

## Snapshot

Morningstar Category	US SA Derivative Income
Inception Date	10/1/2005
Strategy Assets	\$573,217,660
Investment Minimum	\$250,000
Average Market Cap (Mil)	\$266,474
# of Holdings	78

## Portfolio Managers

Paul C. Townsen  
Ryan Caylor, CFA

## Strategy Objective

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

## Portfolio Risk Statistics<sup>1</sup>

Time Period: 3/31/2020 to 3/31/2025

Calculation Benchmark: CBOE S&P 500 BuyWrite Index (BXM)

Std Dev	11.91
Beta	0.94
Annualized Alpha	2.75
R2	64.27
Sharpe Ratio (arith)	0.93
Up Capture Ratio	107.14
Down Capture Ratio	92.35
Annualized Tracking Error	7.14

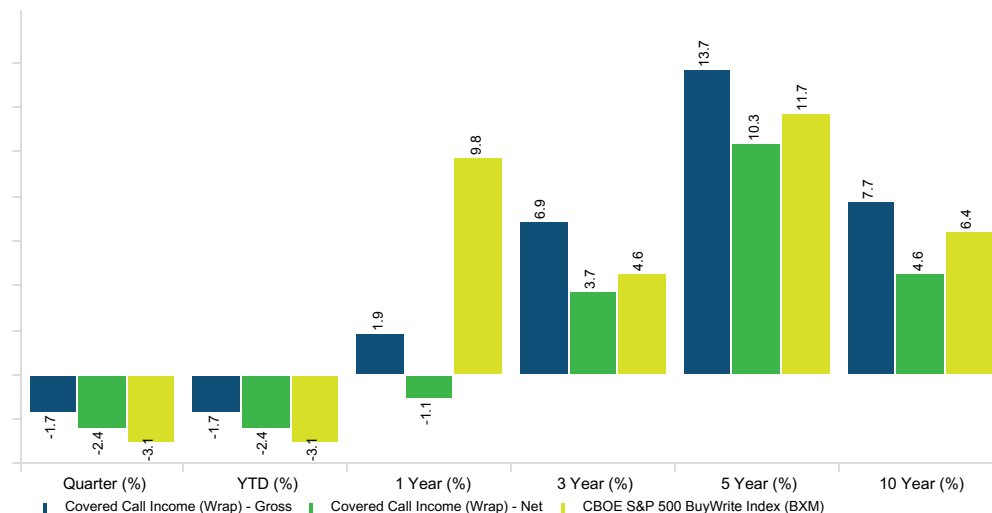
## Portfolio Characteristics<sup>1</sup>

Dividend Yield (%)	1.78
Dividend Payout Ratio (%)	41.74
Dividend Growth - 3 Yr (%)	11.01
EPS Growth - 3 Yr Hist (%)	7.31
Price/Earnings Ratio - NTM	14.98
Price/Book Ratio	2.76
Price/Free Cash Flow, TTM	18.52
Return on Equity, TTM (%)	20.73

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

	Weight
Gilead Sciences, Inc.	4.22
Oracle Corporation	4.21
Bank of America Corp	3.77
TJX Companies Inc	3.67
Alphabet Inc. Class C	3.53
Morgan Stanley	3.51
QUALCOMM Incorporated	3.47
Walmart Inc.	3.30
Applied Materials, Inc.	3.28
Electronic Arts Inc.	3.26
Total	36.23

## Composite Performance



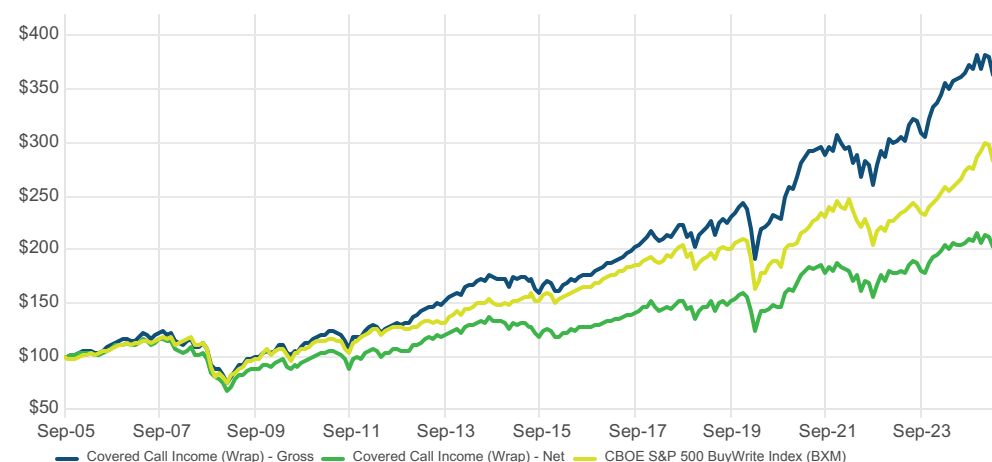
	Quarter (%)	YTD (%)	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)
Covered Call Income (Wrap) - Gross	-1.70	-1.70	1.87	6.92	13.70	7.74
Covered Call Income (Wrap) - Net	-2.43	-2.43	-1.12	3.74	10.34	4.55
CBOE S&P 500 BuyWrite Index (BXM)	-3.09	-3.09	9.80	4.59	11.68	6.42

## Composite Calendar Year Performance

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Covered Call Income (Wrap) - Gross	10.63	16.09	-6.21	18.44	5.83	21.25	-4.47	16.20	7.10
Covered Call Income (Wrap) - Net	7.41	12.69	-9.11	14.98	2.60	17.75	-7.37	12.79	3.96
CBOE S&P 500 BuyWrite Index (BXM)	20.12	11.82	-11.37	20.47	-2.75	15.68	-4.77	13.00	7.07

## Composite Growth of \$100

Time Period: 10/1/2005 to 3/31/2025



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

Composite illustrated is the Crossmark Covered Call Income Wrap Composite.

