



Steward Values-Focused Small-Mid Cap Enhanced Index Fund

Commentary | Quarterly update: 1Q24

Institutional shares



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

Snapshot

Ticker	SCECX
Inception date	4/3/2006
Prospectus dated	8/28/2023
Prospectus expense ratio	0.65%
Primary benchmark	S&P 1000 Index

Top 10 holdings (%)

Williams-Sonoma, Inc.	0.62
Vistra Corp.	0.58
Carlisle Companies Inc.	0.48
Reliance, Inc.	0.47
GoDaddy, Inc. Class A	0.42
EMCOR Group, Inc.	0.41
Lennox International Inc.	0.41
Manhattan Associates, Inc.	0.40
Saia, Inc.	0.40
Graco Inc.	0.39
Total % of portfolio	4.57

Markets and performance

The first quarter of 2024 picked up right where the fourth quarter of 2023 left off. Small and mid-cap stocks had a strong first quarter to kick off 2024. For the time period, Steward Values-Focused SMID Cap Enhanced Index Fund returned 7.04%, trailing the primary benchmark, the S&P 1000, by 0.58%. Small and mid-caps once again trailed the larger cap stocks. Real Estate and Communication Services were the only negative sectors, while the Energy sector reversed its fourth quarter performance and was the strongest this quarter.

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 four more than the prior quarter.

The 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, detracting 2 basis points (bps). Companies such as Texas Roadhouse (alcohol), up 26.89%, Tenet Healthcare (abortion), up 39.09%, and Light & Wonder (gambling), up 24.33%, outperformed the benchmark. Screening out these three securities detracted 14 bps from performance. Conversely, not owning companies such as Corcept Therapeutics (embryonic stem cell research), down 22.44%, Churchill Downs (gambling), down 8.29%, and PENN Entertainment (gambling), down 30.02%, positively impacted performance by 10 bps.

Looking ahead

Looking ahead, if the economic patterns of the last couple quarters (strong GDP and slowing inflation) continue into future quarters, maybe the small and mid-caps will finally catch up to the performance of the large caps. Depending on how it is measured, this is one of the largest performance gaps between small/mid-caps and large caps in many decades.

Performance (%)	Quarter	YTD	1-year	3-year	5-year	10-year	Since inception
Steward Values-Focused Small-Mid Cap Enhanced Index Fund (SCECX)	7.04	7.04	20.05	5.29	9.84	8.40	8.37
S&P 1000 Index	7.62	7.62	21.06	5.53	10.94	9.63	9.16

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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advisorsolutions@crossmarkglobal.com | 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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