

# Global Equity Income

Commentary | Quarterly update: 3Q24

Separately managed account



**Rob Botard, CFA** Managing Director – Portfolio Manager

Top 10 holdings (%)	
Cigna Group	2.75
Taiwan Semiconductor Manufacturing Co., Ltd. Sponsored ADR	2.68
McDonald's Corp.	2.42
Gap, Inc.	2.22
Texas Instruments Inc.	2.12
Tapestry, Inc.	1.97
International Business Machines Corp.	1.96
Analog Devices, Inc.	1.93
ASE Technology Holding Co., Ltd. Sponsored ADR	1.89
Qualcomm Inc.	1.87
<b>Total % of portfolio</b>	<b>21.81</b>

### Markets and performance

Performance for the global equity markets overall returned positive results for the third quarter of 2024. The Global Equity Income Composite benchmark, the MSCI World Index, ended the quarter with a return of 6.46%. Dividend stocks overall outperformed the general equity market. For global dividend index comparison purposes, the MSCI World High Dividend Yield Index returned 10.23% during the period. The Global Equity Income Composite return was 7.32%.

### Positive and negative contributors to performance

The leading positive contributors to performance included IBM, McDonald's, and InterDigital. These three stocks rose 28.94%, 20.19%, and 17.41%, respectively, during the third quarter. ASE Technology, Ecopetrol SA, and Qualcomm were the leading negative contributors, declining 12.75%, 20.20%, and 14.18%, respectively. Relative to the MSCI World Index, the composite's primary benchmark, performance was positively impacted from relative underweights in Microsoft, NVIDIA, and Amazon.com, which declined 3.55%, 1.69%, and 3.58%, respectively. These stocks were excluded from the composite because their dividend yields failed to meet longstanding minimum criteria for the strategy. Financials and Information technology were the leading positive sector contributors to performance. Energy was the leading negative sector contributor. International exposure in the composite, especially Colombia and Taiwan, underperformed relative to the U.S.

### Looking ahead

As we approach the fourth quarter, global dividend-paying stocks continue to offer attractive income opportunities, but heightened volatility is expected due to the upcoming U.S. presidential election. Markets are likely to experience fluctuations driven by shifts in fiscal and regulatory policy outlooks. While inflationary pressures and fluctuating interest rates present headwinds, we expect stable dividend growth from sectors like healthcare, utilities, and consumer staples. Companies in these sectors have historically maintained strong balance sheets and resilient cash flows. Global dividend payers may also benefit from a recovery in global trade and improved currency stability. Selective positioning remains critical, as geopolitical uncertainties and sector-specific risks will likely lead to diverging performance. Our focus remains on high-quality names with sustainable dividends and potential for capital appreciation.

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.

Composite performance (%)	Quarter	YTD	1-year	3-year	5-year	10-year
Global Equity Income (Wrap) – Gross	7.32	13.84	27.70	8.58	11.06	10.68
Global Equity Income (Wrap) – Net <sup>1</sup>	6.54	11.35	24.03	5.37	7.76	7.40
MSCI World Index	6.46	19.28	33.03	9.61	13.59	10.65
MSCI World High Dividend Yield Index	10.23	14.59	22.60	8.43	8.12	6.80

1 Net performance was calculated using the hypothetical highest annual all-inclusive wrap fee of 3.00%, with a deduction of 0.25% from each month's return. Gross performance is shown as supplemental information and represents pure gross returns, as they have not been reduced by transaction costs or fees. Wrap fees include Crossmark's portfolio management fee, 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.

## Our firm

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## Contact a member of our Advisor Solutions Team

[advisorsolutions@crossmarkglobal.com](mailto:advisorsolutions@crossmarkglobal.com) | 888-845-6910

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**All investments are subject to risks, including the possible loss of principal. Past performance does not guarantee future results.** The Global Equity Income 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).

Investments in securities of issuers in foreign countries involves additional risks not associated with domestic investments. These risks include, but are not limited to: (1) political and financial instability; (2) currency exchange rate fluctuations; (3) greater price volatility and less liquidity in particular securities and in certain foreign markets; (4) lack of uniform accounting, auditing, and financial reporting standards; (5) less government regulation and supervision of some foreign stock exchanges, brokers and listed companies; (6) delays in transaction settlement in certain foreign markets; (7) less availability of information; and (8) imposition of foreign withholding or other taxes.

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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](mailto: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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