

Enhanced Index Strategy Report and Commentary

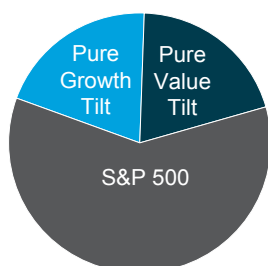
September 30, 2016

Steward Large Cap Enhanced Index Steward Small-Mid Cap Enhanced Index Steward International Enhanced Index

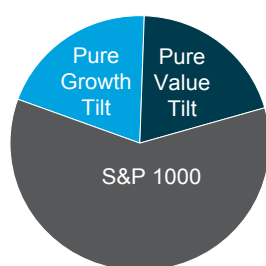
In September, the stock traders returned from the beach loaded for bear. In our August commentary, we noted that the markets were going through one of the tightest trading ranges in history without a 1% move up or down for the entire month. That changed on September 9th when the focus suddenly shifted to the Federal Reserve when they hinted that a September rate hike was a possibility. The fact that the North Koreans held another successful nuclear test did not help matters, and the Dow Industrials fell 395 points. That was followed by several more 1% plus moves in both directions and the S&P 500 followed suit. The volatility settled down later in the month and the S&P 500 managed a slight September gain, with the help of dividends, of 0.019%, while the Russell 1000 Growth Index came in a just a bit stronger at 0.37%.

Corporate profits this year have been a real problem for the markets with most of the damage coming from the energy sector. If current third quarter S&P 500 earnings growth estimates hold at -2.1%, it will mark the sixth quarter in a row of year-over-year declining estimates. The energy sector is currently anticipated to post an earnings decline of -67.0% for the third quarter. Ex-energy, the S&P 500 would be expected to post an earnings increase of 1.2%. The good news is that the bad news appears to be ending for the energy group as it “laps” the collapse in the price of oil a year ago. With oil prices now in the upper-\$40s, comparisons to a year ago should get progressively easier in the fourth quarter. For the market as a whole, 7 of the now 11 sectors (including the new real estate sector) are expected to post positive earnings growth. We look for the U.S. economy to gain a bit of steam as we approach 2017, and this should really help earnings growth for next year.

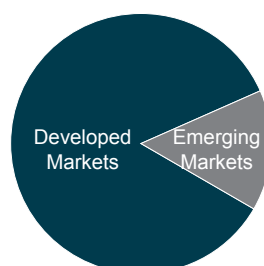
Large Cap Tilt



Small-Mid Cap Tilt



International Tilt



Index & Screen Impact

Steward Large Cap Enhanced Index

Index	3Q
S&P 500	+3.85%
S&P 500 Pure Value	+4.28%
S&P 500 Pure Growth	+4.25%

Screen Impact - Positive

Bristol Myers Squibb (BMY)	-26.69%
Reynolds (RAI)	-11.76%
Twenty First Century Fox (FOXA)	-9.79%

Steward Small-Mid Cap Enhanced Index

Index	3Q
S&P 1000	+5.05%
S&P 1000 Pure Value	+9.64%
S&P 1000 Pure Growth	+6.28%

Screen Impact - Positive

Quorum Health (QHC)	-41.46%
Ruby Tuesday (RT)	-30.75%
Core-Mark Holding Co. (CORE)	-23.47%

Steward International Enhanced Index

Index	3Q
S&P ADR	+4.79%
MSCI Emerging Markets	+9.16%

Screen Impact - Positive

Novo-Nordisk (NVO)	-21.91%
Sanofi (SNY)	-8.75%
Novartis (NVS)	-4.30%

Faith-Based Screening Methodology:

The Funds use CFS Consulting Services, LLC (CCS) as its provider of cultural values research data in the screening of securities. The management team at CCS pioneered the initial development of values-based investing in the mid 1990's. Their experience includes having started an investment research firm dedicated to values-based investing data and analysis in 1996.

The Funds apply a comprehensive set of cultural values screens to all of the investments. Screens applied to the portfolio management process allow investors to avoid owning securities in companies that choose to profit from businesses that are at odds with values consistent with a Christian lifestyle.

Strict exclusionary screens are applied to companies involved in the businesses of abortion and pornography. In addition, the Funds screen for businesses that are principally involved in gambling, or the manufacturing of alcoholic or tobacco products. The Funds employ only avoidance screens and does not dilute the portfolio by seeking to invest in companies that promote any individual cultural or social issue.

This methodology gives the Funds the ability to serve a rapidly growing number of investors seeking competitive investment returns without compromising their personal convictions.

Risk Factors: *The Fund may not achieve its stated investment objective. Please be aware that the Fund may be subject to certain additional risks such as Cultural Values Screening and Equity Market Risk. The Fund may not achieve the same level of performance as it would have without the application of the Cultural Values Screening policies. The value of equity securities will rise and fall in response to the activities of the companies that issued the securities, general market conditions and/or economic conditions. Please see the Fund's prospectus for a further explanation of these risks.*

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. For the Fund's performance as of the most recent month end, please call 800-262-6631. Returns are historical and are calculated by determining the percentage change in the net asset value (NAV) with all income and capital gain distributions reinvested.

This is not an offer to sell or a solicitation to buy Fund shares. Sales of Fund shares may only be made by prospectus. Before investing you should carefully consider the Fund's investment objectives, risks, charges and expenses. This and other information is in the prospectus, a copy of which may be obtained by calling Capstone Asset Planning Company, Distributor for the Steward Funds, Inc., (800) 262-6631. Please read the prospectus carefully before you invest.