Global Equity Income

Commentary | Quarterly update: 1Q25

Separately managed account

Rob Botard, CFA Head of Equity Investments — Portfolio Manager

Top 10 holdings (%)	
Cigna Group	2.66
Taiwan Semiconductor Manufacturing Co., Ltd. Sponsored ADR	2.6
McDonald's Corporation	2.51
NatWest Group Plc Sponsored ADR	2.32
International Business Machines Corp.	2.24
Paychex, Inc.	2.13
Gap, Inc.	2.12
Abbott Laboratories	2.08
Gilead Sciences, Inc.	2.03
Lloyds Banking Group plc Sponsored ADR	1.95
Total % of portfolio	**22.64**

Crossmark uses a model account to manage the individual client accounts that have selected this investment strategy. The portfolio characteristics shown are based on the model account. The characteristics of any individual account may differ from those of the model account. All performance information shown is composite performance derived from the aggregate of all accounts included in the composite.

Markets and performance

Global equity markets returned mixed results for the first quarter of 2025. The MSCI World Index, the model's benchmark, ended the quarter with a return of -1.68%. Dividend stocks outperformed the general equity market—the MSCI World High Dividend Yield Index returned 6.59% during the period. The model return was 2.74%.

Positive and negative contributors to performance

Leading positive contributors included Tapestry, Lloyds Banking Group PLC, and Banco Bilbao Vizcaya Argentaria. These stocks rose 24.40%, 40.44%, and 40.12%, respectively. Broadcom, Taiwan Semiconductor, and NetApp were the leading negative contributors, declining 27.56%, 15.69%, and 23.99%, respectively. Financials and healthcare were the leading positive sector contributors to performance. Information technology and consumer staples were the leading negative sector contributors. Strong performance from stocks in the UK and the U.S., but also Spain and Brazil, more than offset underperformance from the Philippines, Japan, and Taiwan.

Looking ahead

As we close out the first quarter of 2025, we remain committed to navigating an increasingly complex macroeconomic and geopolitical landscape with discipline and a focus on long-term fundamentals. Inflationary pressures, diverging central bank policies, and heightened political uncertainty across major developed markets have contributed to elevated volatility and a wide dispersion in equity performance. In this environment, we believe high-quality, dividend-paying companies with strong balance sheets, durable cash flows, and pricing power are well-positioned to weather short-term disruptions and deliver sustainable returns. While we anticipate continued market choppiness in the months ahead, we view this as an opportunity to selectively add to positions where valuations have dislocated from intrinsic value. Our globally diversified portfolio is built to generate a resilient income stream, and we continue to emphasize companies that not only return capital to shareholders, but also reinvest prudently for long-term growth.

Composite performance (%)	Quarter	YTD	1-year	3-year	5-year	10-year	Since inception
Global Equity Income (Wrap) – Gross	2.74	2.74	5.58	6.59	10.36	11.66	11.67
Global Equity Income (Wrap) – Net[1]	1.99	1.99	2.48	3.42	7.12	8.42	8.41
MSCI World Index	-1.68	-1.68	7.50	8.09	16.66	10.06	10.66
MSCI World High Dividend Yield Index	6.59	6.59	9.04	6.07	12.12	7.00	5.52

1 Net performance was calculated using the hypothetical highest annual all-inclusive wrap fee of 3.00%, with a deduction of 0.25% from each month's return. Gross performance is shown as supplemental information and represents pure gross returns, as they have not been reduced by transaction costs or fees. Wrap fees include Crossmark's portfolio management fee, trading costs, custody, and other administrative fees. Due to the effect of compounding, annual returns shown net of fees may be lower than the return that would be shown if the fee were deducted from the gross return at a single point in time.

Our firm

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Contact a member of our Advisor Solutions Team

advisorsolutions@crossmarkglobal.com | 888-845-6910

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All investments are subject to risks, including the possible loss of principal. Past performance does not guarantee future results. The Global Equity Income strategy 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.

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Crossmark claims compliance with the Global Investment Performance Standards (GIPS®). Prospective clients can obtain a GIPS Composite Report by sending a request to: advisorsolutions@crossmarkglobal.com.

The U.S. Dollar is the currency used to express performance. The performance reflects the reinvestment of dividends and other earnings to the extent that client accounts included in the composite elected to reinvest dividends and earnings. Performance figures shown gross of fees do not reflect the payment of investment advisory fees.

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