



STEWARD VALUES-FOCUSED SMALL-MID CAP ENHANCED INDEX FUND

COMMENTARY | QUARTERLY UPDATE: 2Q 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	
Builders FirstSource, Inc.	0.52%
Deckers Outdoor Corp.	0.52%
Hubbell, Inc.	0.52%
Reliance Steel & Aluminum	0.47%
Jabil, Inc.	0.43%
Graco, Inc.	0.42%
Penumbra, Inc.	0.39%
Lattice Semiconductor Corp.	0.39%
Carlisle Cos, Inc.	0.39%
US Foods Holding Corp.	0.39%
Total % of Portfolio	4.45%

Markets and Performance

For the quarter ending June 30, 2023, small and mid-cap stocks added to their positive first quarter returns. Sector performance was typical for an up market with technology and consumer discretionary sectors outperforming while utilities and staples underperforming. Interestingly, small and mid cap stocks trailed large caps again. For the time period, the Steward Values-Focused Small-Mid Cap Enhanced Index Fund trailed the primary benchmark, S&P 1000, by 0.41%, returning 4.00% and 4.41%, 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 36 companies by 10 basis points each, which is the same as 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 basis points. Companies such as Murphy USA (alcohol, tobacco), up 20.72%, Tenet Healthcare (abortion), up 36.96%, and Casey's General Stores (alcohol, tobacco), up 12.85%, outperformed the S&P 1000 benchmark. Screening out these three securities detracted 12 basis points from performance. Conversely, not owning companies such as PENN Entertainment (gaming), down 18.98%, Cracker Barrel (alcohol), down 17.05%, and Halozyme Therapeutics (abortion), down 5.55%, positively impacted performance by 8 basis points.

Looking Ahead

Looking forward, we think the key question for the market is will the Fed engineer the soft landing or send the economy into recession. Based on the last couple quarters, clearly the market seems to be pricing in a soft landing or maybe even no landing. In support of that, GDP has remained positive, employment remains strong, and the consumer continues to spend. In addition, based on historical performance, the longer that the market continues to move higher, the less likely the market is to make new lows. However, while all of those economic data points remain positive, they are also slowing. This will end up being either one of the longest bear market rallies or one of the weakest starts of a bull market in decades.

Performance	QTD	YTD	1 Year	3 Years	5 Years	10 Years
Steward Values-Focused Small-Mid Cap Enhanced Index Fund - Institutional	4.00%	7.55%	14.30%	15.71%	5.43%	8.98%
S&P 1000	4.41%	7.99%	15.20%	15.35%	7.00%	10.10%

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

Crossmark Global Investments is a faith-based firm that creates, manages, and distributes values-based investment strategies that equip financial intermediaries and their clients to go further by aligning their wealth with their passions and convictions. For over 30 years, the firm has delivered uniquely constructed products based on its proprietary, disciplined, and repeatable process. Founded in 1987, the firm is headquartered in Houston, Texas. For more information visit: www.crossmarkglobal.com.

The Steward Funds are distributed by **Crossmark Distributors, Inc., member FINRA**. Crossmark Distributors is an affiliate of Crossmark Global Investments, Inc., the Steward Funds' investment adviser. Crossmark Global Investments is an investment adviser registered with the Securities and Exchange Commission that provides discretionary investment management services to mutual funds, institutions, and individual clients.

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.

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.

The S&P 1000 Index is a product of S&P Dow Jones Indices LLC or its affiliates ("SPDJI"), and has been licensed for use by Crossmark Global Investments. Standard & Poor's® and S&P® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P") and Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"). The trademarks have been licensed to SPDJI and have been sublicensed for use for certain purposes by Crossmark Global Investments. Steward Values-Focused Small-Mid Cap Enhanced Index Fund strategy is not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, or any of their respective affiliates (collectively, "S&P Dow Jones Indices"). S&P Dow Jones Indices makes no representation or warranty, express or implied, to the owners of the CGI Strategies or any member of the public regarding the advisability of investing in securities generally or in CGI Strategies particularly or the ability of the S&P Indices to track general market performance. S&P Dow Jones Indices only relationship to Crossmark Global Investments with respect to the S&P Indices is the licensing of the Index and certain trademarks, service marks and/or trade names of S&P Dow Jones Indices and/or its licensors. The S&P Indices are determined, composed and calculated by S&P Dow Jones Indices without regard to Crossmark Global Investments or the CGI Strategies. S&P Dow Jones Indices has no obligation to take the needs of Crossmark Global Investments or the owners of CGI Strategies into consideration in determining, composing or calculating the S&P Indices. S&P Dow Jones Indices is not responsible for and has not participated in the determination of the prices, and amount of CGI Strategies or the timing of the issuance or sale of CGI Strategies or in the determination or calculation of the equation by which CGI Strategies are to be converted into cash, surrendered or redeemed, as the case may be. S&P Dow Jones Indices has no obligation or liability in connection with the administration, marketing or trading of CGI Strategies. There is no assurance that investment products based on the S&P Indices will accurately track index performance or provide positive investment returns. S&P Dow Jones Indices LLC is not an investment advisor. Inclusion of a security within an index is not a recommendation by S&P Dow Jones Indices to buy, sell, or hold such security, nor is it considered to be investment advice.

© 2023 Crossmark Distributors, Inc. Distributor Member FINRA

Crossmark Global Investments, Inc.

15375 Memorial Drive, Suite 200, Houston, TX 77079
888.845.6910 advisorsolutions@crossmarkglobal.com
crossmarkglobal.com

Not FDIC Insured - No Bank Guarantee - May Lose Value