



STEWARD VALUES-FOCUSED SMALL-MID CAP ENHANCED INDEX FUND

COMMENTARY | QUARTERLY UPDATE: 1Q 2023

Institutional Shares



written by **Brent Lium, CFA®** Managing Director – Head of Equity Investments

Steward Values-Focused Small-Mid Cap Enhanced Index Fund - Institutional	
Ticker	SCECX
Inception Date	4/3/2006
Prospectus Dated	8/28/2022
Prospectus Expense Ratio	0.61%
Primary Benchmark	S&P 1000

Top 10 Holdings	
Axon Enterprise, Inc.	0.47%
Deckers Outdoor Corp.	0.47%
Reliance Steel & Aluminum Co.	0.46%
Hubbell, Inc.	0.41%
Builders FirstSource, Inc.	0.40%
Lattice Semiconductor Corp.	0.40%
Graco, Inc.	0.38%
Carlisle Cos, Inc.	0.37%
Royal Gold, Inc.	0.37%
Jabil, Inc.	0.37%
Total % of Portfolio	4.10%

Markets and Performance

While small and mid-cap stocks trailed large caps, they still managed to add to the gains from the fourth quarter of 2022 by posting a positive first quarter of 2023. The market rose on perceptions that the Fed is winning its battle against inflation and might soon pause the increases to Fed funds rates. Inflation continued to trend lower and the U.S. economy continued its slow growth. The combination pushed the market higher. The Steward Values-Focused Small-Mid Cap Enhanced Index Fund returned 3.42% for the quarter ending March 31, 2023, slightly trailing the S&P 1000 benchmark by 0.01%.

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 36 companies by 10 bps each, which is one 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 slight negative impact on fund performance, costing 2 bps. Companies such as Churchill Downs (gambling), up 21.58%, Tenet Healthcare (abortion), up 21.79%, and Texas Roadhouse (alcohol), up 19.44% outperformed the S&P 1000 benchmark. Screening out these three securities detracted 10 bps from performance. Conversely, not owning companies such as Murphy USA (alcohol, tobacco), down 7.56%, Medical Properties Trust (abortion), down 23.59%, and Cousins Properties (abortion), down 14.37%, positively impacted performance by 10 basis points.

Looking Ahead

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Performance	QTD	YTD	1 Year	3 Years	5 Years	10 Years
Steward Values-Focused Small-Mid Cap Enhanced Index Fund - Institutional	3.42%	3.42%	-6.84%	23.41%	5.92%	8.81%
S&P 1000	3.43%	3.43%	-6.24%	21.98%	7.26%	9.83%

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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