



# FORM ADV PARTS 2A AND 2B

JUNE 30, 2023



**Crossmark Wealth Management, LLC**  
Form ADV Parts 2A and 2B Revised June 30, 2023

**Form ADV Part 2A**

**Crossmark Wealth Management, LLC**

**June 30, 2023**

This **Brochure** provides information about the qualifications and business practices of Crossmark Wealth Management, LLC (**Crossmark Wealth**). If you have any questions about the contents of this Brochure, please contact us at 713-260-9000 or email [info@crossmarkwealth.com](mailto:info@crossmarkwealth.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Crossmark Wealth is registered with the Securities and Exchange Commission which oversees its investment management activities. Registration with the Securities and Exchange Commission does not imply a certain level of skill or trading. Our oral and written communications are intended to provide you with information which you may use to determine to hire or retain us to provide investment advice.

Additional information about Crossmark Wealth is also available on the SEC's Website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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**Item 2    Material Changes**

The date of our last Brochure was June 30, 2022. **While we have made no material changes in the products and services that we offer, our investment advice and management processes, or the way that we manage our business, this Brochure contains additional disclosures regarding our investment processes, investment risks, and how we manage conflicts of interest.** Should you have any questions about these changes or view them as material to your investment decision-making, please contact us.

Pursuant to SEC Rules, we will provide you with:

- An updated annual brochure that includes a summary of any material changes to the brochure during the course of the previous business year within 120 days of the close of our business fiscal year;
- A summary of material changes within 120 days of the close of our business fiscal year that includes an offer to provide a copy of the full annual updated brochure and information on how you may obtain the brochure from us;
- An interim amendment to the brochure if new information in response to Item 9 of Part 2A regarding disciplinary information is available; and
- An interim amendment resulting from any material change that could affect the relationship between you and us.

We will provide, **free of charge**, a new brochure any time at your request, or as may become necessary based on material changes.

Currently, our Brochure may be requested by contacting our office at 1-800-262-6631. You may also receive this and any other disclosure documents via electronic delivery, where allowed, by signing and returning to us an Authorization to Deliver Disclosure and Other Documents Electronically.

Additional information about Crossmark Wealth is also available via the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about any persons affiliated with Crossmark Wealth who are registered or are required to be registered, as investment adviser representatives of Crossmark Wealth.

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**Item 4 Advisory Business**

**Crossmark Wealth** is a boutique investment management firm that provides a full suite of investment strategies to individual and institutional investors.

Crossmark Wealth is a privately owned SEC-registered investment adviser headquartered in Houston, Texas. Crossmark Wealth is wholly owned by Crossmark Global Holdings, Inc. (**Crossmark Global Holdings**), which is also a privately owned company. Crossmark Global Holdings is wholly owned indirect subsidiary of AGFinancial, a Missouri non-profit corporation.

Crossmark Wealth is affiliated with Crossmark Global Investments, Inc. (**Crossmark Global Investments**), an investment adviser separately registered with the SEC and wholly owned by Crossmark Global Holdings. Crossmark Global Investments also provides investment advice and discretionary investment management services to individual and institutional clients and serves as the investment adviser to the series portfolios of Steward Funds, Inc. (the **Steward Funds**), each a registered investment company under the Investment Company Act of 1940 (the **Investment Company Act**), available to both individual and institutional investors.

Through the investment programs described below, Crossmark Wealth primarily allocates client capital to other investment managers and their products, including Crossmark Global Investments and the Steward Funds.

Certain investment strategies managed by Crossmark Global Investments are offered to clients of Crossmark Wealth. The Steward Funds are also offered to clients of Crossmark Wealth. Investment strategies managed by Crossmark Global Investments and the Steward Funds are generically referred to below as **proprietary products**, while investment strategies, mutual funds, and exchange traded funds (**ETFs**) managed by unaffiliated investment advisers are generically referred to as **non-proprietary products**. The majority of our clients' assets are invested in proprietary products. Where Crossmark Wealth determines to allocate to proprietary products, to the extent permitted by applicable law, Crossmark Wealth and its affiliates will generally be entitled to earn more fees than if Crossmark Wealth had allocated to non-proprietary products as affiliates of Crossmark Wealth earn an asset-based advisory fee for managing the proprietary products in addition to the advisory fee payable to Crossmark Wealth with respect to such allocations. This practice creates a conflict of interest because Crossmark Wealth and its affiliates do not receive fees from non-proprietary products and thus receives an additional layer of fees when proprietary products are utilized. To manage this conflict, Crossmark Wealth performs the same selection and ongoing monitoring processes for proprietary products as it performs for non-proprietary products. Given Crossmark Wealth's extensive knowledge of the proprietary products, including how they are best utilized in various asset allocation strategies, Crossmark Wealth generally has a preference for the proprietary products over non-proprietary products with a similar investment strategy, which is likely to result in a larger allocation to proprietary products relative to non-proprietary products across Crossmark Wealth's clients.

Crossmark Wealth provides investment advice and discretionary investment management services based on the individual needs of each clients. We review your investment experience, risk tolerance, goals, and objectives in developing an overall investment program to meet those goals and objectives. As the client, you may impose reasonable restrictions on our ability to invest in certain securities, types of securities, or industry sectors. Where we recommend a proprietary product, you will make the ultimate decision regarding that investment. We only provide discretionary investment management services with respect to assets that are not invested in proprietary products. Where we recommend an investment strategy that is managed by our affiliate, you will enter into a separate investment advisory relationship with that affiliate.

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Crossmark Wealth provides asset allocation and investment advice that covers equity securities, options on equity securities, corporate debt instruments, government and agency securities, municipal securities, mutual funds, and exchange traded funds (ETFs). **We utilize a combination of proprietary and non-proprietary products in the development of investment programs for our clients.**

As of March 31, 2023, Crossmark Wealth had approximately \$1.008 billion of discretionary assets under management. We do not currently advise any assets on a non-discretionary basis.

As used in this Brochure, the words **firm, we, our,** and **us** refer to Crossmark Wealth; and the words **you, your,** and **client** refer to you as either a client or prospective client of Crossmark Wealth.

## **Item 5 Fees and Compensation**

### **Advisory Fees in General**

The fees that we charge for the services provided to you vary depending on several factors, which include:

- The type and level of service we provide to you
- The size of your account
- The complexity of your investment program

Our advisory fees are negotiable and will vary from relationship-to-relationship, but typically take the form of an annual percentage of the value of the client assets managed by us. The manner in which our advisory fee is calculated and charged varies from relationship-to-relationship but is generally calculated quarterly in advance, based upon the amount of asset under management at the end of preceding quarter, but may be charged in an alternative manner in accordance with the applicable client agreement.

