CROSSMARK
GLOBAL INVESTMENTS

SMALL CAP GROWTH

SMA Strategy Profile

Strategy Objective:

Seeks to provide above average, long-term growth by investing in high-quality growth stocks of U.S. companies that exhibit a history of strong balance sheets, cash flow, and financial returns

Strategy Snapshot:

Product Inception	06/30/2021
Category	Small-Cap Growth

The Small Cap Growth Strategy's principal investment strategy is to invest in a portfolio of small-cap growth securities, subject to the limitations of the Strategy's values-based screening policies. The Strategy employs a combination of top-down and bottom-up investment approaches. The top-down approach focuses on the overall economy and the macro factors driving the market. The bottom-up approach focuses on the analysis of individual stocks to confirm they are the right fit for the portfolio based on established criteria. The portfolio management team focuses on securities that they consider to have the potential for earnings or revenue growth. Security selection is centered around three pillars - fundamental, valuation, and timeliness analysis. In making investment decisions, a company's values-based characteristics are also considered.

Key Highlights

GROWTH

1

- Small-cap companies tend to offer higher growth potential than large-cap companies as they may be bringing new products, technology, or services to the marketplace
- The Strategy focuses on companies with sustainable revenue growth, good business models, and strong balance sheets
- Portfolio management looks for visible, sustainable growth over a 3-5 year or longer time horizon

VALUES-BASED INVESTING

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- In implementing its investment strategy, the Strategy applies a set of values-based screens to use its best efforts to avoid owning securities choosing to profit from businesses that may be at odds with their personal convictions
- Exclusionary screening allows us to redefine the investable universe by avoiding companies that are not consistent with widely-held traditional values
- The screening process utilizes third-party research coupled with proprietary research and analysis

DISCIPLINED INVESTMENT PROCESS

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- The quantitative process utilizes a multi-factor model to rank the investable universe based on multiple characteristics such as margins, debt level, and revenue growth
- Top ranked companies are then further analyzed with a focus on sustainable revenue growth, strong business models, and solid balance sheets
- Risk management is provided by the application of established parameters around sectors, industries, capitalization, and style versus the benchmark

Investment Process

Beginning Universe	• The investible universe begins with small-cap companies with a market cap between $300 million and $29 billion that are currently included in or potential candidates for inclusion in a widely recognized small-cap equity index
Values-Based Screening	• Next, the values-based screens are applied to the beginning universe to exclude companies not consistent with widely-held traditional values with a focus on the following sectors: o Gambling o Alcohol o Tobacco o Life Ethics o Adult Entertainment o Cannabis
Quantitative Analysis	• Quantitative elements are analyzed using a proprietary multi-factor model • Potential candidates are then ranked based on characteristics such as margins, debt levels, and revenue growth
Fundamental Analysis	• Companies that ranked in the top based on the quantitative analysis are then further analyzed with a focus on finding the best combinations of: o Sustainable Revenue Growth o Strong Business Models o Solid Balance Sheets • Companies with sustainable, secular growth themes are preferred over companies with revenue growth tied to the economic cycle
Portfolio Construction	• Appropriate holdings meet our criteria in regards to fundamentals, valuation, and timeliness • 80-100 holdings • Established parameters versus benchmark include: o Sectors o Industries o Capitalization o Style o Position Size

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