

## Snapshot

|                          |                              |
|--------------------------|------------------------------|
| Morningstar Category     | Allocation-50% to 70% Equity |
| Inception Date           | 7/1/2007                     |
| Strategy Assets          | \$16,217,884                 |
| Investment Minimum       | \$500,000                    |
| Average Market Cap (Mil) | \$254,018                    |
| # of Holdings            | 113                          |
| Portfolio Yield          | 1.74                         |

## Portfolio Managers

Paul C. Townsen  
Victoria Fernandez, CFA

## Strategy Objective

Seeks to generate income, provide limited capital appreciation, and generate lower volatility than the broad equity markets

## Portfolio Fixed Income Characteristics<sup>1</sup>

|                                 |      |
|---------------------------------|------|
| Yield to Maturity (%)           | 5.08 |
| Effective Duration              | 3.63 |
| Current Yield (%)               | 4.17 |
| Average Coupon (%)              | 3.99 |
| Average Credit Rating (Moody's) | A3   |
| Average Price (\$)              | 3.75 |

## Portfolio Equity Characteristics<sup>1</sup>

|                            |       |
|----------------------------|-------|
| Dividend Yield (%)         | 1.68  |
| Dividend Payout Ratio (%)  | 39.68 |
| Dividend Growth - 3 Yr (%) | 11.10 |
| EPS Growth - 3 Yr Hist (%) | 9.99  |
| Price/Earnings Ratio - NTM | 16.04 |
| Price/Book Ratio           | 3.00  |
| Price/Free Cash Flow, TTM  | 19.09 |
| Return on Equity, TTM (%)  | 19.99 |

## Portfolio Top 10 Holdings (%)<sup>1</sup>

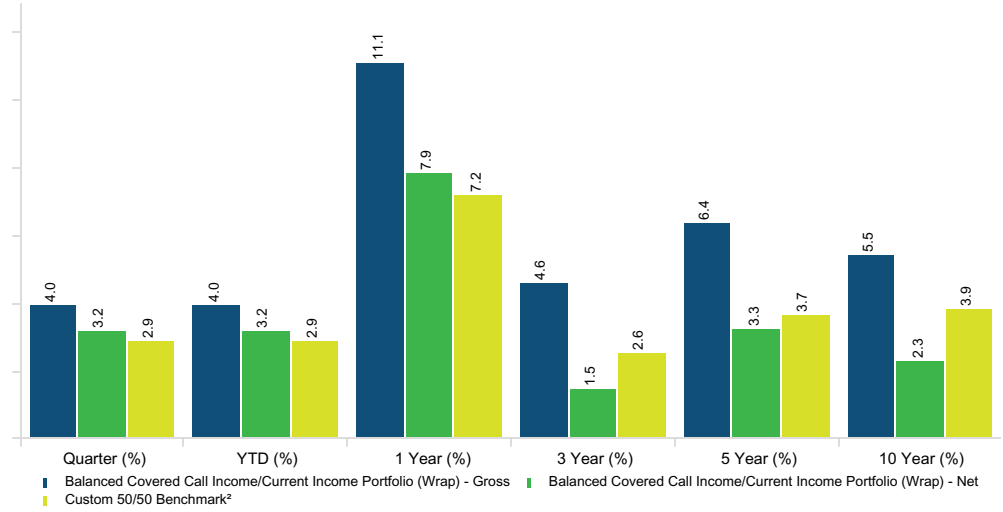
|   | Weight       |
|---|--------------|
| Alphabet Inc. Class C   | 2.89         |
| Government Of The United States Of America 1.875% 31-Jul-2026 | 2.68         |
| Federal National Mortgage Association 2.625% 06-Sep-2024      | 2.35         |
| Micron Technology, Inc.                                       | 2.24         |
| Applied Materials, Inc.                                       | 1.96         |
| TJX Companies Inc   | 1.93         |
| PayPal Holdings, Inc.   | 1.91         |
| Federal Home Loan Bank System 4.625% 17-Nov-2026              | 1.90         |
| RTX Corporation   | 1.85         |
| Federal National Mortgage Association 2.125% 24-Apr-2026      | 1.80         |
| <b>Total</b>  | <b>21.50</b> |

## Portfolio Asset Allocation (%)<sup>1</sup>

|              | Weight |
|--------------|--------|
| Equity       | 50.62  |
| Fixed Income | 45.78  |
| Cash         | 3.60   |