Our fees will generally be based on the market value of the assets with respect to which we provide investment advice and will generally not exceed 1% (100 bps) annually, assessed quarterly.

Depending on the type of relationship we have with you, we may request that you authorize and direct the custodian of your account to pay our fees directly to us from the assets in your account. However, it is your option to authorize this process and if you do not approve of the direct deduction from your account, we will submit periodic invoices directly to you or the custodian as you request.

In the event your agreement with Crossmark Wealth is terminated for any reason by either of us, our fee is pro-rated for the portion of a period that the portfolio is being managed by us. This pro-rated period will include any termination notice required to be given under your investment advisory agreement. There is no penalty for terminating an agreement. You may either pay these fees directly to Crossmark Wealth or authorize deduction of the fees from the account.

You will pay fees whether you make or lose money on your investments. Fees will reduce any amount of money you make on your investment over time. Please make sure you understand the fees and costs you are paying.

You should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Our employees and their family members, as well as persons affiliated with indirect owners of Crossmark Wealth, may be charged a lower fee for us to manage their accounts.



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**Fees Charged by Other Investment Advisers**

To the extent that Crossmark Global Investments or an unaffiliated investment adviser is engaged to manage your assets, you will either (i) pay an asset-based fee to Crossmark Wealth that is inclusive of the fees paid by Crossmark Wealth to such other investment adviser(s), or (ii) be invoiced separately for the fees of Crossmark Wealth and such other investment adviser(s). In either case, your assets will not be placed under the management of Crossmark Global Investments or another investment adviser without your advance knowledge and consent, delivery of such other investment adviser's Form ADV brochure to you, and a clear disclosure of the fees associated with the proposed relationship. Where we recommend an investment strategy that is managed by our affiliate, you will enter into a separate investment advisory relationship with that affiliate and be separately invoiced by the affiliate.

**Mutual Fund and ETF Fees**

Crossmark Wealth may recommend that all or a portion of your assets be invested in mutual funds and/or ETFs, including the Steward Funds. All mutual funds incur certain expenses that are borne by their shareholders; these expenses include fees for investment advice, portfolio administration, shareholder servicing, and in the case of funds that have adopted distribution plans under SEC Rule 12b-1, distribution and marketing. Details regarding these fees can be found in each fund's prospectus and statement of additional information. With respect to the Steward Funds, some of these fees are paid to Crossmark Global Investments and its affiliates. Your assets will not be invested in the Steward Funds without your advance knowledge and consent.

Advisory clients invested in the Steward Funds are generally subject to the management fee charged by the applicable Steward Fund, in addition to Crossmark Wealth's advisory fee. No mutual fund fees are credited against the advisory fee being charged by Crossmark Wealth to manage your account, but the overall level of fees being incurred by you is considered in the selection of appropriate investments for your account.

**Fees Charged by Brokers, Dealers, Banks, and Custodians**

Crossmark Wealth does not charge transaction fees, custody fees, or account maintenance fees. Please note, however, that any asset custodians, banks, brokers, or dealers who maintain your account(s), provide custody services with respect to your assets, or execute securities trades or asset transfers on your behalf may charge such fees, whether they are recommended or chosen by us or by you independent of your relationship with Crossmark Wealth. Examples of such fees include, but are not limited to, administration expenses, brokerage commissions, transaction fees, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

**Non-Standard Accounts**

There are accounts managed by Crossmark Wealth that were opened prior to the adoption of these fee rates that may have fee rates higher or lower than the ranges outlined above. There may also be accounts opened in the future with fee rates higher or lower than these ranges, with variations based on factors outlined above.

**Compensation of Supervised Persons**

Our supervised persons do not receive direct compensation for the sale of securities or other investment products. Certain supervised persons of Crossmark Distributors, Inc., a limited purpose broker-dealer affiliated with Crossmark Wealth, do receive compensation based on sales of Steward Fund shares and Crossmark investment advisory services by financial intermediaries within their assigned territories. These supervised persons act in the role of wholesalers, providing product and service information to financial intermediaries, not involving themselves in the discussions between such intermediaries and their clients regarding specific investment recommendations.

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**Conflicts of Interest**

When allocating investment opportunities among our investment programs, products and clients, Crossmark Wealth has an incentive to favor the investment programs, products and clients that generate the most revenue for Crossmark Wealth. For example, when recommending an allocation to a mutual fund, Crossmark Wealth has an incentive to recommend a Steward Fund as Crossmark Wealth and its affiliates are entitled to receive an additional layer of compensation on such allocations – the advisory fee charged by Crossmark Wealth and the management fees charged by the Steward Fund. This is also true with respect to separate account investment strategies managed by Crossmark Global Investments.

**Item 6     Performance-Based Fees and Side-by-Side Management**

**Performance-Based Fees**

Crossmark Wealth does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on capital appreciation of the assets of a client.

**Side-by-Side Management**

Crossmark Wealth simultaneously manages the portfolios of multiple clients according to the same or similar investment strategy (i.e., side-by-side management). The simultaneous management of these different investment portfolios creates certain conflicts of interest, as the fees for the management of certain types of accounts are higher than others. Nevertheless, when managing the assets of such accounts, we seek to treat all such accounts fairly and equitably over time.

Although Crossmark Wealth seeks to treat all portfolios within an investment strategy fairly and equitably over time, such portfolios will not necessarily be managed the same at all times. Specifically, there is no requirement that we use the same investment practices consistently across all portfolios. We will not necessarily purchase or sell the same securities at the same time or in the same proportionate amounts for all eligible portfolios, and one account's performance will not necessarily be reflective of the performance of another account managed using a similar strategy, due to a variety of factors including the nature of the services provided by Crossmark, the structure of the accounts, differences in cash flows and the timing of trading. As a result, although we manage multiple portfolios with similar or the same investment objectives, or may manage accounts with different objectives that trade in the same securities, the portfolio decisions relating to these accounts, and the performance resulting from such decisions, may differ from portfolio to portfolio.

**Item 7     Types of Clients**

Crossmark Wealth provides investment management services to individuals (and to entities related to or managed by those individuals, such as family trusts, or family business accounts) and institutions.

