

## COVERED CALL INCOME

Covered Call Income is a separately managed account investment strategy

Fact Sheet – 12/31/2018

All data below is current as of 12/31/18 unless otherwise specified.



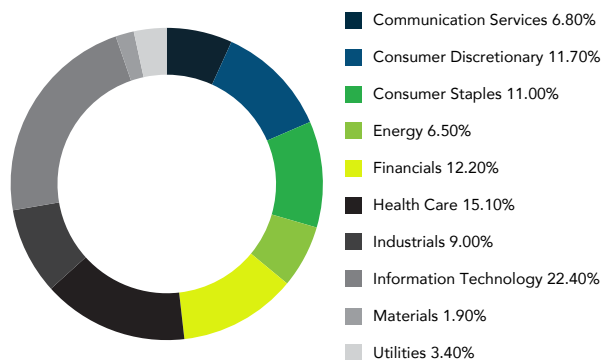
### Annual Income Breakdown <sup>1</sup>

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Options %	12.30%	9.82%	10.42%	8.37%	7.07%	9.90%	10.45%	8.52%	6.65%	8.58%
Dividend %	2.30%	1.89%	1.94%	2.07%	1.46%	1.59%	1.67%	1.97%	1.85%	1.95%
Total Income	14.60%	11.71%	12.36%	10.45%	8.53%	11.49%	12.12%	10.49%	8.50%	10.53%

### Composite Trailing Returns – 10 Years <sup>2</sup>

	1-Year	3-Years	5-Years	7-Years	10-Years	4Q18	YTD 12/31/18
Gross	-4.47%	5.93%	4.71%	7.92%	8.69%	-9.78%	-4.47%
Net	-7.34%	2.83%	1.63%	4.77%	5.53%	-10.53%	-7.34%
CBOE S&P 500 BuyWrite Index	-4.77%	6.04%	5.05%	8.05%	9.81%	-10.81%	-4.77%
S&P 500	-4.39%	9.26%	8.49%	12.70%	13.12%	-13.52%	-4.39%

### Underlying Stock Portfolio Sectors <sup>1</sup>



### Composite Calendar Year Returns – 10 Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Gross	19.69%	11.49%	1.16%	11.07%	21.94%	7.92%	-1.90%	7.10%	16.20%	-4.47%
Net	16.28%	8.27%	-1.85%	7.86%	18.50%	4.77%	-4.83%	3.97%	12.88%	-7.34%
CBOE S&P 500 BuyWrite Index	25.91%	5.86%	5.72%	5.21%	13.26%	5.64%	5.24%	7.07%	13.00%	-4.77%
S&P 500	26.47%	15.06%	2.12%	16.00%	32.41%	13.69%	1.38%	11.96%	21.83%	-4.39%

<sup>1</sup> Model Portfolios are based on a hypothetical account managed during the current quarter. Actual characteristics and income may differ materially from model.

<sup>2</sup> Returns greater than one year are annualized.

<sup>3</sup> 10 year period

The current quarter's data is preliminary. Net performance was calculated using the hypothetical highest annual all-inclusive wrap fee of 3% applied quarterly.

### Strategy Objective:

The Crossmark Covered Call Income strategy seeks to generate current income with capital appreciation potential.

- Current Income
- Capital Appreciation Potential
- Diversified Equity Portfolio and
- Decreased Volatility

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

Number of underlying holdings: **36**

Number of stocks covered: **Typically 90-100%**

Average option duration: **Market directed (average 2 - 4 months)**

### Underlying Stock Model Characteristics <sup>1</sup>

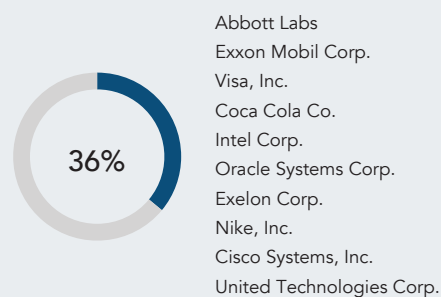
Market Capitalization: **\$ 141.31 Billion**

