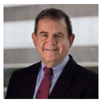
CROSSMARK GLOBAL INVESTMENTS

LARGE CAP EQUITY STRATEGIES

COMMENTARY | QUARTERLY UPDATE: 3Q 2022

Separately Managed Accounts (Large Cap Core, Large Cap Growth, and Large Cap Value)



written by
Robert C. Doll, CFA® Chief Investment Officer

Top 10 Crossmark Large Cap Core Model Account Holdings[1]	
Microsoft Corp.	6.4%
Apple, Inc.	4.9%
Visa, Inc.	2.7%
CVS Caremark Corp.	2.7%
Cigna Corp.	2.6%
General Mills, Inc	2.5%
Mastercard, Inc.	2.5%
Gilead Sciences, Inc.	2.5%
Elevance Health, Inc.	2.5%
MetLife, Inc.	2.5%
Total % of Portfolio	**31.8%**

Top 10 Crossmark Large Cap Growth Model Account Holdings[1]	
Apple, Inc.	11.8%
Microsoft Corp.	11.2%
Alphabet Class A	4.0%
Amazon.com, Inc.	3.8%
Visa, Inc.	3.7%
Mastercard, Inc.	3.3%
Home Depot, Inc.	3.1%
American Tower Corp.	2.6%
Amgen, Inc.	2.5%
McKesson Corp.	2.5%
Total % of Portfolio	**48.5%**

Markets and Performance

We have entered a high-risk zone as a consequence of the largest rise in inflation in 40 years, rising policy rates, several developed market countries having excessive debt levels, some poorly-timed fiscal actions and the awakening of the bond vigilantes. In this environment, stocks and bonds both declined for the third consecutive quarter, the longest streak in almost 50 years. The Russell 1000, Russell 1000 Value and Russell 1000 Growth indices returned -4.61%, -5.62%, and -3.60%, respectively in the third quarter. The Large Cap Growth model portfolio underperformed it's benchmark, the Russell 1000 Growth index, for the quarter returning -4.55%. Both the Large Cap Core and Large Cap Value model portfolios outperformed their respective benchmarks. The Large Cap Core model portfolio outperformed the Russell 1000 index by 3 basis points for the quarter, returning -4.58%. The Large Cap Value model portfolio outperformed the Russell 1000 Value index by 75 basis points for the quarter, returning -4.87%.

Positive and Negative Contributors to Performance

Outperformance in Large Cap Value came primarily from sector selection (overweighting energy and underweighting communication services.) Stock selection was positive in healthcare and energy and negative in technology. Positives in Large Cap Core included stock selection in healthcare and underweighting communication services, offset by stock selection in technology. Large Cap Growth suffered from poor stock selection in technology, overweighting real estate, and underweighting consumer discretionary; this was somewhat offset by good stock selection in healthcare and underweights in healthcare and communication services.

Our best stocks were Biogen (2.3% of total net assets), Marathon Petroleum (2.8% of total net assets), and ConocoPhillips (3.1% of total net assets); worst stocks were Dell Technologies (1.5% of total net assets), Intel (1.3% of total net assets) and HP, Inc. (1.6% of total net assets). The portfolios benefitted from below benchmark betas, above benchmark yields, and management quality.

[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 9/30/2022.

Top 10 Crossmark Large Cap Value Model Account Holdings[1]	
ConocoPhillips	3.1%
Marathon Petroleum Corp.	2.8%
CVS Caremark Corp.	2.8%
Elevance Health, Inc.	2.7%
Biogen, Inc.	2.6%
Cisco Systems, Inc.	2.6%
Aflac, Inc.	2.6%
Cigna Corp.	2.6%
McKesson Corp.	2.6%
MetLife, Inc.	2.6%
Total % of Portfolio	**27.0%**

Looking Ahead

Economic growth is slowing globally, but it is not collapsing. We do anticipate that the Fed will continue to hike rates and move into restrictive territory by year-end, increasing the probability of a recession in 2023. We expect volatility in both directions in the fourth quarter. Earnings are likely to disappoint as the Fed continues to tighten, raising the recession probability ever higher. Our largest overweighed sector remains technology, with an emphasis on software and services. Our largest underweighted sectors are communication services and utilities.

[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 9/30/2022.

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 Large Cap Core, Large Cap Growth and Large Cap Value Strategies 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).

Some strategies incorporate 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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