We have minimum account sizes that vary based on:

- the type of and level service we provide to you, and
- the complexity of your investment program Minimum account requirements will differ among clients.



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**Item 8 Methods of Analysis, Investment Strategies and Risk of Loss**

**Methods of Analysis**

The investment managers utilized by Crossmark Wealth to construct client portfolios generally utilize the following methods of investment and market analysis:

- ***Quantitative Analysis*** seeks to understand behavior by using complex mathematical and statistical modeling, measurement, and research. When a securities analyst focuses on a corporation's financial data in order to project potential future performance, the process is called quantitative analysis. This methodology involves looking at profit-and- loss statements, sales and earnings histories, and the statistical state of the economy rather than at more subjective factors such as management experience, employee attitudes, and brand recognition. The primary risk in using quantitative analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.
- ***Fundamental Analysis*** involves an assessment of the fundamental financial condition and competitive position of a company. This approach generally involves an analysis of the financial condition, capabilities of management, earnings, new products and services, as well as the company's markets and position versus its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.
- ***Technical Analysis*** involves the examination of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of various quantitative-based calculations, variation metrics and charts to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that Crossmark Wealth will be able to accurately predict such a reoccurrence.
- ***Cyclical Analysis*** is similar to technical analysis in that it involves the assessment of market conditions at a macro (entire market/economy) or micro (company specific) level, rather than the overall fundamental analysis of the health of the particular company that Crossmark Wealth is recommending. The risks with cyclical analysis are similar to those of technical analysis.
- ***Socially Conscious Investing Screens*** may be applied to a client's portfolio at the client's option. Depending on the investment strategy or client-specific restrictions, a client's account may undergo exclusionary or inclusionary screening according to values-based characteristics. These criteria are nonfinancial reasons to exclude or include a security, and therefore, the client's account or strategy may forgo some market opportunities available to portfolios that don't use such screening. The values-based characteristics are evaluated entirely by third-party providers unaffiliated with Crossmark Wealth.

**Risks Associated with All Forms of Analysis**

Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

**Investment Strategies**

We use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance and time horizons, among other considerations:

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**Asset Allocation**

The implementation of an investment strategy that attempts to balance risk versus reward by adjusting the percentage of each asset in an investment portfolio according to the investor's risk tolerance, goals and investment time frame. Asset allocation is based on the principle that different assets perform differently in different market and economic conditions. A fundamental justification for asset allocation is the notion that different asset classes offer returns that are not perfectly correlated, hence diversification reduces the overall risk in terms of the variability of returns for a given level of expected return. Although risk is reduced as long as correlations are not perfect, it is typically forecast (wholly or in part) based on statistical relationships (like correlation and variance) that existed over some past period. Expectations for return are often derived in the same way.

An asset class is a group of economic resources sharing similar characteristics, such as riskiness and return. There are many types of assets that may or may not be included in an asset allocation strategy. The "traditional" asset classes are stocks (value, dividend, growth, or sector-specific [or a "blend" of any two or more of the preceding]; large-cap versus mid-cap, small- cap or micro-cap; domestic, foreign [developed], emerging or frontier markets), bonds (fixed income securities more generally: investment-grade or junk [high-yield]; government or corporate; short-term, intermediate, long-term; domestic, foreign, emerging markets), and cash or cash equivalents. Allocation among these three provides a starting point. Usually included are hybrid instruments such as convertible bonds and preferred stocks, counting as a mixture of bonds and stocks.

The following investment strategies are made available through our affiliate—Crossmark Global Investments:

**Equity Strategies**

***Covered Call Income***

The Crossmark Covered Call Income strategy seeks to generate income, provide limited capital appreciation, and generate lower volatility than the broad equity markets. Crossmark uses a combined quantitative/fundamental approach to identify large-cap, dividend paying domestic stocks selling at a low range of valuation measurements which also exhibit positive price momentum. The strategy then supplements the overall portfolio's dividend yield by implementing a covered call option overlay.

The principal risks associated with this strategy are general market risk, equity market risk, selection risk, company risk, and option writing risk, each discussed below.

***Global Equity Income***

The Crossmark Global Equity Income strategy seeks to provide high dividend income with long-term capital appreciation. The strategy invests in U.S. and non-U.S. dividend-paying stocks that have demonstrated a higher yield within their respective sectors, increasing dividends and favorable earnings growth. We invest in the common stocks of companies that represent a broad spectrum of the global economy. Although the strategy invests primarily in large cap stocks, it is also able to invest in mid-cap and small-cap stocks. The non-U.S. investments are primarily in the form of depositary receipts which are U.S. dollar denominated instruments representing securities of non-U.S. issuers that are traded in the U.S. and in non-U.S. markets.

The principal risks associated with this strategy are general market risk, equity market risk, selection risk, company risk, and foreign securities risk, each discussed below.

***Equity Market Neutral***

The Crossmark Equity Market Neutral strategy seeks long-term capital appreciation and to provide absolute returns independent of equity market direction. The goal is to find long positions that outperform a targeted benchmark and shorts that underperform a targeted benchmark in up, down and sideways markets. The strategy's investment process employs a combination of fundamental and quantitative factors, values-based criteria, and prudent portfolio constraints and risk management tools. Factors utilized in the traditional multi-factor model include earnings quality, profitability, growth

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dynamics, valuation and capital deployment. The strategy is subject to Crossmark's values-based screening methodology and utilizes values-based data from 3rd party providers as well as our in-house research team as it relates to the long holdings. Derivatives are not utilized in this strategy which incorporates active risk management with a target beta range of -0.2 to +0.4 versus a widely recognized large and mega-cap equity index. Inputs including economic indicators, monetary variables, valuation, momentum and sentiment are utilized as part of a quantitative tool to provide insights for determining the beta position with a central tendency of +0.1. The risk management process involves set parameters around issuers, sectors, industries and risk factors as compared to the referenced index. The number of holdings in this strategy averages approximately 100 long and 100 short with full holdings transparency and daily liquidity.

The principal risks associated with this strategy are general market risk, equity market risk, selection risk, company risk, short selling risk, and socially conscious investing risk, each discussed below.

***Large Cap Core***

The Crossmark Large Cap Core strategy seeks to outperform the investment benchmark over a market cycle. The strategy's investment process 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 3rd 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.

The principal risks associated with this strategy are general market risk, equity market risk, selection risk, company risk, and socially conscious investing risk, each discussed below.

