

Steward Global Equity Income Fund

Commentary | Quarterly update: 3Q24

Institutional shares



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Snapshot

Ticker	SGISX
Inception date	4/1/2008
Prospectus dated	8/28/2024
Prospectus expense ratio	1.01%
Primary benchmark	MSCI World Index

Top 10 holdings (%)

Cigna Group	2.82
Taiwan Semiconductor Manufacturing Co., Ltd. Sponsored ADR	2.75
McDonald's Corp.	2.54
Gap, Inc.	2.25
Texas Instruments Inc.	2.22
International Business Machines Corp.	2.00
ASE Technology Holding Co., Ltd. Sponsored ADR	1.93
Juniper Networks, Inc.	1.89
Broadcom Inc.	1.88
Paychex, Inc.	1.85
Total % of portfolio	22.12

Markets and performance

Performance for the global equity markets overall returned positive results for the third quarter of 2024. Steward Global Equity Income Fund's primary benchmark, the MSCI World Index, ended the quarter with a return of 6.46%. Dividend stocks overall outperformed the general equity market. For global dividend index comparison purposes, the MSCI World High Dividend Yield Index returned 10.23% during the period. The fund return was 7.44%.

Positive and negative contributors to performance

The leading positive contributors to performance included IBM, McDonald's, and NatWest Group PLC. These three stocks rose 28.94%, 20.19%, and 18.65%, respectively, during the third quarter. ASE Technology, Ecopetrol SA, and Veren Inc. were the leading negative contributors, declining 12.75%, 20.20%, and 20.79%, respectively. Relative to the MSCI World Index, performance was positively impacted from relative underweights in Microsoft, NVIDIA, and Amazon.com, which declined 3.55%, 1.69%, and 3.58%, respectively. These stocks were excluded from the fund because their dividend yields failed to meet longstanding minimum criteria for the strategy. Financials and information technology were the leading positive sector contributors to performance. Energy and materials were the leading negative sector contributors. International exposure in the fund, especially Colombia and Taiwan, underperformed relative to the U.S.

For the third quarter, the faith-based investment policies had a negative impact on performance. For example, the Steward screening criteria restricted UnitedHealth Group due to the company's abortion work, AbbVie due to the company's human embryonic stem cell research, and tobacco company Philip Morris. During the third quarter, these stocks rose 15.22%, 16.20%, and 21.14%, respectively. Not owning these outperforming stocks negatively impacted performance for shareholders in the fund.

Looking ahead

As we enter the fourth quarter of 2024, global dividend-paying stocks continue to offer attractive income opportunities, but heightened volatility is expected due to the upcoming U.S. presidential election. Markets are likely to experience fluctuations driven by shifts in fiscal and regulatory policy outlooks. While inflationary pressures and fluctuating interest rates present headwinds, we expect stable dividend growth from sectors like healthcare, utilities, and consumer staples. These companies have historically maintained strong balance sheets and resilient cash flows. Global dividend payers may also benefit from a recovery in global trade and improved currency stability. Selective positioning remains critical, as geopolitical uncertainties and sector-specific risks will likely lead to diverging performance. Our focus remains on high-quality names with sustainable dividends and potential for capital appreciation.

Performance (%)	Quarter	YTD	1-year	3-year	5-year	10-year	Since inception
Steward Global Equity Income Fund (SGISX)	7.44	13.18	27.43	7.44	9.69	9.59	8.16
MSCI World Index	6.46	19.28	33.03	9.61	13.59	10.65	8.46
MSCI World High Dividend Yield Index	10.23	14.59	22.60	8.43	8.12	6.80	5.67
S&P Global 1200 Index	6.35	19.64	33.14	9.88	13.44	10.61	8.39

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.

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).

Investments in securities of issuers in foreign countries involves additional risks not associated with domestic investments. These risks include, but are not limited to: (1) political and financial instability; (2) currency exchange rate fluctuations; (3) greater price volatility and less liquidity in particular securities and in certain foreign markets; (4) lack of uniform accounting, auditing, and financial reporting standards; (5) less government regulation and supervision of some foreign stock exchanges, brokers and listed companies; (6) delays in transaction settlement in certain foreign markets; (7) less availability of information; and (8) imposition of foreign withholding or other taxes.

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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