



STEWARD VALUES-FOCUSED SMALL-MID CAP ENHANCED INDEX FUND

COMMENTARY | QUARTERLY UPDATE: 3Q 2022

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	
Carlisle Companies, Inc.	0.52%
Targa Resources Corp.	0.49%
First Solar, Inc.	0.47%
Wolfspeed, Inc.	0.46%
Steel Dynamics, Inc.	0.45%
EQT Corp.	0.44%
First Horizon Corp.	0.43%
Hubbell, Inc.	0.42%
Deckers Outdoor Corp.	0.41%
Alleghany Corp.	0.40%
Total % of Portfolio	4.49%

Markets and Performance

After a rough first half of the year for equity markets, the trend continued, in general, during the third quarter. The multiple raises in Fed Fund rates so far this year took the wind out of the sails of the equity market. The Steward Values-Focused Small-Mid Cap Enhanced Index Fund unperformed the S&P 1000 Index by 21 basis points for the quarter, returning -3.51% and -3.30%, 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 31 companies by 10 bps each. 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 positive impact on fund performance, adding 10 bps. Companies such as Murphy USA (tobacco), up 18.18%, Casey's General Store (alcohol), up 9.69%, and Boston Beer (alcohol), up 6.83%, outperformed the S&P 1000 benchmark. Screening out these three securities detracted 8 bps from performance. Conversely, not owning companies such as Camden Property (abortion), down 10.47%, Medical Properties Trust (abortion), down 20.70%, and Cousins Properties (abortion), down 19.25%, positively impacted performance by 13 basis points.

Looking Ahead

Looking forward, we anticipate continued equity market volatility for the rest of the year. The market will have to deal with fundamental impacts from the rapidly increasing Fed Fund rates, a slowing economy, rising energy costs, and other factors. In addition, it has to layer on implications from the conflict in Ukraine. As we move through the final quarter of the year, hopefully some of these issues can be resolved and the market can begin to make a more sustainable move higher.

Performance	QTD	YTD	1 Year	3 Years	5 Years	10 Years
Steward Values-Focused Small-Mid Cap Enhanced Index Fund - Institutional	-3.51%	-22.42%	-16.53%	5.40%	4.07%	8.92%
S&P 1000	-3.30%	-22.02%	-16.35%	5.86%	5.52%	10.06%

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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