

Global Equity Income

Commentary | Quarterly update: 3Q25

Separately managed account



Rob Botard, CFA Head of Equity Investments — Portfolio Manager

Top 10 holdings (%)

Taiwan Semiconductor Manufacturing Co., Ltd. Sponsored ADR	3.81
Broadcom Inc.	3.15
Signet Jewelers Limited	2.61
International Business Machines Corporation	2.20
McDonald's Corporation	2.10
Lloyds Banking Group plc Sponsored ADR	2.01
Cigna Group	2.01
Banco Bilbao Vizcaya Argentaria, S.A. Sponsored ADR	1.98
Gap, Inc.	1.91
Logitech International S.A.	1.91
Total % of portfolio	23.70

Markets and performance

Global equity markets returned positive results for 3Q25. The MSCI World Index, the portfolio's benchmark, ended the quarter with a return of 7.36%. Dividend stocks underperformed the general equity market: The MSCI World High Dividend Yield Index returned 4.46% during the period. The portfolio return was 6.84%.

Positive and negative contributors to performance

Leading positive contributors included Taiwan Semiconductor, Broadcom, and Signet Jewelers. These stocks rose 23.62%, 19.89%, and 21.03%, respectively, during the holding period. Cigna, Accenture, and Elevance Health were the leading negative contributors, declining 12.37%, 18.29%, and 16.46%, respectively, during the holding period. Information technology and financials were the leading positive sector contributors to performance. Healthcare and materials were the leading negative sector contributors. Strong performance from stocks in the U.S., Canada, and Hong Kong more than offset underperformance from the Philippines.

Looking ahead

Heading into 4Q25, dividend-paying stocks continue to be one of the most dependable ways to capture steady income while weathering market volatility. The global economy is resilient but slower as U.S. inflation and wage data remain sticky. The Federal Reserve recently cut interest rates for the first time in this cycle, but signaled it will move cautiously from here, leaving the dollar and discount rates as two-sided risks rather than tailwinds. Europe is mixed, with some countries still facing weak growth. China's economy is stabilizing, though at a slower pace, and the UK outlook remains muted. In short, global growth continues, but at a more modest speed. For investors, this likely means stock returns will come less from big market moves and more from steady earnings and dividends.

That plays to the strengths of our Steward Global Equity Income Fund. We continue to focus on companies with strong balance sheets, reliable cash flows, and a track record of growing dividends. We remain fully invested, internationally diversified via ADRs, and focused on dividend growth plus valuation discipline as the most reliable path to real return in a policy-noisy world.

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.

Composite performance (%)	Quarter	YTD	1-year	3-year	5-year	10-year	Since inception
Global Equity Income (Wrap) – Gross	6.84	18.59	15.33	19.55	12.04	14.01	12.33
Global Equity Income (Wrap) – Net ¹	6.07	16.03	12.00	16.07	8.75	10.71	9.05
MSCI World Index	7.36	17.83	17.75	24.27	14.93	12.99	11.62
MSCI World High Dividend Yield Index	4.46	14.22	7.60	15.45	10.63	8.59	8.09

1 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.

Our firm

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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.

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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.

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