***Large Cap Core Unscreened***

The Crossmark Large Cap Core Unscreened strategy seeks to outperform the investment benchmark over a market cycle. The strategy's investment process employs a combination of fundamental and quantitative factors, 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 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 average number of holdings is between 45-60 for this strategy.

The principal risks associated with this strategy are general market risk, equity market risk, selection risk, and company risk, each discussed below.

***Large Cap Core Unscreened Diversified***

The Crossmark Large Cap Core Unscreened Diversified strategy seeks to outperform the investment benchmark over a market cycle. The strategy's investment process employs a combination of fundamental and quantitative factors, 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 risk management process involves set parameters around issuers, sectors, industries and risk factors as compared to a widely recognized equity index consisting of mid to mega-cap companies. The average number of holdings is between 80-100 for this strategy.

The principal risks associated with this strategy are general market risk, equity market risk, selection risk, and company risk, each discussed below.

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***Large Cap Growth***

The Crossmark Large Cap Growth strategy seeks to outperform the investment benchmark over a market cycle. The strategy's investment process 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 3rd 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 growth-oriented equity index. The number of holdings in this strategy averages 45-60, investing with an emphasis on large and mega-cap companies.

The principal risks associated with this strategy are general market risk, equity market risk, selection risk, company risk, and socially conscious investing risk, each discussed below.

***Large Cap Value***

The Crossmark Large Cap Value strategy seeks to outperform the investment benchmark over a market cycle. The strategy's investment process 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 3rd 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 value-oriented equity index. The number of holdings in this strategy averages 45-60, investing with an emphasis on large and mega-cap companies.

The principal risks associated with this strategy are general market risk, equity market risk, selection risk, company risk, and socially conscious investing risk, each discussed below.

***Small Cap Growth***

The Crossmark Small Cap Growth strategy seeks to provide above-average, long-term growth by investing in high-quality growth stocks of U.S. companies that exhibit a history of strong balance sheets, cash flow, and financial returns. The strategy incorporates both a top down and a bottom up approach in the investment strategy. The top down approach utilizes macro factors including interest rates, business cycle and secular themes to determine an overweight or underweight position in certain sectors. The bottom up approach begins with ranking the small cap stocks of a widely recognized small cap index by multiple factors including margins, debt levels, revenue growth and ESG risk ratings followed by fundamental work on attractive companies looking for sustainable revenue growth, good business models and strong balance sheets. Appropriate holdings in this strategy will meet our criteria in regards to fundamentals, valuation and our macro outlook.

The principal risks associated with this strategy are general market risk, equity market risk, selection risk, company risk, smaller companies risk, and socially conscious investing risk, each discussed below.

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**Fixed Income Strategies**

***Core Fixed Income***

The Crossmark Core Fixed Income Strategy seeks to outperform the bond market over a market cycle while providing diversification, the ability to match liabilities and assets, and a steady income stream to the investor. The Strategy focuses on high quality, intermediate-maturity securities, active duration management, selective sector rotation, and selective security rotation. The sectors invested in for this strategy include U.S. investment-grade corporate issues, U.S. Government agency notes, and U.S. Treasury notes and bonds. The strategy utilizes a four-step investment process consisting of duration selection, yield curve selection, sector selection and security selection.

The principal risks associated with this strategy are credit risk, interest rate risk, and liquidity risk.

***Corporate Fixed Income***

The Crossmark Corporate Fixed Income Strategy seeks to outperform the bond market over a market cycle by investing in investment-grade corporate bonds. The Strategy focuses on high quality, intermediate-maturity securities, active duration management, and selective security rotation with an emphasis on income generation. The strategy employs a four-step investment process that incorporates duration selection, yield curve selection, sector selection and issue selection. Based on market conditions, the Strategy may invest in short-term cash alternatives for liquidity purposes.

The principal risks associated with this strategy are credit risk, interest rate risk, and liquidity risk.

***Current Income Portfolio***

The Crossmark Current Income Portfolio is a separately managed account strategy designed for investors who seek above-average income flows within an investment grade, intermediate-maturity strategy. The strategy focuses on investment-grade corporate bonds and U.S. Government agency securities with a maximum maturity of ten years. In addition, an allocation to fixed-rate preferred stocks is utilized for income generation purposes while maintaining an overall intermediate-term duration for the strategy. The strategy utilizes a four-step investment process consisting of duration selection, yield curve selection, sector selection and security selection.

The principal risks associated with this strategy are credit risk, interest rate risk, and liquidity risk.

***Income Opportunities***

The Crossmark Income Opportunities strategy seeks to optimize a diversified fixed income strategy while seeking higher levels of income. The strategy focuses on diversified sector exposure with both domestic and international securities. The strategy may invest in multiple sectors including investment-grade corporate debt issues, high-yield corporate debt issues, taxable municipal bonds, international sovereign ETFs, mortgage-backed securities and fixed-rate preferred stocks.

The principal risks associated with this strategy are credit risk, interest rate risk, and liquidity risk.

***Intermediate Fixed Income***

The Crossmark Intermediate Fixed Income Strategy invests in investment-grade corporate, U.S. Government agency, and U.S. Treasury issues with a focus on generating consistent cash flow without excessive credit risk. The Strategy is an actively managed solution consisting of short-to-medium term bonds with maturities up to a maximum of ten years. In addition to managing credit risk, interest rate risk is addressed by active duration management with the ability to rotate into and out of individual bond issues within the three sectors noted. The strategy utilizes a four-step investment process consisting of duration selection, yield curve selection, sector selection and security selection.

The principal risks associated with this strategy are credit risk, interest rate risk, and liquidity risk.

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***Municipal Fixed Income***

The Crossmark Municipal Fixed Income Strategy invests primarily in investment-grade municipal debt issues. It is a conservative, actively-managed solution focusing on municipal bonds analyzed to be most likely to fulfill the strategy objective. Generally, the portfolio will consist of 15 to 30 individual issues. By actively managing exposure to various states and sectors, the Strategy aims to maximize the generation of tax-free income. The issues are limited to those of A rated or better at time of purchase, substantially reducing the risk of default. Individual issues are selected from general obligation and essential service sectors such as water, sewer, utilities, transportation, highways, and education. Current exclusions include hospitals, assisted living, retirement centers, hotel, healthcare, housing, jail or student dormitory-related, and U.S. territories (or states at the discretion of the portfolio manager).

The Strategy focuses on short- to intermediate-term fixed rate callable issues. Municipal bonds are limited to those with a credit rating of single-A or better as measured by Moody's, S&P or Fitch at the time of purchase. Investors can choose from three different strategies to best accomplish their tax-free income goals.

