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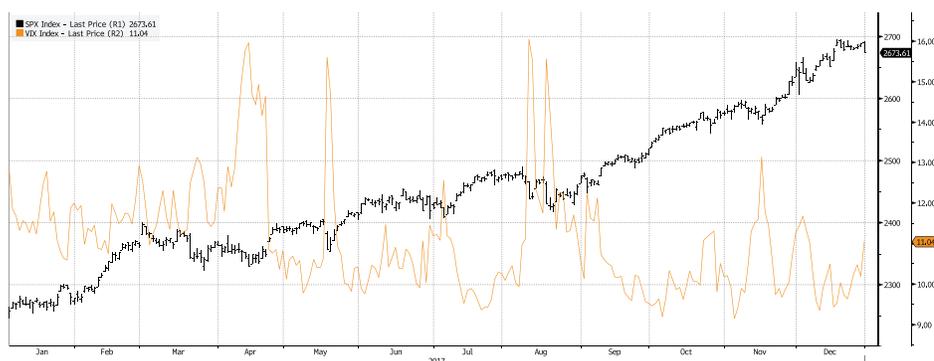
December 31, 2017

COVERED CALL INCOME COMMENTARY

Fourth Quarter Review 2017

In a year filled with record highs for the U.S. markets, the fourth quarter did not disappoint, as it was just another quarter for the bulls to celebrate. This is remarkable considering the historical lack of volatility. U.S. equity markets delivered positive returns in every single month of 2017, the first time this has happened since 1958. The market rally was rather broad based outside of the technology sector which was up close to 40% with sectors such as consumer discretionary, materials, industrials, healthcare and financials all returning roughly 20% for the year. In December, the Fed raised rates as expected. Solid economic activity and a tightening labor market were among the reasons listed for the third rate hike of the year. The equity markets seemed to have already built in the December rate hike as Fed Chair Yellen and her counterparts had been dropping hints of the possibility of a rate increase for several months. President Trump and the Republican Congress had reason to celebrate a legislative victory as tax reform finally passed. Tax reform provides a clear tailwind for stock prices as the equity markets rallied on expectations for lower individual and corporate tax rates, as well as the promise of less regulation. Strong third quarter earnings results in November and into December and better than expected GDP data further boosted investors' sentiment in the fourth quarter. Corporate earnings grew at double digit rates in 2017, with expectations for continued growth spurring markets across the globe.

VIX vs S&P 500



Source: Bloomberg

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- In December, the Fed raised rates as expected.
- The Covered Call Income strategy continued its strong performance in the fourth quarter.

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Performance Review 2017

The Covered Call Income strategy continued its strong performance in the fourth quarter. In October the Covered Call strategy outperformed both the S&P Covered Call Index (SPXCC) and the BXM. The markets were led by the technology sector in October which was up 6.51%. In November, the Covered Call Income strategy continued to perform well but slightly underperformed the S&P Covered Call Index. It did, however, continue to outpace the BXM. The markets were led by another sector other than technology for the first time in a few months as consumer staples and consumer discretionary led the way in November, up 5.58% and 5.07%, respectively. The Covered Call Income strategy had another positive performance month in December but slightly lagged the S&P Covered Call index and continued to outperform the BXM. The energy sector led the way in December up 5.27%. Overall for the fourth quarter of 2017, the Covered Call Income strategy slightly underperformed the SPXCC index and outperformed the BXM. Even with historical low volatility, the Covered Call Income team was still able to produce attractive premiums from the sale of covered calls as opportunities presented themselves in the fourth quarter.

Looking ahead to 2018

The U.S. equity markets had an unbelievable run in 2017, and so far, the economy is starting the year with momentum as earnings growth continues. Volatility continues to hover around historically low levels, which has investors wondering if there is a catalyst out there that could possibly bring it back. The heightened transparency around Fed policy has continued to dampen market volatility. The transition from Fed Chair Yellen to Fed Chair Powell more than likely will not affect interest rate policy in the short-term. Expect the status quo in regards to Fed policy in 2018. Now that the tax bill has passed, the fiscal stimulus from tax cuts will more than likely provide a modest boost to U.S. growth as we head in to 2018. The Covered Call Income strategy is positioned nicely as we head into an exciting new year and will continue to look for trading opportunities as they present themselves.

Happy New Year !

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The U.S. Lipper Fund Awards recognized The Steward Global Equity Income Fund on March 31, 2015, March 22, 2016 and March 23, 2017 for delivering consistently strong risk-adjusted performance, relative to its peers, for the 5-year period. Chosen out of 66 others in 2015, 80 others in 2016, and 22 others in 2017, the Fund achieved the highest Lipper Leader for Consistent Return (Effective Return Net of Expenses) value over an individual time period in its classification.

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Definitions:

"Up and Out" – This occurs when the original call option is repurchased and another call option is sold. The new option is sold with a higher strike price and a later expiration date than the original option.

"Rolling Down" – This involves buying back the current call option and selling another call option with the same expiration date. The only difference between the two call options is the strike price. In this case, the new option has a lower strike price.

"At-the-Money" – Options with a strike price, or exercise price, equal to the price of the underlying asset. Theoretically, these options have a delta around 50%.

"In-the-Money" – Options with a strike price, or exercise price, lower than the price of the underlying asset. These options have a theoretical delta greater than 50%.

About Crossmark's 30 Year History

Crossmark Global Investments is an innovative investment management firm. The firm provides a full suite of investment management solutions to institutional investors, financial advisors and the clients they serve. We have a multi-decade legacy of specializing in responsible investment strategies for clients. Founded in 1987, the firm is headquartered in Houston, Texas. Additionally, Crossmark is the exclusive manager of the Crossmark Steward Funds, which is a fund family that applies an overarching values-based screening methodology to its suite of equity and fixed income funds, including its award-winning Steward Global Equity Income Fund - named Lipper's "Best Global Equity Income Fund" for the last three consecutive years.

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