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.

Index returns shown assume the reinvestment of all dividends and distributions.

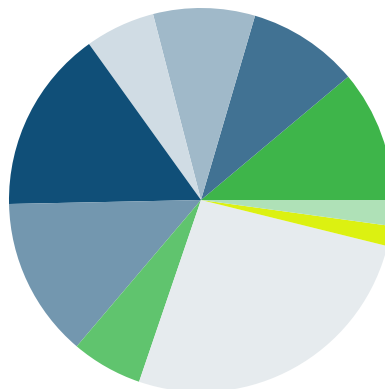
1 Crossmark uses a model account to manage the individual client accounts that have selected this investment strategy. The portfolio characteristics shown are based on the model account. The characteristics of any individual account may differ from those of the model account. All performance information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

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

Time Period: 12/31/2024 to 3/31/2025

	Return	Contribution
Gilead Sciences	22.17	0.66
CVS Health	52.79	0.49
Abbott Laboratories	17.87	0.37
Coca-Cola	15.88	0.32
Mondelez International A	14.38	0.28
Exxon Mobil	11.58	0.27
RTX	15.36	0.25
Verizon Communications	15.46	0.24
Medtronic	13.39	0.22
Southern	12.63	0.21

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



	%
Communication Services	11.07
Consumer Discretionary	9.45
Consumer Staples	8.55
Energy	5.93
Financials	15.26
Health Care	13.47
Industrials	6.11
Information Technology	26.39
Materials	1.69
Utilities	2.08
<b>Total</b>	<b>100.0</b>

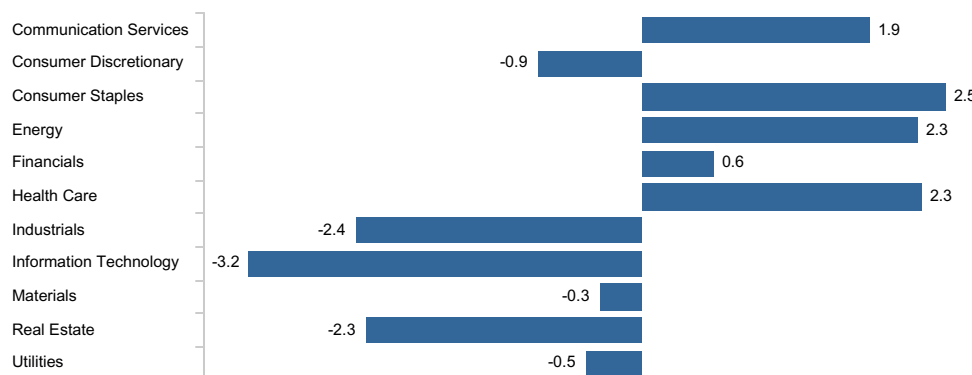
## Leading Detractors (%)<sup>1</sup>

Time Period: 12/31/2024 to 3/31/2025

	Return	Contribution
Walt Disney	-11.36	-0.29
Emerson Electric	-11.15	-0.30
Applied Materials	-10.56	-0.34
AMD	-14.94	-0.48
Delta Air Lines	-27.75	-0.60
Oracle	-15.88	-0.66
Arista Networks	-29.90	-0.67
PayPal Holdings	-23.55	-0.68
NVIDIA	-19.29	-0.70
Alphabet C	-17.87	-0.71

## Portfolio Sector Exposure Relative to Benchmark<sup>1</sup>

Calculation Benchmark: CBOE S&amp;P 500 BuyWrite Index (BXM)



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## Portfolio Historical Yield (%)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Dividend Income	1.81	2.09	2.07	1.88	2.43	2.16	1.97	1.78	1.96	1.62	1.53	1.44
Options Income	15.15	13.94	18.87	13.45	15.74	8.97	8.82	7.08	9.86	12.04	8.88	8.14
Premium Paid on Options	-2.92	-3.07	-3.63	-2.30	-1.45	-0.58	-0.62	-0.60	-1.30	-1.36	-0.48	-2.01
<b>Total Income</b>	<b>14.01</b>	<b>13.00</b>	<b>17.41</b>	<b>13.10</b>	<b>17.08</b>	<b>10.56</b>	<b>10.28</b>	<b>8.24</b>	<b>10.62</b>	<b>12.39</b>	<b>9.91</b>	<b>7.55</b>

The Historical Yield chart reflects the actual historical performance of a representative account managed according to Crossmark's Covered Call Income strategy. The performance of each individual account will vary based on account size, the timing of additions and withdrawals, and market movement during the life of the account.

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The Crossmark Covered Call Income strategy invests in 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. The Crossmark Covered Call Income Wrap Composite is composed of all discretionary, fee-paying, wrap fee accounts managed according to this strategy. The composite has a creation date and inception date of Oct. 1, 2005. The primary benchmark for this composite is the CBOE S&P 500 Buy Write Index; this 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. 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.

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Source: FactSet/Crossmark

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