The principal risks associated with this strategy are credit risk, interest rate risk, and liquidity risk.

**Blended and Custom Strategies**

***Balanced Core***

The Crossmark Balanced Core Strategy seeks to provide a balance of long-term growth and current income by investing in a combination of equity and fixed income securities. The Strategy seeks to take advantage of the opportunities presented by each - the potential for capital appreciation from the equity component and current income/lower volatility from the fixed income component. The Balanced Core strategy targets a mix of 50% equities and 50% fixed income securities. It employs a rebalancing feature to ensure the allocation stays on track throughout a full market cycle. This unique rebalancing process is triggered by market movements, not by a preset schedule or calendar. This allows for up to 10% appreciation in either component before the rebalance is triggered, providing an opportunity for the portfolio to capture gains. Once the equity or fixed income component reaches 60% of total asset value, the portfolio is rebalanced to 50%/50%. Each component is managed by the investment team of the underlying strategies – the Large Cap Core Unscreened strategy and the Core Fixed Income strategy.

The principal risks associated with this strategy are general market risk, equity market risk, selection risk, credit risk, interest rate risk, and liquidity risk.

**Risks Associated with All Investment Strategies**

The analysis of securities investments requires subjective assessments and decision-making by experienced investment professionals. However, there is a risk of an error in judgment. An investment in securities is subject to investment risks including interest rate risk, market risk, inflation risk, currency risk, liquidity risk, business risk, financial risk, and the possibility of the loss of some, or all, of the principal amount invested. There can be no assurance that Crossmark will be successful in meeting the client's investment objective. Our ability to choose suitable securities has a significant impact on our ability to achieve any selected investment objective.

Portfolio managers may consider, among other factors, a company's valuation, financial strength, growth potential, competitive position in its industry, projected future earnings, cash flows and dividends when deciding whether to buy or sell investments. With respect to the rankings provided by the multi-factor quantitative models, the models also include a component for ranking companies according to values-based characteristics to identify companies that (through their activities, both externally and internally) exhibit support for widely-held traditional values, create long-term resiliency, and reduce risk. Such values-based characteristics may include, but are not limited to, the fair treatment of employees, respect for the environment, positive engagement with the communities in which they operate, and responsible governance practices. The values-based characteristics are evaluated entirely by third-party providers unaffiliated with Crossmark Wealth. Crossmark Wealth uses ratings from multiple providers to develop the multi-factor quantitative models.





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To the extent two or more securities eligible for inclusion in a portfolio have similar economic characteristics, portfolio managers will typically favor the securities that have better values-based characteristics.

**Risks Associated with All Forms of Analysis**

Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

**Principal Risks Associated with Equity and Fixed Income Investing**

**Market Risk** – Either the market as a whole, or the value of an individual company, goes down, resulting in a decrease in the value of client investments. Global markets are interconnected, and events like hurricanes, floods, earthquakes, forest fires and similar natural disturbances, war, terrorism or threats of terrorism, civil disorder, public health crises, and similar “Act of God” events have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term and wide-spread effects on world economies and markets generally. Clients may have exposure to countries and markets impacted by such events, which could result in material losses.

**Equity Securities** – Equity investments generally involve certain principal risks including:

- **Equity Market Risk** – The value of equity securities will rise and fall in response to general market and/or economic conditions.
- **Selection 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.
- **Company Risk** – There is always a level of company or industry risk when investing in stock positions. This is referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that a company will perform poorly or that its value will be reduced based on factors specific to it or its industry.

**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.

**Foreign Securities Risk** – Investments in securities of issuers in foreign countries involves 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.

**Socially Conscious Investing** – Depending on the strategy or client-specific restrictions, a client’s account may undergo exclusionary or inclusionary screening based on environmental, social and corporate governance criteria, as well as other criteria based on religious beliefs. These criteria are nonfinancial reasons to exclude or include or security and therefore the client’s account or strategy may forgo some market opportunities available to portfolios that don’t use such screening. Stocks selected following these criteria may shift into and out of favor with stock market investors depending on market and economic conditions, and the client’s or strategy’s performance may at times be better or worse than the performance of accounts or strategies that do not use such criteria.

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**Risks Associated with Option Writing** – Options are not suitable for every investor. Writing call options to generate income and to potentially hedge against market declines by generating option premiums involves risk. These risks include, but are not limited to, potential losses if equity markets or an individual equity security do not move as expected, and the potential for greater losses than if these techniques had not been used. If the market price of a security increases, a call option written against that security limits the gain that can be realized. And, there are significant differences between the securities and options markets that could result in an imperfect correlation between these markets, causing a given transaction not to achieve its objectives.

**Risks Associated with Short Selling Securities** – An investor's account will incur a loss as a result of a short sale if the price of the security sold short increases in value between the date of the short sale and the date on which the account purchases the security to replace the borrowed security. In addition, the securities sold short may have to be returned to the lender on short notice, which may result in the account having to buy the securities sold short at an unfavorable price to close out a short position. If this occurs, any anticipated gain to the account may be reduced or eliminated or the short sale may result in a loss.

**Fixed-Income Securities** – Fixed income investments generally involve two principal risks—interest rate risk (duration risk) and credit risk.

- **Interest Rate Risk** – Prices of fixed-income securities rise and fall in response to interest rate changes. Generally, when interest rates rise, prices of fixed-income securities fall. The longer the duration of the security, the more sensitive the security is to this risk. If a note has a duration of one year, then a 1% increase in interest rates would reduce the value of a \$100 note by approximately one dollar.
- **Credit Risk** – There is a risk that the issuer of a note or bond will be unable to pay agreed interest payments and may be unable to repay the principal upon maturity. Lower-rated bonds, and bonds with longer final maturities, generally have higher credit risks.

**ETF, Closed-end Fund and Mutual Fund Risk** – ETF, closed-end fund and mutual fund investments bear additional expenses based on a pro-rata share of operating expenses, including potential duplication of management fees. The risk of owning an ETF, closed-end fund or mutual fund generally reflects the risks of owning the underlying securities held by the ETF, closed-end fund or mutual fund. If the ETF, closed-end fund or mutual fund fails to achieve its investment objective, the account's investment in the fund may adversely affect its performance. In addition, because ETFs and many closed-end funds are listed on national stock exchanges and are traded like stocks listed on an exchange, (1) the account may acquire ETF or closed end fund shares at a discount or premium to their NAV, and (2) the account may incur greater expenses since ETFs are subject to brokerage and other trading costs. Since the value of ETF shares depends on the demand in the market, we may not be able to liquidate the holdings at the most optimal time, adversely affecting performance. Closed-end funds which are not publicly offered provide only limited liquidity to investors. Closed-end funds generally are not required to buy their shares back from investors upon request. In addition, they are allowed to hold a greater percentage of illiquid securities in their investment portfolios than mutual funds.

