

## Snapshot

Equity Style Box	
Morningstar Category	US SA Options-based
Morningstar Rating Overall	★★★
Rating Date	12/31/2020
Inception Date	10/3/2005
Strategy Assets	\$ 282,920,000
Investment Minimum	\$ 250,000
Average Market Cap (mil)	113,200.30

## Investment Objective

Crossmark's Covered Call Income Strategy seeks to provide current income and capital appreciation by investing in domestic equity securities from issuers included in the S&P 500 Index, then writing call options against the equity holdings to generate premium income. The strategy seeks to provide investors with equity market participation while enhancing income potential and reducing risk.

## Risk Statistics

Time Period: 1/1/2018 to 12/31/2020	
Return	7.02
Std Dev	20.02
Beta	1.08
Alpha	4.66
R2	94.53
Sharpe Ratio (arith)	0.27
Up Capture Ratio	127.34
Down Capture Ratio	96.22

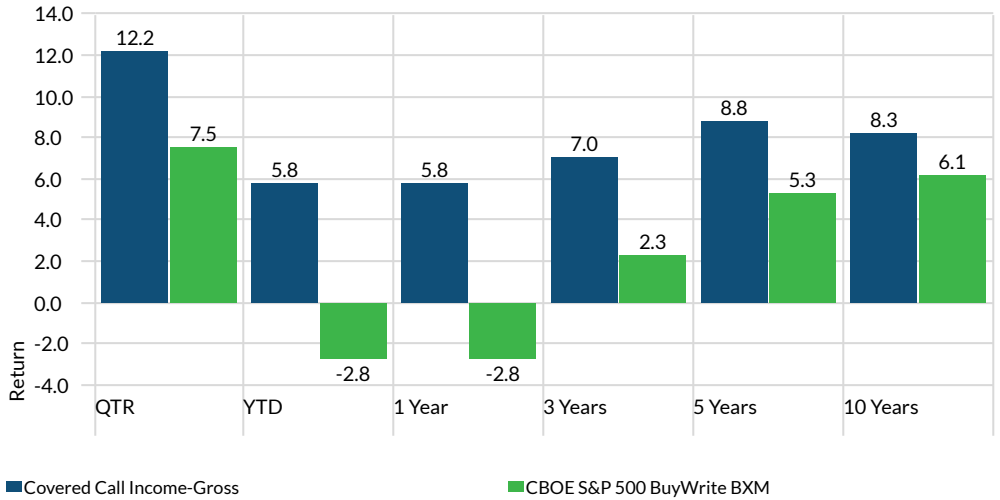
## Characteristics

Dividend Yield (%)	2.10
Dividend Growth - 3 Yr (%)	7.58
Median Dividend Payout Ratio (%)	39.56
EPS Growth - 3 Yr (%)	11.45
P/E Ratio (TTM)	23.35
P/B Ratio (TTM)	2.34
P/FCF Ratio (TTM)	28.99
ROE % (TTM)	17.79

## Top 10 Holdings

	Weighting
Micron Technology Inc	5.30%
Medtronic PLC	4.13%
Applied Materials Inc	4.06%
Abbott Laboratories	3.86%
Oracle Corp	3.80%
Starbucks Corp	3.77%
Capital One Financial Corp	3.49%
DuPont de Nemours Inc	3.34%
Nike Inc B	3.33%
Activision Blizzard Inc	3.28%
% Asset in Top 10 Holdings	38.37
# of Holdings	38

## Performance



## Trailing Returns

	Qtr	YTD	1 Year	3 Years	5 Years	10 Years
Covered Call Income-Gross	12.17	5.83	5.83	7.02	8.81	8.26
CBOE S&P 500 BuyWrite BXM	7.54	-2.75	-2.75	2.32	5.33	6.14

