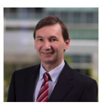
CROSSMARK
GLOBAL INVESTMENTS

QUARTERLY UPDATE: 2Q 2022

GLOBAL EQUITY INCOME COMMENTARY

Separately Managed Account



written by
John Wolf, Managing Director

Global Equity Income Top 10 Model Holdings[1]

Cigna Corp.	2.8%
McDonald's Corp.	2.7%
Verizon Communications	2.3%
HP, Inc.	2.2%
Coca Cola Co.	2.1%
Texas Instruments, Inc.	2.1%
Paychex, Inc.	2.1%
AbbVie, Inc.	2.0%
Quest Diagnostics, Inc.	2.0%
Kellogg Co.	1.9%
Total % of Portfolio	**22.2%**

Markets and Performance

The overall performance of global equity markets was generally negative for the second quarter. The Global Equity Income Strategy benchmarks (the S&P Global 1200 Index and the S&P 500 Index) ended the quarter with returns of -15.33% and -16.11%, respectively. Dividend stocks outperformed the general equity market. For global dividend index comparison purposes, the MSCI World High Dividend Yield Index returned -8.72%. The Global Equity Income model portfolio outperformed the S&P Global 1200 Index but underperformed the MSCI World High Dividend Yield Index for the quarter, returning -10.33%.

Positive and Negative Contributors to Performance

Positive relative performance for the quarter was led by Cigna Corp. (2.8% of total net assets), which rose 10.45% as revenues have increased consistently for the past several years. The health insurance provider has been growing its membership over many quarters, and the trend is expected to continue. Management's strategy is driven by opportunistic acquisitions and providing high-quality products and services. The company distributed over $9 billion to shareholders last year through dividends and share repurchases, and this past March raised its dividend by 12%. Shares of Silicon Motion Technology Corp. (1.4% of total net assets) jumped 25.94% as the Hong Kong-based semiconductor company agreed to be acquired by MaxLinear Inc. in a cash and stock deal that values the company at about $4 billion (a 41% premium over the closing price before the announcement). The company also released impressive first-quarter results (beating top and bottom-line estimates) backed by high shipments of solid-state drive controllers. Management was also optimistic about long-term growth prospects with positive demand trends.

Negative contributors to relative performance included Paramount Global, which dropped -27.43% before being sold out of the portfolio in May. First-quarter earnings were modestly ahead of analyst estimates, but advertising revenue from streaming fell short. The company has been investing heavily in its streaming service, weighing on profit margins. Yet, they have not detailed a clear plan to profitability in the increasingly competitive environment. The company also failed the earnings parameter in our quantitative screen (requiring the sale). Shares of Pan American Silver Corp. (1.2% of total net assets) dropped -27.56% as commodity prices weakened against global economic and inflationary concerns. While these issues are legitimate, the shares appear to have overreacted, with the company reporting solid first-quarter results despite some production challenges. The outbreak of a COVID variant reduced some workforce availability, but overall performance was supported by strong gold and silver sales. Costs associated with silver production also came in below previously reported guidance.

[1] Model Portfolios are based on a hypothetical account managed during the current quarter. Actual characteristics and income may differ materially from model. As of 6/30/2022.

Looking Ahead

The current economic environment is clearly focused on inflation and the tightening of monetary policy by global central banks to stabilize inflation. Energy prices have led the steady upward march, and the repercussions have filtered through the rest of the economy. Supply chain issues continue to exacerbate the problem. The fear of rising interest rates and a potential recession have pushed equities into bear market territory. This scenario continues to favor a dividend strategy with its lower-risk profile and ability to lessen the impact of potential market volatility.

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Contact a member of our Advisor Solutions Team

advisorsolutions@crossmarkglobal.com | 888.845.6910

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All Investments are subject to risks, including the possible loss of principal. Past performance does not guarantee future results. The Global Equity 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). Investments in securities of issuers in foreign countries involves additional risks not associated with domestic investments. These risks include, but are not limited to: (1) political and financial instability; (2) currency exchange rate fluctuations; (3) greater price volatility and less liquidity in particular securities and in certain foreign markets; (4) lack of uniform accounting, auditing, and financial reporting standards; (5) less government regulation and supervision of some foreign stock exchanges, brokers and listed companies; (6) delays in transaction settlement in certain foreign markets; (7) less availability of information; and (8) imposition of foreign withholding or other taxes.

The strategy's values-based screening policies which exclude certain securities issuers from the universe of otherwise available investments. As a result, the strategy may not achieve the same level of performance as it otherwise would have in the absence of the screening process. If the strategy has invested in a company that is later discovered to be in violation of one or more screening criteria and liquidation of an investment in that company is required, selling the securities at issue could result in a loss to the strategy. Further, the strategy's values-based screening policies may prevent the strategy from participating in an otherwise suitable investment opportunity.

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Crossmark Global Investments, Inc.
15375 Memorial Drive, Suite 200, Houston, TX 77079
888.845.6910 advisorsolutions@crossmarkglobal.com
crossmarkglobal.com