**Cybersecurity** – Crossmark's information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by its professionals, power outages and catastrophic events such as fires, tornados, floods, hurricanes and earthquakes. Although Crossmark has implemented various measures to protect the confidentiality of its internal data and to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, Crossmark will likely have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Crossmark's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to clients. Such a failure could harm Crossmark's reputation or subject it or its affiliates to legal claims and otherwise affect their business and financial performance. Crossmark will seek to notify affected clients of any known cybersecurity incident that will likely pose substantial risk of exposing confidential personal data about such clients to unintended parties.

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**Allocations to non-proprietary products are subject to the following additional risks:**

**Selection and Monitoring of Non-Proprietary Products** – There is a risk that we will not identify in our selection process: an appropriate manager, investment strategy or fund for the asset class; existing weaknesses in a non-proprietary product's compliance or operational infrastructure; or existing material regulatory, financial or other operational issues. There is a risk that a non-proprietary product will not meet our expectations from an investment performance perspective over time; will develop significant weaknesses in their compliance or operational infrastructure that could lead to a material adverse event; or will develop material regulatory, financial or other operational issues.

When Crossmark Wealth allocates client capital to a non-proprietary product, we are highly dependent upon the investment expertise and abilities of the manager of the non-proprietary product as it has day-to-day investment discretion over the underlying portfolio assets. Therefore, there is a risk that an event having a negative impact on a non-proprietary product (such as a significant change in personnel, corporate structure or resources) may adversely impact a client's investment results.

Crossmark Wealth conducts due diligence in selecting, monitoring, and overseeing non-proprietary products. However, due diligence is not foolproof and may not uncover problems associated with a particular non-proprietary product. For example, one or more of the managers may engage in improper conduct (including unauthorized changes in investment strategy) that may be harmful and may result in losses. We may rely upon representations made by managers, funds, accountants, attorneys, and/or other service providers. If any of these representations are misleading, incomplete or false, this may result in the selection of a non-proprietary product that might otherwise have been eliminated from consideration if fully accurate and complete information had been made available to us. Even if our due diligence efforts are effective at ensuring that we have a thorough understanding of a particular non-proprietary product, our judgment about whether a particular non-proprietary product is able to perform in a manner that meets our expectations over the long-term may be incorrect.

Although non-proprietary products are generally subject to investment policies, strategies, and guidelines, there can be no assurance that the non-proprietary product will comply with these policies, strategies, and guidelines. Failure to comply with the policies, strategies, and guidelines could result in an unintended deviation in the investment strategy and could result in losses.

**Counterparty Risk** – The institutions (such as banks) and prime brokers with which a non-proprietary product does business, or to which securities have been entrusted for custodial purposes, could encounter financial difficulties. This could impair the operational capabilities or the capital position of a non-proprietary product or create unanticipated trading risks.

The foregoing list of risk factors does not purport to be a complete explanation of the risks involved in Crossmark Wealth's advisory services. Investors should read the applicable prospectus or similar account opening documents for such client, if any, in addition to consulting with their own financial and tax advisers.

#### **Item 9 Disciplinary Information**

None to report for Crossmark Wealth. In 2013, Crossmark Distributors, Inc., an affiliate of Crossmark Wealth, entered into an Acceptance, Waiver and Consent with the Financial Industry Regulatory Authority (FINRA) related to advertising and sales literature for a mutual fund that failed to comply with applicable FINRA disclosure rules and standards. The mutual fund at issue has since been liquidated.

#### **Item 10 Other Financial Industry Activities and Affiliations**

Crossmark Wealth is affiliated with the following companies, each of which is wholly owned by Crossmark Global Holdings:

- Crossmark Global Investments, Inc., discussed above. Certain directors, officers, and employees of Crossmark Wealth also serve as directors and officers of Crossmark.
- Crossmark Distributors, Inc. (**Crossmark Distributors**), a limited purpose broker/dealer registered with FINRA that serves as

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the underwriter and distributor for the Steward Funds. See more information regarding Crossmark Distributors below.

**Steward Funds**

As noted above, Crossmark serves as the investment adviser to the Steward Funds. Crossmark Global Investments and its affiliates also provide other distribution and administrative services to the Steward Funds. And, certain directors, officers, and employees of Crossmark Wealth also serve as directors and officers of the Steward Funds. Crossmark Wealth directors, officers, and employees who serve as directors and officers of the Steward Funds receive no separate compensation from the Steward Funds for the services they provide.

Where appropriate, we may recommend that our clients invest in the Steward Funds. Crossmark Wealth has an incentive to recommend the Steward Funds over similar unaffiliated options as a result of the conflicts described below. Some, but not all, of the conflicts of interest of our recommendation of the Steward Funds include the following:

Crossmark Global Investments receives management fees for its management of the Steward Funds, in addition to our advisory fee applicable to clients that invest in the Steward Funds.

Crossmark Global Investments also receives fees from the Steward Funds for administrative, compliance, and shareholder services.

A client that invests in a Steward Fund will pay the client's pro rata share of the expenses of the Steward Fund, specifically including a pro rata share of the fees paid to Crossmark Global Investments..

Where Crossmark Wealth recommends the Steward Funds to a client or utilizes investments in the Steward Funds within a client's account, we take into consideration the fees paid by the Steward Funds to Crossmark and its affiliates in evaluating the overall reasonableness of the fee charged to the client.

**Assemblies of God Loan Fund**

Where appropriate, Crossmark Wealth clients may acquire interests in Assemblies of God Loan Fund (the **AG Loan Fund**), and Crossmark Wealth may provide advice and recommendations to clients with respect to the purchase of interests in the AG Loan Fund. The AG Loan Fund is sponsored and maintained by AGFinancial, Crossmark Wealth's ultimate parent company. And, Crossmark Wealth receives fees for managing a portion of the assets of the AG Loan Fund.

