get worse before it gets better.

Performance	QTD	YTD	1 Year	3 Years	5 Years	10 Years
Steward Values-Focused Large Cap Enhanced Index Fund - Institutional	7.56%	-19.28%	-19.28%	6.04%	7.52%	11.37%
S&P 500	7.56%	-18.11%	-18.11%	7.66%	9.42%	12.56%

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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