

# Steward Values Enhanced Large Cap Fund<sup>1</sup>

Commentary | Quarterly update: 3Q24

Institutional shares



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## Snapshot

Ticker	SEECX
Inception date	10/1/2004
Prospectus dated	8/28/2024
Prospectus expense ratio	0.61%
Primary benchmark	S&P 500 Index

## Top 10 holdings (%)

Apple Inc.	7.16
Microsoft Corp.	6.54
NVIDIA Corp.	6.29
Amazon.com, Inc.	3.53
Meta Platforms Inc Class A	2.57
Alphabet Inc. Class A	2.01
Berkshire Hathaway Inc. Class B	1.82
Alphabet Inc. Class C	1.73
Eli Lilly and Co.	1.71
Broadcom Inc.	1.53
<b>Total % of portfolio</b>	<b>34.91</b>

## Markets and performance

Large cap names continued to rise for the year, even with the AI craze taking a backseat to defensive sectors powering the market forward. Rate cut hopes were validated with a jumbo cut by the Fed in September that kept momentum positive. NVIDIA was stymied for the first time in recent memory, losing a little over 1% for the quarter in an otherwise stellar year. Utilities was the leading sector gaining 19.37%, with recent S&P 500 addition Vistra Corp continuing its meteoric rise, finishing up 37.87% for the quarter and 207.74% for the year. Real estate was not far behind, gaining 17.17% for the third quarter. Of all the sectors, only energy performed negatively dropping -2.32%. For the period, Steward Values Enhanced Large Cap Fund returned 5.73% versus the S&P 500 return of 5.89%.

## Positive and negative contributors to performance

The fund implements a strategy to upweight companies that score at the top of its values-focused composite rankings. At quarter end, the fund upweighted 64 companies by 10 basis points (bps) each, which is two more names than the prior quarter.

The performance of the fund can also be affected by its values-based exclusionary screening policies. For the quarter, the impact of the values-based exclusionary screening negatively contributed to relative fund performance, detracting 66 bps. United Health Group (15.22%), AbbVie (16.20%) and Johnson and Johnson (11.72%) all had strong quarters that detracted 35 bps of relative performance. United Health cannot be held due to participation in abortion facilities while AbbVie and JNJ are removed for participation in embryonic stem cell research.

On the positive side, healthcare names that performed negatively benefitted the portfolio. Merck (-7.67%) and Biogen (-16.38%) collectively added 7 bps of relative performance. Both names cannot be held due to participation in embryonic stem cell research.

## Looking ahead

Economic data and Fed rate cuts will continue to dominate the narrative through the end of the year as the market waits to see how the Fed will act in November given the jumbo cut out of the gate. Volatility is to be expected in the short-term with the U.S. presidential election around the corner and more recently, turmoil in the Middle East. There are signs of softening within the labor market and if these indicators persist, the possibility of a pause in rate cuts (or more drastically, a recession) could enter the picture.

<sup>1</sup> Effective Aug. 28, 2024, Steward Values-Focused Large Cap Enhanced Index Fund has been renamed Steward Values Enhanced Large Cap Fund.

Performance (%)	Quarter	YTD	1-year	3-year	5-year	10-year	Since inception
Steward Values Enhanced Large Cap Fund (SEECX)	5.73	20.79	35.11	10.89	14.25	11.61	10.25
S&P 500 Index	5.89	22.08	36.35	11.91	15.98	13.38	10.63

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'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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