



Steward Values-Focused Large Cap Enhanced Index Fund

Commentary | Quarterly update: 4Q 2023

Institutional shares



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Steward Values-Focused Large Cap Enhanced Index Fund	
Ticker	SEECX
Inception date	10/1/2004
Prospectus dated	8/28/2023
Prospectus expense ratio	0.61%
Primary benchmark	S&P 500 Index

Top 10 holdings (%)	
Microsoft Corp.	6.63
Apple, Inc.	6.57
Amazon.com, Inc.	3.21
NVIDIA Corp.	2.94
Alphabet, Inc. Class A	1.92
Meta Platforms, Inc. Class A	1.82
Alphabet, Inc. Class C	1.65
Tesla, Inc.	1.58
Berkshire Hathaway, Inc. Class B	1.57
Eli Lilly and Co.	1.18
Total % of portfolio	29.07

Markets and performance

Equity markets rebounded from the weak third quarter with a very strong fourth quarter to end the year. Based on the comments at the December Fed meeting, the market shifted back to thinking that the Fed was done with interest rate hikes. This led to very strong December performance. Large caps slightly trailed small and mid-cap stocks for the quarter but maintained their outperformance for the full year. Energy was the only sector with negative performance for the quarter. For the period, Steward Values-Focused Large Cap Enhanced Index Fund returned 11.86%, outperforming the primary benchmark, S&P 500, by 0.17%.

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 69 companies by 10 basis points (bps) each, which is five less than the prior quarter.

The performance of the fund can also be affected by its values-based screening policies. For the quarter, the values-based screening policies had a positive impact on fund performance, adding 59 bps. Vertex Pharmaceuticals (embryonic stem cell research), up 17.01%, General Electric (embryonic stem cell research), up 15.52%, and Ventas (abortion), up 19.37%, all outperformed the S&P 500 benchmark. Screening out these three securities detracted 2 bps from performance. Conversely, not owning companies such as Pfizer (embryonic stem cell research), down -12.01%, Johnson & Johnson (embryonic stem cell research), up 1.43%, and UnitedHealth Group (abortion), up 4.78%, positively impacted performance by 32 bps.

Looking ahead

Looking forward, we hope the relatively strong economic data continues to hold up while the inflation data continues to move towards the Fed's 2% target. If both trends continue into 2024, maybe the market will reduce its hyper focus and outsized reactions to the Fed and interest rates and instead focus more on other economic growth and issues.

Performance (%)	QTD	YTD	1-year	3-year	5-year	10-year
Steward Values-Focused Large Cap Enhanced Index Fund	11.86	25.30	25.30	9.84	14.11	10.41
S&P 500 Index	11.69	26.29	26.29	10.00	15.69	12.03

Index returns shown assume the reinvestment of all dividends and distributions. An investment cannot be made directly in an index. 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.

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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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