Source: FactSet/Crossmark

## Composite Performance



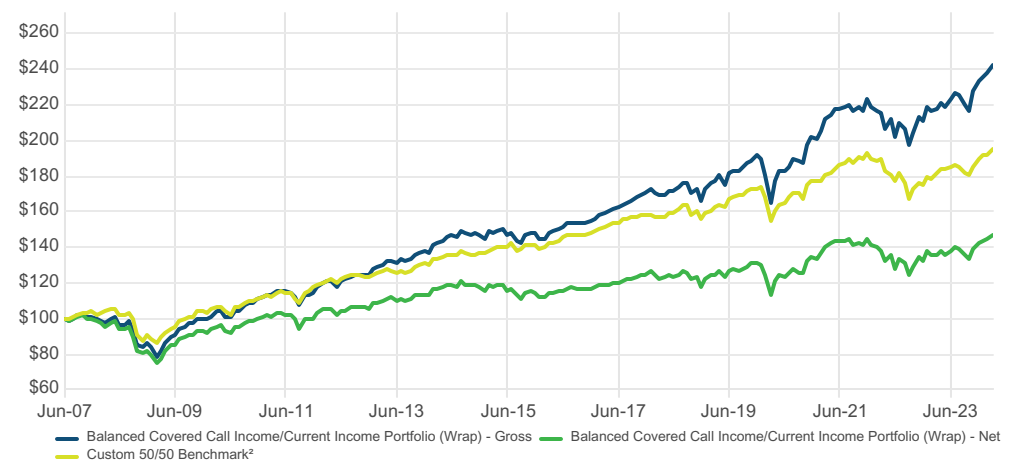
|  | Quarter (%) | YTD (%) | 1 Year (%) | 3 Year (%) | 5 Year (%) | 10 Year (%) |
|--|-------------|---------|------------|------------|------------|-------------|
| Balanced Covered Call Income/Current Income Portfolio (Wrap) - Gross | 3.97        | 3.97    | 11.14      | 4.64       | 6.44       | 5.45        |
| Balanced Covered Call Income/Current Income Portfolio (Wrap) - Net   | 3.20        | 3.20    | 7.88       | 1.53       | 3.28       | 2.32        |
| Custom 50/50 Benchmark <sup>2</sup>                                  | 2.90        | 2.90    | 7.23       | 2.60       | 3.69       | 3.88        |

## Composite Calendar Year Performance (%)

|  | 2023  | 2022  | 2021  | 2020 | 2019  | 2018  | 2017  | 2016 | 2015  |
|--|-------|-------|-------|------|-------|-------|-------|------|-------|
| Balanced Covered Call Income/Current Income Portfolio (Wrap) - Gross | 10.77 | -5.73 | 10.45 | 5.60 | 15.09 | -2.49 | 10.46 | 4.39 | 0.35  |
| Balanced Covered Call Income/Current Income Portfolio (Wrap) - Net   | 7.51  | -8.60 | 7.20  | 2.41 | 11.74 | -5.42 | 7.21  | 1.32 | -2.65 |
| Custom 50/50 Benchmark <sup>2</sup>                                  | 8.52  | -9.65 | 9.09  | 2.33 | 11.24 | -1.81 | 7.45  | 4.62 | 3.23  |

## Composite Growth of \$100

Time Period: 7/1/2007 to 3/31/2024



**All Investments are subject to risks, including the possible loss of principal. Past performance does not guarantee future results.**

Composite illustrated is the Crossmark Balanced Covered Call Income/Current Income Portfolio Wrap Composite.

1 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.

Net performance was calculated using the hypothetical highest annual all-inclusive wrap fee of 3.00% by deducting 0.75% from the last month of each quarter. Gross performance is shown as supplemental information and is stated as pure gross of all fees as the returns have not been reduced by transaction costs. Wrap fees include Crossmark's portfolio management fee as well as all charges for 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.

2 Custom 50/50 Benchmark is composed of 50% CBOE S&P 500 Buy Write index and 50% Barclays Capital Intermediate Government/Credit index. Index returns shown assume the reinvestment of all dividends and distributions.

## Leading Contributors (%)<sup>1</sup>

Time Period: 12/31/2023 to 3/31/2024

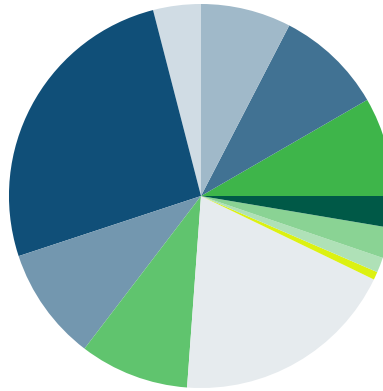
|                              | Return | Contribution |
|------------------------------|--------|--------------|
| Micron Technology, Inc.      | 38.28  | 0.63         |
| Advanced Micro Devices, Inc. | 20.60  | 0.56         |
| Valero Energy Corporation    | 34.62  | 0.53         |
| Applied Materials, Inc.      | 28.14  | 0.44         |
| Merck & Co., Inc.            | 21.49  | 0.41         |
| Walt Disney Company          | 40.47  | 0.35         |
| QUALCOMM Incorporated        | 19.88  | 0.28         |
| RTX Corporation              | 16.68  | 0.27         |
| Amazon.com, Inc.             | 17.72  | 0.26         |
| Walmart Inc.                 | 15.17  | 0.25         |

