

LARGE CAP CORE

SMA Strategy Profile

Strategy Objective:

Long-term capital appreciation

Strategy Snapshot:

Product Inception 06/30/2021
Category Large Cap Blend

The Crossmark Large Cap Core Strategy employs a combination of fundamental and quantitative factors, values-based criteria, and prudent portfolio constraints and risk management tools with the goal of long-term capital appreciation. Factors utilized in the traditional multi-factor model include earnings quality, profitability, growth dynamics, valuation, and capital deployment. The Strategy is subject to Crossmark’s values-based screening methodology and utilizes values-based data from third party providers as well as our in-house research team. The risk management process involves set parameters around issuers, sectors, industries, and risk factors as compared to a widely recognized large- and mega-cap equity index. The number of holdings in this strategy averages 45-60, investing with an emphasis on large- and mega-cap companies.

Key Benefits

GROWTH



RISK ANALYSIS



DISCIPLINED INVESTMENT PROCESS



- Invests with emphasis on large- and mega-cap companies that support their stakeholders identified by metrics from third party providers and our in-house research team
- Focus on companies with positive and improving fundamental characteristics seeking long-term capital appreciation

- Risk factors are implemented as part of the portfolio construction process to be within a specific standard deviation band
- To assist in consistency and risk management, investment parameters are established for names, sectors, and industries

- Combination of bottom-up and top-down analysis utilized to define an investable universe and generate a portfolio of approximately 45-60 names
- Qualitative and quantitative factors provide key components to the security selection process which includes both negative screening of particular categories and positive inclusion of names from our values-based scoring methodology

Investment Process

<p>Quantitative Elements</p>	<ul style="list-style-type: none"> • Investable universe begins with the constituents of a widely recognized large- and mega-cap equity index which is then screened based on Crossmark’s values-based methodology regarding the following sectors: <ul style="list-style-type: none"> o Gambling o Alcohol o Tobacco o Life ethics o Adult entertainment o Cannabis • Values-based multi-factor model aides in stock selection by focusing on those companies that support their stakeholders across multiple environmental, social, and governance categories • Multi-factor model used to further define the universe of investable stocks emphasizing those with positive and improving fundamental characteristics including: <ul style="list-style-type: none"> o Earnings quality o Profitability o Growth dynamics o Valuation o Capital deployment • These models utilize 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
<p>Qualitative and Fundamental Elements</p>	<ul style="list-style-type: none"> • 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
<p>Established Parameters</p>	<ul style="list-style-type: none"> • 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

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All investments are subject to risks, including the possible loss of principal. Past performance does not guarantee future results. The Large Cap Core 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).