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 Highlights

VALUES-BASED INVESTING

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- Exclusionary screening allows us to redefine the investable universe by avoiding companies that are not consistent with widely-held traditional values
- Inclusionary screening provides the opportunity to over weight companies that are doing good by increasing their allocation within the portfolio
- The screening process utilizes third party research coupled with our own proprietary analysis

EXPERIENCED PORTFOLIO MANAGER

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- Crossmark's Chief Investment Officer, Bob Doll, CFA®, brings decades of investment management experience as the lead portfolio manager on this strategy
- Bob's expertise is evidenced through his widely-recognized annual "Top 10 Predictions" and media appearances
- Bob has dedicated his career to developing his investment process for managing U.S. Large Cap Equity portfolios

DISCIPLINED INVESTMENT PROCESS

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- Once the exclusionary screening process has been applied, our quantitative process utilizes a proprietary multi-factor model to rank the remaining securities of the universe
- Qualitative elements allow macro and market cycle considerations to be applied via a combination of top-down and bottom-up analysis
- Risk management is provided via multiple factors monitored in relation to the benchmark and around standard deviation targets to ensure alignment with the philosophy of the strategy

Investment Process

Quantitative Elements	• 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 focusing on the following sectors:
	  o Gambling
	  o Alcohol
	  o Tobacco
	  o Life ethics
	  o Adult entertainment
	  o Cannabis
	• Multi-factor model used to further define the universe of investable stocks emphasizing those with positive and improving fundamental characteristics including:
	  o Earnings quality
	  o Profitability
	  o Growth dynamics
	  o Valuation
	  o Capital deployment
	• 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
	• 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

Qualitative and Fundamental Elements	• Fundamental analysis assists in further narrowing the universe of investable stocks by examining companies for:
	  o Business strengths and competitive advantage
	  o Company management skill and strategy execution
	  o Financial statement analysis and projections
	  o Presence of a catalyst for change
	  o Differentiation from consensus

Risk Management	• Constraints are maintained around issuers, sectors, and industries as part of the investment management process • These constraints are established 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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