Crossmark Wealth will not use its investment discretion to allocate client assets to investments in the AG Loan Fund. If a client has interest in the AG Loan Fund, it was either a self-directed decision or the result of a non-discretionary recommendation from Crossmark Wealth. To the extent clients of Crossmark Wealth hold or acquire securities issued by Assemblies of God Loan Fund, the relationship will be fully disclosed to the client, and Crossmark Wealth will not charge its advisory fee in respect of the assets invested in these securities.

**Crossmark Distributors**

Crossmark Distributors receives fees from the Steward Funds for distribution and shareholder services under plans adopted pursuant to Rule 12b-1 under the Investment Company Act. These fees (**12b-1 fees**) are generally re-allotted to other broker-dealers and financial intermediaries who sell Steward Fund shares and service shareholder accounts. Some of these fees are also re-allotted to broker-dealers and financial intermediaries who service shareholder accounts. Crossmark Wealth does not receive 12b-1 fees in respect of client assets invested in the Steward Funds. If client assets are invested in share classes of the Steward Funds that pay 12b-1 fees, those fees are paid to and retained the client's chosen custodian.

Certain directors, officers, and employees of Crossmark Wealth also serve as directors, officers, and registered representatives of Crossmark Distributors. The business operations of Crossmark Distributors are limited to acting as the underwriter and distributor of the Steward Funds. The activities of its associated persons are limited to marketing and wholesaling the Steward Funds.

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**Crossmark's Shared Services Platform**

Crossmark Wealth and its affiliates employ an integrated staffing and resource plan that is intended to ensure that appropriate levels of staffing and infrastructure support exist to undertake the obligations of each company to its clients. Individual directors, officers, employees, and registered representatives are compensated based on commensurate skills and experience as well as performance. Compensation programs are designed to avoid potential conflicts of interest between the companies and their clients as well as to avoid potential conflicts between clients. Crossmark Wealth does not believe these relationships create material conflicts of interest between Crossmark Wealth and its clients.

**Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Crossmark Wealth has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Crossmark Wealth and our personnel owe a duty of loyalty, fairness, and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code of Ethics.

The purpose of our Code of Ethics is to reinforce the fiduciary principles that govern the conduct of our firm and the actions of our advisory personnel. Each member of the firm is instructed to act in the best interests of all of our clients, to avoid any real or potential conflicts of interest and to conduct their personal activities with the utmost integrity.

Our Code of Ethics has been distributed to all members of the firm. The Code of Ethics generally covers:

- Standards of business conduct
- Compliance with federal securities laws
- Review and/or approval of personal securities transactions
- Obligation to report violations
- Annual employee certification

The Code of Ethics includes specific policies and procedures covering:

- Disclosure and monitoring of personal securities accounts of employees.
- Preclearance of personal securities trades by employees where such trades do not fall into certain pre-defined exempt categories.
- Preclearance of certain business gifts as well as limitations on business gifts and entertainment (given and received).
- Preclearance of certain political contributions.

The Code of Ethics also includes our policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that any such information may not be used in a personal or professional capacity.

Finally, the Code of Ethics also contains relevant oversight, enforcement, and recordkeeping provisions.



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A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [info@crossmarkwealth.com](mailto:info@crossmarkwealth.com), or by calling us at 713-260-9000.

**Interest in Client Transactions**

Crossmark Wealth and its employees are prohibited from engaging in principal transactions with clients. A principal transaction is one in which Crossmark Wealth, acting on behalf of our own account, buys or sells a security to a client.

We also do not permit agency cross transactions. An agency cross transaction is one in which our firm acts as a broker for both the buyer and seller of a security.

Crossmark Wealth and our affiliates are not restricted from forming additional investment funds, entering into other investment advisory relationships, or engaging in other business activities, even though such activities may be in competition with a client (including the Steward Funds) and/or may involve substantial time and resources of Crossmark Wealth and its affiliates. Potentially, such activities could be viewed as creating a conflict of interest in that the time and effort of our management team and employees will not be devoted exclusively to the business of existing clients.

As noted above, investments in the Steward Funds and allocations to investment strategies managed by Crossmark may be recommended by Crossmark Wealth and may be utilized as investments within a client's account.

**Personal Trading**

Crossmark Wealth's Code of Ethics is designed to assure that the personal securities transactions by our employees and the activities and interests of our employees will not interfere with:

- making decisions in your best interests; and
- implementing such decisions while, at the same time, allowing our employees to invest for their own accounts.

Crossmark Wealth employees may purchase or sell securities in their personal accounts that we may have an interest in or subsequently invest in.

Because situations like these may represent actual or potential conflicts of interest, we have established the following policies and procedures as part of our Code of Ethics to ensure we comply with our regulatory obligations and to provide you, other clients, and other potential clients, with full and fair disclosure of such conflicts or potential conflicts of interest:

- No principal or employee of our firm may put his or her own interest ahead of the interest of your account(s).
- No principal or employee of our firm may buy or sell any security for their personal portfolio(s) where their decision is based on information received because of their employment unless the information is available to the investing public.
- We may prohibit or require prior approval for any IPO or private placement investments by any employee or related persons of the firm.
- Our employees, and anyone associated with our firm that has access to our investment recommendations (Access Persons) must obtain approval for opening securities accounts, must report securities holdings upon becoming Access Persons and annually thereafter, and must provide quarterly transaction reports or duplicate account statements.
- Certain security purchase and/or sale transactions by Access Persons must be approved prior to placing the order.
- Any employee who violates any of these restrictions may be subject to varying levels of disciplinary action, including termination.

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We maintain all records regarding personal securities transactions as required by SEC Rule 204A-1, under the Investment Advisers Act of 1940 (the **Advisers Act**).

**Item 12 Brokerage Practices**

Generally, securities trades for your account(s) will be executed by or through the custodian chosen by you. Crossmark Wealth has the ability to transact business with many different custodians.

You are under no obligation to use any particular trading intermediary. We are regularly asked if we would recommend a particular asset custodian. Because we have established relationships with several custodians and receive services as outlined below in the section titled "Research and Soft Dollar Benefits," and they are firms whom we feel can provide our customers with high quality service, we may suggest them. However, you are free to use any custodian that you may choose.

If you allow us to choose the custodian for your account, your investment management agreement with us will reflect that you are providing us with the authority to determine the trading intermediaries to use. In addition, you will also be allowing us to choose the commission costs that will be charged to you.

You may change your custodian at any time, as well as amend or revoke discretionary authority at any time by providing us with written notice.