## Leading Detractors (%)<sup>1</sup>

Time Period: 12/31/2023 to 3/31/2024

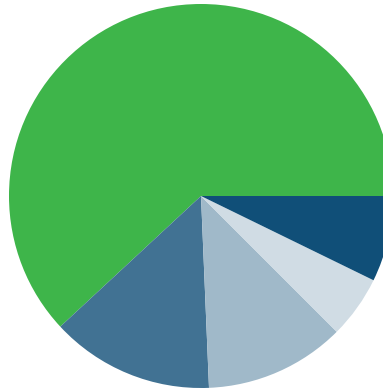
|   | Return | Contribution |
|---|--------|--------------|
| Federal Home Loan Bank System<br>4.625% 17-nov-2026 | -1.20  | -0.02        |
| General Mills, Inc. 4.2% 17-apr-2028                | -1.88  | -0.03        |
| Lowe's Companies, Inc. 3.65% 05-apr-2029            | -2.56  | -0.03        |
| Mondelez International, Inc. Class A                | -2.77  | -0.03        |
| Electronic Arts Inc.                                | -2.89  | -0.04        |
| Target Corporation 3.375% 15-apr-2029               | -2.70  | -0.04        |
| Exelon Corporation                                  | -6.35  | -0.05        |
| Gilead Sciences, Inc.                               | -8.64  | -0.14        |
| NIKE, Inc. Class B                                  | -13.12 | -0.14        |
| Apple Inc.  | -10.82 | -0.19        |

## Portfolio Equity Sector Allocation<sup>1</sup>



|                        | %            |
|------------------------|--------------|
| Communication Services | 8.29         |
| Consumer Discretionary | 9.17         |
| Consumer Staples       | 7.59         |
| Energy                 | 4.03         |
| Financials             | 25.95        |
| Health Care            | 9.63         |
| Industrials            | 9.22         |
| Information Technology | 18.98        |
| Materials              | .72          |
| Real Estate            | 1.16         |
| Sovereign              | 2.64         |
| Utilities              | 2.62         |
| <b>Total</b>           | <b>100.0</b> |

## Portfolio Fixed Income Sector Allocation<sup>1</sup>



|                        | %            |
|------------------------|--------------|
| Corporate              | 61.90        |
| Preferred Securities   | 13.75        |
| US Government Agencies | 11.82        |
| US Treasuries          | 5.23         |
| Cash                   | 7.29         |
| <b>Total</b>           | <b>100.0</b> |

<sup>1</sup> 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.

**Crossmark Global Investments, Inc. (Crossmark)** is an investment adviser registered with the Securities and Exchange Commission that provides discretionary investment management services to mutual funds, institutions, and individual clients. Investment advice can be provided only after the delivery of Crossmark's firm Brochure and Brochure Supplement Form ADV (Parts 2A and 2B) and Form CRS, and once a properly executed investment advisory agreement has been entered into by the client. 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](mailto:advisorsolutions@crossmarkglobal.com)

The Crossmark Balanced Covered Call Income & Current Income Portfolio strategy invests in an allocation of 50% large-cap domestic equity securities and writes (sells) call options against the holdings in order to generate current income, provide investors with equity market participation, and reduce overall portfolio risk, and 50% focuses on yield, liquidity and safety of principal by investing in government agency and investment-grade corporate bonds with maturities of less than ten years, in addition to selected fixed-rate preferred stocks. The Crossmark Balanced – Covered Call Income & Current Income Portfolio 50/50 Wrap Composite is comprised of all discretionary, fee-paying, wrap accounts managed using this strategy. The composite has a creation date and inception date of July 1, 2007. The primary benchmark for this composite is a custom blend consisting of 50% CBOE S&P 500 Buy Write Index / 50% Bloomberg U.S. Government /Credit Intermediate Index. The CBOE S&P 500 Buy Write Index is a benchmark index designed to reflect the hypothetical return on a portfolio that consists of a long position in the stocks in the S&P 500 Index and a short position in an S&P 500 call option. The Bloomberg U.S. Government /Credit Intermediate Index measures the performance of the U.S. Dollar denominated U.S. Treasuries, government-related and investment grade U.S. Corporate securities that have a remaining maturity of greater than one year and less than ten years. The blended benchmark returns presented are calculated by linking the monthly returns of the blended components.

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.

**All Investments are subject to risks, including the possible loss of principal. Past performance does not guarantee future results.** The Balanced Covered Call Income/Current Income Portfolio 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).

Options are not suitable for every investor. Writing call options to generate income and to potentially hedge against market declines by generating option premiums involves risk. If the market price of a security increases, a call option written against that security limits the gain that can be realized. And, there can be significant differences between the securities and options markets that could result in an imperfect correlation between these markets, causing a given transaction not to achieve its objectives.

Fixed income investments generally involve three principal risks—interest rate risk, credit risk, and liquidity risk. Prices of fixed-income securities rise and fall in response to interest rate changes (interest rate risk). Generally, when interest rates rise, prices of fixed-income securities fall. The longer the duration of the security, the more sensitive the security is to this risk. There is also a risk that the issuer of a note or bond will be unable to pay agreed interest payments and may be unable to repay the principal upon maturity (credit risk). Lower-rated bonds, and bonds with longer final maturities, generally have higher credit risks. As interest rates rise and/or the credit risk associated with a particular issuer changes, bonds held within a portfolio may become difficult to liquidate without realizing a loss (liquidity risk).