## Calendar Year Returns

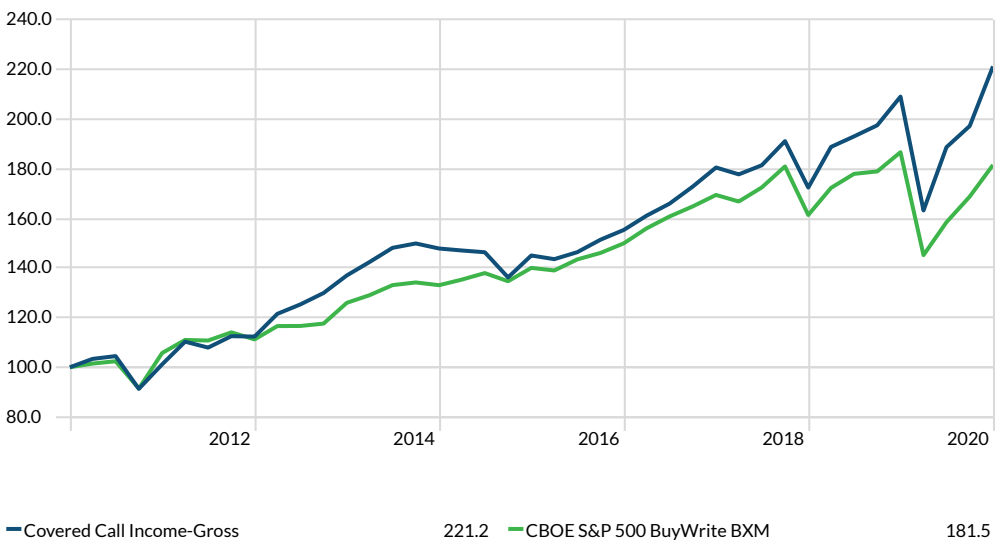
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Covered Call Income-Gross	5.83	21.25	-4.47	16.20	7.10	-1.90	7.92	21.94	11.07	1.16
CBOE S&P 500 BuyWrite BXM	-2.75	15.68	-4.77	13.00	7.07	5.24	5.64	13.26	5.20	5.72

## Annual Income Breakdown (%)\*

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total Income	11.71	12.36	10.45	8.53	11.49	12.12	10.49	8.50	10.53	10.79	18.47
Options Income	9.82	10.42	8.37	7.07	9.90	10.45	8.52	6.65	8.58	8.67	16.05
Dividend Income	1.89	1.94	2.07	1.46	1.59	1.67	1.97	1.85	1.95	2.12	2.42

## Investment Growth of \$100

Time Period: 1/1/2011 to 12/31/2020



All Investments are subject to risks, including the possible loss of principal. Past performance does not guarantee future results. \* Model Portfolios are based on a hypothetical account managed during the current quarter. Actual characteristics and income may differ materially from model.

## Portfolio Managers

Paul C. Townsen  
Ryan Caylor, CFA

## Leading Contributors

Time Period: 10/1/2020 to 12/31/2020

	Return	Contribution
Micron Technology Inc	60.09	2.16
Applied Materials Inc	45.59	1.38
Microchip Technology Inc	34.79	1.37
Morgan Stanley	42.77	1.06
Capital One Financial Corp	37.74	1.04
DuPont de Nemours Inc	28.77	1.02
Qualcomm Inc	30.01	0.90
Charles Schwab Corp	46.99	0.87
Starbucks Corp	25.11	0.83
JPMorgan Chase & Co	33.19	0.82

