

CROSSMARKGLOBAL.COM

Strategy Objective:

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

Offering Investors:

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

Model Portfolio Characteristics ²

Number of underlying holdings:	37
Number of stocks covered:	Typically 90-100%
Average option duration:	Market directed (average 2 - 4 months)

Underlying Stock Model Characteristics ²

Market Capitalization:	\$ 145.34 Billion
Dividend Yield:	2.00%
Beta of Underlying Stocks:	1.00
Beta Including Covered Calls: ¹	0.95

Top 10 Model Holdings ²

	Weight
1. Visa, Inc.	4.09%
2. Abbott Labs	4.00%
3. Oracle Systems Corp.	3.51%
4. Nike, Inc.	3.46%
5. Activision Blizzard, Inc.	3.40%
6. Cisco Systems, Inc.	3.32%
7. Intel Corp.	3.22%
8. Gilead Sciences, Inc.	3.16%
9. Delta Air Lines, Inc.	3.15%
10. Coca Cola Co.	3.15%
Total of Portfolio	34.46%

¹ 10 year period

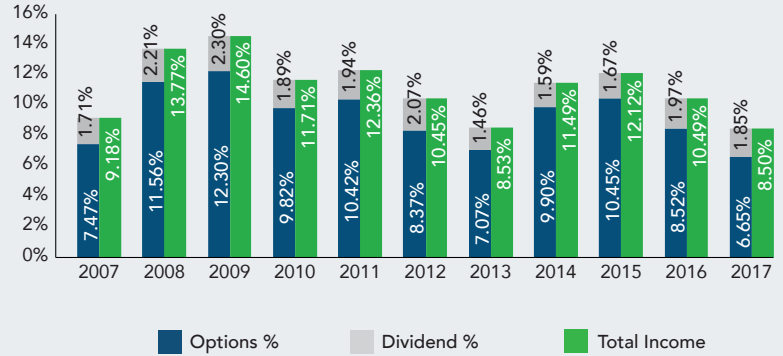
² Model Portfolios are based on a hypothetical account managed during the current quarter. Actual characteristics and income may differ materially from model.

³ Returns greater than one year are annualized.

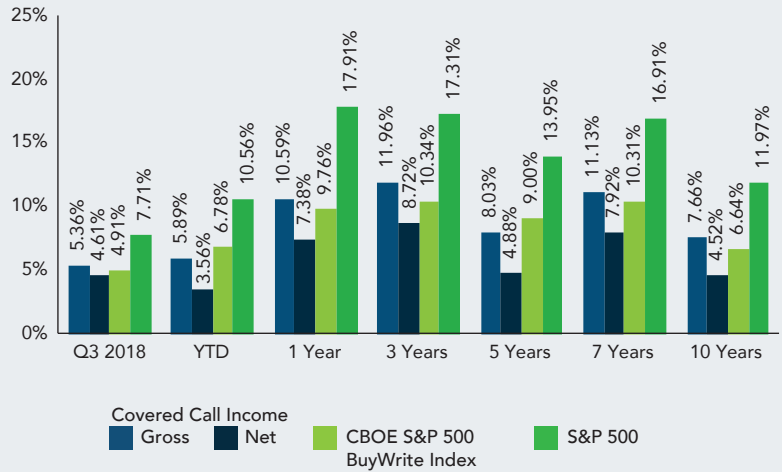
The current quarter's data is preliminary. Net performance was calculated using the hypothetical highest annual all-inclusive wrap fee of 3% applied quarterly.

Not FDIC Insured - No Bank Guarantee - May Lose Value

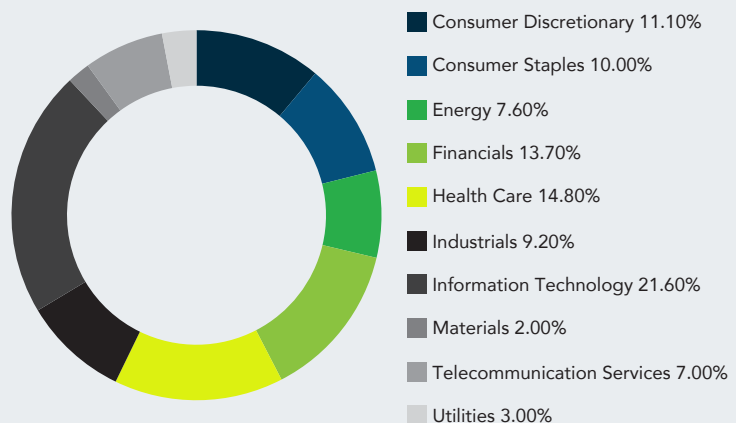
Annual Income Breakdown ²



Composite Trailing Returns – 10 Years ³



Underlying Stock Portfolio Sectors ²



Covered Call Income Fact Sheet

Composite Calendar Year Returns – 10 Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Covered Call Income - Gross	-28.34%	19.69%	11.49%	1.16%	11.07%	21.94%	7.92%	-1.90%	7.10%	16.20%
Covered Call Income - Net	-30.65%	16.28%	8.27%	-1.85%	7.86%	18.50%	4.77%	-4.83%	3.97%	12.88%
CBOE S&P 500 BuyWrite Index	-28.65%	25.91%	5.86%	5.72%	5.21%	13.26%	5.64%	5.24%	7.07%	13.00%
S&P 500	-36.99%	26.47%	15.06%	2.12%	16.00%	32.41%	13.69%	1.38%	11.96%	21.83%

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

Investment Process:

- Invests in a portfolio of large capitalization domestic equities and, utilizing an options overlay strategy, generates high income through the combination of options premium and dividends.
- Quantitative screens are applied to the investable universe that identifies positive favorable metrics such as price to equity and EV to book ratio screens. The technical measure of momentum is a screen that removes companies with unfavorable momentum in the universe.
- Primary objective of the rules based portfolio construction is the development of a risk controlled portfolio with those rules being sector neutrality, market beta and market dividend yield.
- Individual technical analysis is conducted on the options markets of the available securities produced from the quantitative screens. Covered Call Income aims to own stocks with sufficient volatility to provide premiums that meet yearly option premium targets without sacrificing the delta objectives of the portfolio. This process includes an analysis of whether or not the premiums offered by the market and implied volatility are sufficient to compensate for the short-term risk of owning the individual stock.
- A relatively risk controlled portfolio providing investors with capital appreciation potential, equity market participation, and enhanced income potential through the sale of covered calls and dividends.

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 \$5.2 billion in AUM.



A continual sequence to optimize the portfolio & maintain diversification



PAUL TOWNSEN
Managing Director



ZACK WEHNER
Portfolio Manager

Portfolio Managers:

The Strategy is managed by Paul Townsen, Managing Director and Zack Wehner, Portfolio Manager. Mr. Townsen has been involved with equity trading for Crossmark's institutional clients for 18 years. As a senior equity and derivatives trader, his years of experience bring a strong knowledge of the unique factors associated with equity trading. He joined Crossmark in 1993. Mr. Wehner joined Crossmark in 2014 after graduating from the University of Houston Law Center.

Supported by the entire Crossmark Global Investments team.

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

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 (BXI) 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.

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