Dividend Yield: **2.47%**

Beta of Underlying Stocks: **0.99**

Beta Including Covered Calls: <sup>3</sup> **0.95**

### Top 10 Model Holdings <sup>1</sup>



% of Total Portfolio: 36%

© 2018 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

Not FDIC Insured - No Bank Guarantee - May Lose Value

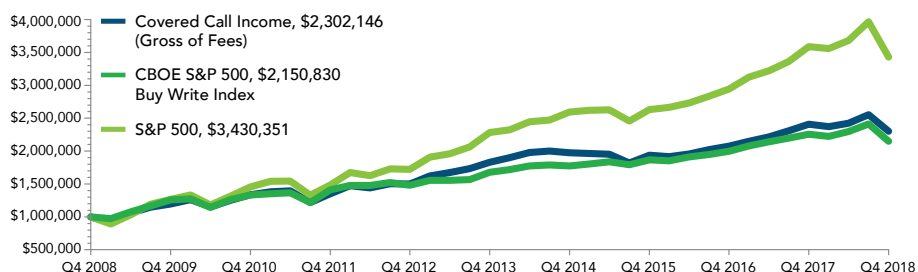
# COVERED CALL INCOME

Covered Call Income is a separately managed account investment strategy

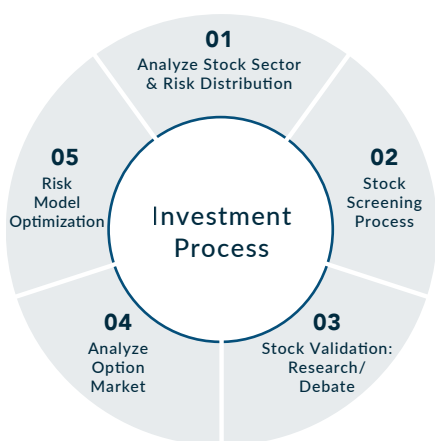
Fact Sheet – 12/31/2018

All data below is current as of 12/31/18 unless otherwise specified.

## Composite Growth of \$1 Million – 10 Years <sup>1</sup>



<sup>1</sup> Source: Zephyr StyleADVISOR.



## Investment Process

The Strategy employs a four-step process that combines dividend income style with relative risk controlled portfolio construction and values screening policies:

Crossmark Global Investments, Inc. is an investment advisor registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. Crossmark claims compliance with the Global Investment Performance Standards (GIPS®). Prospective clients can obtain a compliant presentation and/or list of composite descriptions by sending a request to: [advisorsolutions@crossmarkglobal.com](mailto:advisorsolutions@crossmarkglobal.com)

Crossmark Covered Call Income Wrap Composite contains fully discretionary wrap accounts that are invested in the Covered Call Income strategy. The composite excludes portfolios 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) and the S&P 500 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 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.

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.

Past performance is not an indicator of future results. Investments made using this strategy involve risk of loss, including the potential loss of principle. The principal risks associated with the Covered Call Income investment strategy are equity market risk and loss of market upside potential (traded for option premiums).

**GIPS® is a registered trademark of CFA Institute. CFA Institute has not been involved in the preparation or review of this report/advertisement.**

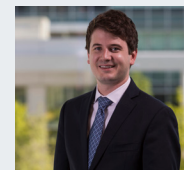
**Global Investment Performance Standards**

## Our Firm:

Crossmark Global Investments is an innovative investment management firm. We provide a full suite of investment management solutions to institutional investors, financial advisors and the clients we serve. We have a multi-decade legacy of specializing in values-based investment strategies for clients. Founded in 1987, the firm is headquartered in Houston, Texas and manages approximately \$4.5 billion in AUM.



**PAUL TOWNSEN**  
Managing Director



**ZACK WEHNER**  
Portfolio Manager

25 years of combined experience.

Supported by the entire Crossmark Global Investments team.

15375 Memorial Drive, Suite 200, Houston, TX 77079  
888.845.6910 [advisorsolutions@crossmarkglobal.com](mailto:advisorsolutions@crossmarkglobal.com)  
[crossmarkglobal.com](http://crossmarkglobal.com)