

INTERMEDIATE FIXED INCOME

Intermediate Fixed 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 Trailing Returns – 10 Years ¹

	1-Year	3-Years	5-Years	7-Years	10-Years	4Q18	YTD 12/31/18
Gross	0.90%	1.45%	1.62%	1.65%	2.97%	0.79%	0.90%
Net	-2.09%	-1.55%	-1.39%	-1.35%	-0.06%	0.04%	-2.09%
Barclays Capital Intermediate Gov/Credit	0.88%	1.70%	1.86%	1.75%	2.90%	1.65%	0.88%

Model Maturity Distribution ²

	Intermediate Fixed Income	Barclays Capital Intermediate Gov/Credit
Less than 1 Year	30.26%	1.29%
1 - 5 Years	57.67%	65.44%
5 - 10 Years	12.07%	33.27%

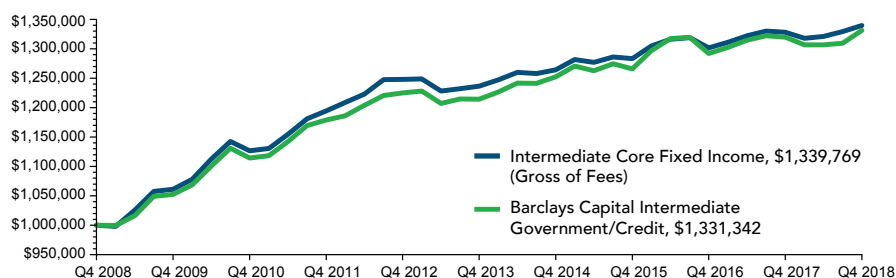
Model Sector Weightings ²

	Intermediate Fixed Income	Barclays Capital Intermediate Gov/Credit
Agencies	26.11%	4.49%
Financials	12.41%	12.45%
Industrials	43.06%	17.31%
Non-Corporates	0.00%	4.27%
Short-Term	2.31%	0.00%
U.S. Governments	13.00%	60.00%
Utilities	3.11%	1.48%

Composite Calendar Year Returns – 10 Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Gross	6.12%	6.17%	6.02%	4.48%	-0.92%	2.23%	1.50%	1.39%	2.06%	0.90%
Net	3.02%	3.07%	2.92%	1.41%	-3.87%	-0.78%	-1.50%	-1.60%	-0.95%	-2.09%
Barclays Capital Intermediate Gov/Credit	5.24%	5.89%	5.80%	3.89%	-0.86%	3.13%	1.07%	2.08%	2.14%	0.88%

Composite Growth of \$1 Million – 10 Years ³



¹ Returns greater than one year are annualized.

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

³ Source: Zephyr StyleADVISOR.

⁴ Yield to Effective Maturity

⁵ Yield to Worst

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 Intermediate Fixed Income strategy seeks active duration management and the selective rotation of market sectors and the securities within those sectors.

- High Quality Securities
- Active Duration Management
- Selective Sector Rotation
- Selective Security Rotation
- Intermediate-Maturity

Model Portfolio Characteristics ²

	Intermediate Fixed Income	Barclays Capital Intermediate Gov/Credit
Yield To Maturity	3.02% ⁴	2.99% ⁵
Duration	2.18	3.83
Years To Maturity	2.41	4.28
Current Yield	3.16%	2.68%
Average Coupon	3.18%	2.65%
Average Price	\$100.26	\$98.85
# of holdings	27	4,871

Top 10 Model Issuers ²

- Federal Home Loan Mortgage Corp.
- U.S. Treasury Notes
- Federal National Mortgage Association
- Verizon Communications
- Goldman Sachs Group
- AT&T, Inc.
- Tyson Foods, Inc.
- JP Morgan Chase & Co.
- Occidental Petroleum Corp.
- Cisco Systems, Inc.

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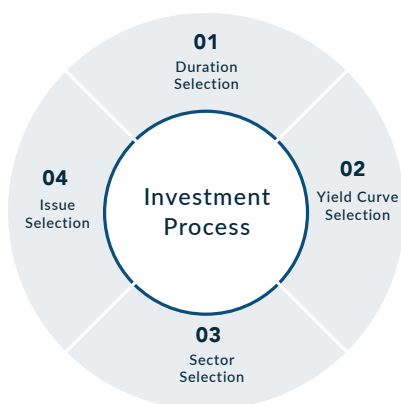
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Model Current Yield ¹

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	4Q18
Intermediate Fixed Income	4.84%	4.54%	4.07%	3.93%	3.64%	3.81%	3.49%	3.69%	3.34%	3.20%	3.16%
Barclays Capital Intermediate Gov/Credit	4.53%	3.76%	3.26%	2.97%	2.59%	2.53%	2.50%	2.47%	2.42%	2.44%	2.68%

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



Investment Process

The Strategy employs a four-step process that seeks to outperform the bond market over a market cycle while providing positive returns on an annual basis.

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 Intermediate Fixed Income Wrap Composite contains fully discretionary wrap fixed intermediate accounts. Fixed Intermediate portfolios are invested in bonds of intermediate maturity to provide high income and preservation of capital. 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 measured against the Barclays Capital Intermediate Government/Credit Bond Index. Barclays Intermediate Govt/Credit Bond is an unmanaged index that tracks the performance of intermediate term U.S. government and corporate bonds.

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.

Past performance is not an indicator of future results. Investments made using this strategy involve risk of loss, including the potential loss of principal. The principal risks associated with the Intermediate Fixed Income investment strategy are credit risk (the risk that an issuer will be unable to pay the principal and interest due), interest rate risk (the risk that the value of a particular bond will fluctuate as market interest rates fluctuate), liquidity risk (the risk that the trading market for a particular bond is reduced), and duration risk (interest rate risk over time).

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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.



VICTORIA FERNANDEZ
Chief Market Strategist

24 years of experience.

Supported by the entire Crossmark Global Investments team.

15375 Memorial Drive, Suite 200, Houston, TX 77079
888.845.6910 advisorsolutions@crossmarkglobal.com
crossmarkglobal.com