

Steward Large Cap Growth Fund

Commentary | Quarterly update: 3Q24

Institutional shares



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Snapshot

Ticker	SJGIX
Inception date	11/15/2021
Prospectus dated	8/28/2024
Prospectus expense ratio ¹	Gross 0.95% Net 0.75%
Primary benchmark	Russell 1000 Growth Index

Top 10 holdings (%)

Apple Inc.	11.37
Microsoft Corp.	10.76
NVIDIA Corp.	9.54
Alphabet Inc. Class A	5.53
Amazon.com, Inc.	5.32
Meta Platforms Inc Class A	3.41
Mastercard Inc. Class A	2.64
Visa Inc. Class A	2.62
Adobe Inc.	1.85
Broadcom Inc.	1.85
Total % of portfolio	54.88

Markets and performance

Steward Large Cap Growth Fund returned 4.59% in the third quarter, outperforming the Russell 1000 Growth Index (+3.19%) by 140 basis points (bps). Portfolio allocation was the primary driver of outperformance, with stock selection also contributing.

Positive and negative contributors to performance

This outperformance for the fund was primarily driven by a significant sector allocation effect of 1.27% and complemented by a stock selection effect of 33 bps. Within the sectors, real estate was the largest contributor to performance, adding 90 bps, with Equity Real Estate Investment Trusts (REITs) within real estate being the most impactful, contributing 49 bps. Similarly, the information technology sector added 55 bps to the fund's performance, with the software & services industry within information technology contributing 22 bps. On the negative side, the underweight to consumer staples and stock selection within communication services detracted 6 bps and 16 bps, respectively.

On an individual position basis, PayPal Holdings Inc. (0.97%) was the largest contributor to performance. The company outperformed, posting strong financial performance with significant growth across key financial metrics, including an 11% increase in payment volume and a 9% revenue growth. Iron Mountain (1.13%) also added to performance after beating earnings estimates during the quarter and increasing the company's quarterly dividend. On the negative side was the underweight to Tesla (1.71%), which erased early-in-the-year losses during the quarter on the back of increased vehicle deliveries. Alphabet Inc. Class A (5.50%) also detracted from performance, as the company lagged the market due to concerns regarding the company's financial margins.

Looking ahead

Any caution toward equities has admittedly been wrong or at least premature. The onset of economic weakness/recession has been delayed by the deployment of a historically large stock of excess savings. Recent government revisions (rarely important but also rarely of this magnitude) have certainly delayed any economic weakness. Excess savings have likely been nearly depleted, and labor market weakness is now apparent.

Considering the market environment, the fund continues focus on higher-quality companies with more earnings predictability. During the quarter, the fund trimmed exposure to the materials and consumer discretionary sectors while adding exposure to financials and information technology. The largest additions to the fund included Adobe Inc. (1.84%), Progressive Corp. (1.50%), and Apple Inc. (11.32%). The largest sells included Home Depot, W.W. Grainger, and Decker Outdoor. At the end of the quarter, the fund held the largest overweight positions in financials and real estate while being underweight information technology and communication services.

¹ The net expense ratio reflects a contractual commitment by the fund's investment adviser to waive fees and/or reimburse expenses through Aug. 31, 2025. Absent the waiver and/or reimbursement, expenses would be higher and total returns would be less. Please see the prospectus for details.

Performance (%)	Quarter	YTD	1-year	Since inception
Steward Large Cap Growth Fund (SJGIX)	4.59	24.09	41.77	8.60
Russell 1000 Growth Index	3.19	24.55	42.19	8.70

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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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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