## Leading Detractors

Time Period: 10/1/2020 to 12/31/2020

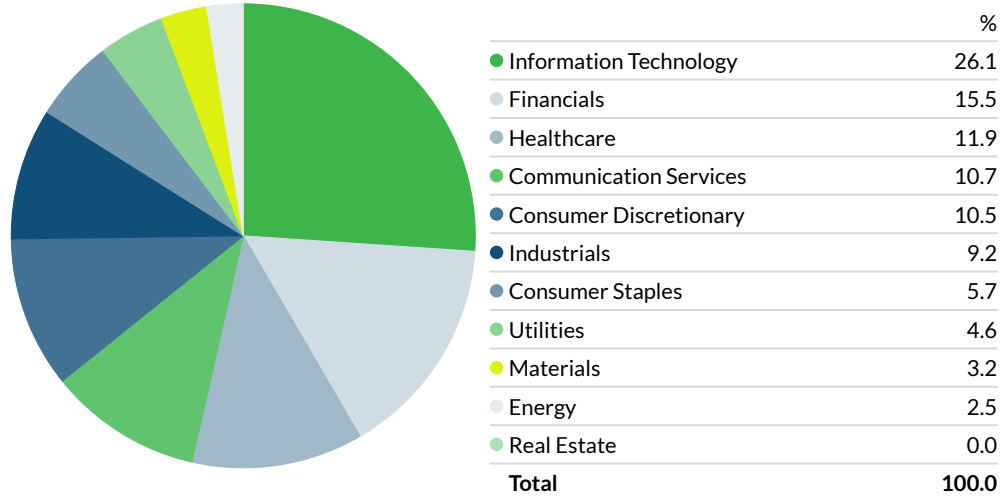
	Return	Contribution
Gilead Sciences Inc	-6.75	-0.16
Intel Corp	-3.09	-0.08
Verizon Communications Inc	-0.20	-0.01
Abbott Laboratories	0.94	0.04
AT&T Inc	2.71	0.06
Mondelez International Inc Class A	2.33	0.07
Pfizer Inc	4.97	0.12
Waste Management Inc	4.69	0.14
Chevron Corp	19.03	0.17
Oracle Corp	8.79	0.27

## Ratings

Rating Date	12/31/2020
Morningstar Category	US SA Options-based
Morningstar Rating Overall	★★★
Morningstar Rating 3 Yr	★★★
Morningstar Rating 5 Yr	★★★
Morningstar Rating 10 Yr	★★★

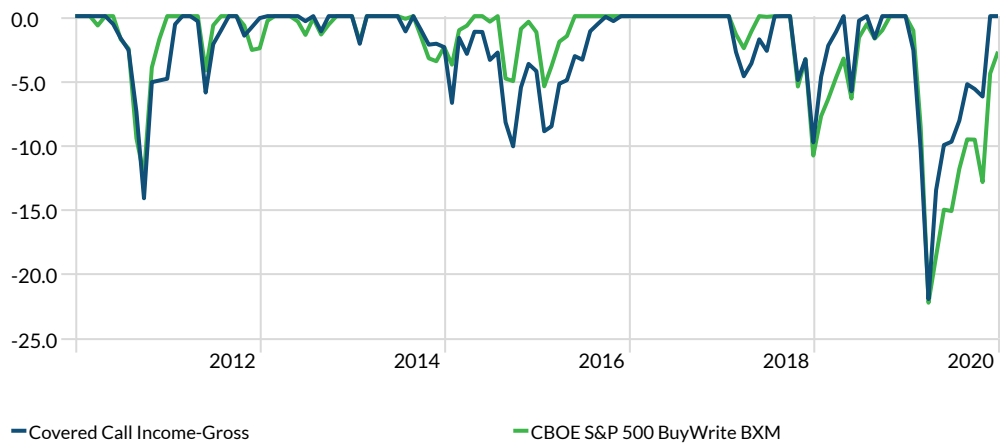
The Morningstar Rating or "star rating", is calculated for separate accounts with at least a three-year history. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

## Equity Sectors (GICS)



## Drawdown

Time Period: 1/1/2011 to 12/31/2020



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The Crossmark Covered Call Income Wrap Composite includes all fully discretionary wrap accounts that are invested in the Covered Call Income strategy. The composite excludes accounts for which the clients have imposed restrictions or requirements that impede the manager from fully executing their strategy such that the results will not be representative of the strategy. For comparison purposes the composite is compared against the CBOE S&P 500 Buy Write Index (BXM). 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 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 Covered Call 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).

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. These risks include, but are not limited to, potential losses if equity markets or an individual equity security do not move as expected, and the potential for greater losses than if these techniques had not been used. If the market price of a security increases, a call option written against that security limits the gain that can be realized. And, there are 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.

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