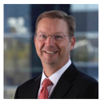
CROSSMARK
GLOBAL INVESTMENTS

SMALL CAP GROWTH

COMMENTARY | QUARTERLY UPDATE: 1Q 2023

Separately Managed Account



written by
Brent Lium, CFA® Managing Director – Head of Equity Investments

Top 10 Crossmark Small Cap Growth Portfolio Holdings	
Academy Sports and Outdoors, Inc.	2.76%
Shockwave Medical, Inc.	2.68%
Iridium Communications Inc.	2.46%
Qualys, Inc.	2.44%
World Wrestling Entertainment, Inc. Class A	2.20%
Silicon Laboratories Inc.	2.13%
U.S. Dollar	2.05%
Lamb Weston Holdings, Inc.	2.04%
HealthEquity Inc	2.01%
National Storage Affiliates Trust	2.00%
Total % of Portfolio	**22.76%**

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.

Markets and Performance

Following a rough 2022, the first quarter of 2023 saw the equity markets rebound. Somewhat paradoxically, as the economy began to show signs of slight weakening the market took that as a sign that the Fed might be nearing the end of the rate hiking cycle. The Russell 2000 Growth index was up 6.07% for the quarter ending March 31, 2023. The Crossmark Small Cap Growth composite returned 7.04% for the same time period, outperforming the Russell 2000 Growth by 0.93%.

Positive and Negative Contributors to Performance

The strategy's top contributors during the period were World Wrestling Entertainment (2.20% of total net assets), up 33.38%, Navitas Semiconductor (1.29% of total net assets), up 108.26%, and Symbotic (1.52% of total net assets), up 91.29%. World Wrestling Entertainment, a media company that operates the WWE network and events, announced they were seeking to potentially sell themselves. Shortly after the close of the quarter, they announced a merger with Endeavor Group, the owner of UFC. While on the surface it is an eye popping return, Navitas Semiconductor was really just recovering to levels seen earlier in 2022. Their Gallium-Nitride chips are the next generation chips for charging and powering phones and other electronics as they are smaller and more efficient than current silicone chips. Symbotic, a warehouse robotic and automation supplier, reported a strong quarter. In addition, Walmart highlighted Symbotic at their analyst day and the efficiencies they expect by converting all of their warehouses to Symbotic's systems.

The strategy's bottom contributors during the period were Halozyme, down 35.83%, Chegg (0.81% of total net assets), down 35.5%, and Procept BioRobotics (1.14% of total net assets), down 31.6%. Halozyme, with a novel intravenous drug delivery system, was a top contributor last quarter. Unfortunately, they gave it back this quarter as their full year revenue guidance for 2023 was not as strong as the market was expecting. Chegg, a provider of online education services and subscriptions to the k-12 and university markets, continued to struggle with the disruption to their business post covid. In addition, they were hit with the excitement around chatGPT as a potential competitor for many of their services. We are reevaluating our investment in Chegg given the potential for chatGPT. Procept BioRoboticss, with a robotic surgical treatment for enlarged prostates, posted continued strong revenue growth of over 130% as they gain market share. However, the stock was weak as margins were not as strong as the market had been expecting. We think they can improve margins going forward. We think they are the best treatment on the market for BPH and will not only take market share, but will expand the market.

Looking Ahead

Looking forward, we expect the market to continue to be volatile as we saw in the first quarter. With the historically rapid increase in interest rates, the Fed seems to have inflation moving in the right direction. However, the market is trying to decide if the Fed will pull off the elusive "soft landing" or send the economy into a recession. The market has been volatile moving according to the latest data point supporting one or the other scenarios. We continue to focus on our key investment pillars of companies with visible and durable growth trends, strong business models, and healthy balance sheets as think they will outperform over the long term.

Composite Performance	QTD	YTD	1 Year	Since Inception
Small Cap Growth (Wrap) - Gross	7.04%	7.04%	-15.97%	-15.44%
Small Cap Growth (Wrap) - Net*	6.22%	6.22%	-18.61%	-18.04%
Russell 2000 Growth	6.07%	6.07%	-10.60%	-16.00%

* Net performance was calculated using the hypothetical highest annual all-inclusive wrap fee of 3.00% by deducting .75% from the last month of each quarter. Gross performance is shown as supplemental information and is stated as pure gross of all fees as the returns have not been reduced by transaction costs. Wrap fees include Crossmark's portfolio management fee as well as all charges for 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.

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All Investments are subject to risks, including the possible loss of principal. Past performance does not guarantee future results. The Small Cap Growth 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).

Small-cap investments may be subject to smaller companies risk. Stocks of smaller, less seasoned companies are generally subject to greater price fluctuations, less liquidity, higher transaction costs, and higher investment risk than those of larger, more seasoned issuers. Smaller companies may have limited product lines, markets, or financial resources, and they may be dependent on a limited management group or lack substantial capital reserves or an established performance record. There is generally less publicly available information about such companies than for larger, more established companies.

The strategy's 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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Crossmark claims compliance with the Global Investment Performance Standards (GIPS®). Prospective clients can obtain a GIPS Composite Report by sending a request to: advisorsolutions@crossmarkglobal.com.

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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