LARGE CAP CORE UNSCREENED / MUNICIPAL FIXED INCOME SMA Strategy Profile

Strategy Objective:

Seeks to provide a balance of long-term capital appreciation and tax-free income

Strategy Snapshot:

Product Inception	1/1/2013
Category	Allocation--50% to 70% Equity

The Crossmark Large Cap Core Unscreened/Municipal Fixed Income Strategy seeks to provide a balance of long-term capital appreciation and after-tax income by investing in a combination of equity and municipal fixed income securities. To achieve this goal on the equity side, we employ a combination of fundamental and quantitative factors, prudent portfolio constraints, and risk management tools for the potential of capital appreciation. On the fixed-income side, the focus is primarily on investment-grade, short- to intermediate-term, fixed-rate, callable municipal debt issues from selected sectors to maximize the generation of tax-free income.

Key Highlights

DIVERSIFIED PORTFOLIO

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- Comprised of a combination of two flagship Crossmark Strategies – Large Cap Core Unscreened and Municipal Fixed Income
- Active diversification across equity and tax-free fixed income investments can allow for participation (from the equity component) in up markets and some protection (from the tax-free fixed income component) in down markets
- The generation of dividends and tax-free income may mitigate the impact of market volatility and reduce downside risk in a portfolio

CAPITAL APPRECIATION

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- Equity investments are determined with an emphasis on those large- and mega-cap companies demonstrating the positive and improving fundamental characteristics that would facilitate long-term share price appreciation
- The Strategy's unique rebalancing process allows for appreciation in either equity or fixed income allocations before the rebalance is triggered, allowing the portfolio to capture gains while reducing drags on performance such as transaction costs and the creation of taxable events

HIGH TAX-FREE INCOME

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- Active issue management allows for potentially higher taxable equivalent yields than possible with a similar portfolio of short-term corporate bonds
- By favoring certain bond characteristics and structures, Crossmark attempts to maximize the portfolio's current income and yield
- Only those municipal bonds rated single-A or better at the time of purchase are eligible for investment, thus reducing default risk and increasing the likelihood of uninterrupted coupon payments from portfolio holdings

Investment Process

Each component is managed by the investment team of the underlying Strategies shown below, and each team brings their unique expertise and experience along with a time-tested investment process specific to their aspect of the Strategy.

Large Cap Core Unscreened Investment Process

Quantitative Elements	Multi-factor model used to help define the universe of investable stocks beginning with the constituents of a widely recognized large- and mega-cap equity index and emphasizing those with positive and improving fundamental characteristics: • Earnings quality • Profitability • Growth dynamics • Valuation • Capital deployment The proprietary model utilizes multiple third-party data feeds to populate the data fields and can be updated daily to continually ensure accurate and up-to-date information in our process
Qualitative and Fundamental Elements	Macro and market cycle considerations brought into the process for a top-down component in conjunction with the more bottom-up focused quantitative factors to further narrow the universe of investable stocks
Established Parameters	• Constraints are maintained around issuers, sectors, and industries as part of the investment management process • These constraints are basis point parameters versus the benchmark • Risk factors are monitored with specific guidelines for our model portfolio around standard deviation targets • Capitalization and style constraints are established to maintain the integrity of the strategy

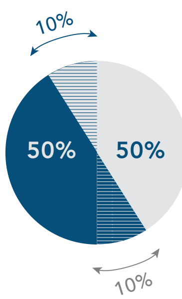
Municipal Fixed Income Investment Process

State Preference	The Crossmark Municipal Fixed Income Strategy can be structured in a variety of ways per the state preference of the client. Portfolios can include issues from a single specified state, state preference on a best-efforts basis to include national issues, or national where portfolio managers select what they consider the most appropriate issues regardless of state.
Quality	Quality review is conducted through both internal and third-party research and analysis. Over time, Crossmark has identified a series of economic factors which we believe may help predict which states are the safest from a municipal bond investment perspective. These factors include: • State unemployment rate • Change in Philly Fed Coincident Index • Percentage change in home prices • Percentage change in sales tax revenues • Future deficit as percentage of general fund National portfolios are generally invested in the issues of five to eight states with exposure to any given state limited to 25% of the portfolio's value. Crossmark seeks to structure portfolios with issues rated single-A or higher (at time of purchase) by Moody's, S&P, and/or Fitch.
Duration/ Maturity	In order to balance the need for safety with the desire to maximize income, the portfolio managers will generally focus on issues with short to intermediate maturities and durations.
Issue/ Sector Selection	Even though investment-grade municipal bonds have very low rates of default, Crossmark is selective with regard to issue and sector. Crossmark focuses on issues backed by essential services or general obligations. The allocation in any one sector is based on the state ranking, the yield spread between sectors and the overall economic outlook for the U.S. and state economies. Crossmark prefers to limit single sector investments, when possible, to 25% of the portfolio, except for general obligations.

Rebalancing Process

The Large Cap Core Unscreened/Municipal Fixed Income Strategy targets a mix of 50% equities and 50% fixed income securities. It employs a built-in rebalancing feature to ensure the allocation stays on track throughout a full market cycle. This unique rebalancing process is triggered by market movements, not by a preset schedule or calendar. This allows for up to 10% appreciation in either component before the rebalance is triggered, providing an opportunity for the portfolio to capture gains. Once the equity or fixed income component reaches 60% of total asset value, the portfolio is rebalanced to 50%/50%.

Rebalance Triggered By Market Movements



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