**Research and Soft Dollar Benefits**

Crossmark Wealth does not directly utilize soft dollars for the procurement of brokerage or research services. Certain managers and products to which Crossmark Wealth allocates client capital utilize soft dollars, including the Steward Funds. In using brokerage and research services from broker-dealers on a soft dollar basis, such managers are confronted with several inherent risks, including the risk that they may choose a broker-dealer to execute trades that charges a higher commission than other possible broker-dealers.

Examples of research products and services received in connection with soft dollar arrangements include advice, both directly and in writing, as to the value of the securities, the advisability of investing in, purchasing or selling securities, and the availability of securities or purchasers or sellers of securities, as well as furnishing analyses and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy and the performance of accounts. Eligible brokerage services, for this purpose, include effecting securities transactions and, between the time the order is transmitted and the securities are delivered or credited to the applicable account, performing functions incidental to the transaction (such as clearance, settlement, and custody) or required in connection therewith by rules of the SEC or applicable self-regulatory organizations and in accordance with relevant SEC guidance. Products and services related to trade execution, trade settlement, and reconciliation processes are also eligible.

There may also be instances in which the firm receives some benefit simply by utilizing certain broker-dealers based on the amount of assets, including those directed by the client, which are maintained with those broker-dealers. These benefits are available to all investment advisory firms who meet the broker-dealer minimum guidelines. In some cases, we receive research and services from some broker-dealers that while not covered in a soft dollar agreement, nonetheless, may be a benefit to our firm. Without this arrangement with these broker-dealers, we might be compelled to purchase the same or similar services at our own expense.

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**Best Execution**

For accounts for which Crossmark Wealth is given authority to select brokers and negotiate commission rates, our policy in selecting brokers is to seek best execution. In determining best execution, we will consider research and brokerage services provided by the firm in addition to price and other factors. This may involve paying a commission to a broker, dealer or exchange member on a transaction that exceeds the commission that Crossmark Wealth might have obtained if the transaction had been executed through another broker, dealer or exchange member if it is determined by us in good faith that the amount of commission is reasonable in relation to the value of research and brokerage services provided by such broker, dealer or exchange member. Such research must provide lawful and appropriate assistance to Crossmark Wealth in carrying out its investment decision-making responsibilities.

**Directed Brokerage**

Clients have the option to direct us in writing to use a particular broker-dealer to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that broker-dealer, and we will not seek better execution services or prices from other broker-dealers or be able to “batch” client transactions for execution through other broker-dealers with orders for other accounts managed by us (as described below). As such, a client who directs brokerage should consider that they: (i) may pay higher commissions on some transactions than may be attainable by Crossmark Wealth, or may receive less favorable execution of some transactions or both; (ii) may forego any benefit on execution costs that could be obtained for clients through negotiated volume discounts on bunched transactions; (iii) may not be able to participate in the allocation of a new issue, if the new issue shares are provided by another broker; (iv) may receive execution of a particular trade after the execution of such trade for clients who have not directed the brokerage for their accounts; and (vii) may not experience returns equal to clients who have not directed brokerage for their accounts.

**Brokerage for Client Referrals**

Crossmark Wealth does not receive client referrals in exchange for using any particular broker-dealer.

**Trade Aggregation and Allocation**

Transactions for each client account will be effected independently unless we decide to purchase or sell the same securities for multiple clients at approximately the same time and from the same brokerage firm. At that point, Crossmark Wealth may, but is not obligated to, combine or “batch” your orders with orders of other clients and Crossmark Wealth employees. The process of combining these orders often allows us to negotiate more favorable commission rates. We also can allocate equitably among you, other clients, and employees the differences between prices, commissions, and other transaction costs that we and you may not have received had each order been placed independently. This allows you to receive the average price paid or received as well as to share in the purchase or sale pro-rata in the event that an order is only partially completed. Crossmark Wealth will not receive any additional compensation as a result of aggregating these orders.

Crossmark Wealth may choose not to aggregate orders in its sole discretion. Reasons that we may not aggregate orders may include, but are not limited to:

- Only a small percentage of an order is completed and thus the shares may be assigned to the account with the smallest order or position, or that is out of line with respect to a security or sector weightings.
- Allocations may be given to one account when that account has investment limitations which restrict it from purchasing other securities which are expected to produce similar investment results.
- If an account reaches an investment guideline limit and cannot participate in an allocation which may occur due to unforeseen changes in account assets after an order is placed.

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- Sale allocations may be given to accounts that are low in cash.
- When a pro rata allocation would result in a *de minimis* allocation in one or more accounts.
- In the case where a proportion of an order is filled in all accounts, shares may be allocated to one or more accounts on a random basis.

**Item 13 Review of Accounts**

While the underlying securities within client accounts are continually monitored, your accounts may be reviewed on a monthly or quarterly basis depending on the nature of the investments held in your account(s) and your individual circumstances as an investor. Accounts are reviewed in the context of each client's or investment product's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or market, political or economic environment.

In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer or custodian, we make available quarterly reports summarizing account performance and balances.

**Item 14 Client Referrals and Other Compensation**

Crossmark Wealth is not currently a party to any contractual arrangements with individuals who solicit clients for us. We do receive client referrals from certain affiliates, but we do not compensate those affiliates for such referrals.

**Item 15 Custody**

Crossmark Wealth does not generally maintain custody of client cash or securities. However, depending on the type of relationship that we have with you, we may request that you direct your account custodian to allow Crossmark Wealth to debit your management fees directly from your account(s). The approval of the direct debit of fees is solely your choice. You have no obligation to allow us to do so.

If you agree to allow us to direct debit fees from your account(s), we will require authorization in writing from you. Each billing period we will notify your qualified custodian of the amount of the fee to be deducted from your account(s). On at least a quarterly basis, your account custodian will send to you and us a statement showing all transactions, including management fees disbursed from your account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted from your account, it is important for you to carefully review the custodial statements to verify the accuracy of the calculation, among other things. You should contact us directly if you believe there may be an error in your statement.

In addition to the periodic statements that you receive directly from your custodians, we may also send or provide via electronic format, account statements directly to you on a periodic basis based on the requirements of your agreement.

**In the event that you receive a statement from Crossmark Wealth, we urge you to carefully compare the information provided on the statements you receive from us to the statements you receive from the custodian to ensure that all account transactions, including the debit of management fees, holdings and values are correct and current.**

**Item 16 Investment Discretion**

Generally, we accept both discretionary and non-discretionary accounts. We may request that we be given discretionary authority from the outset of our advisory relationship so that we may provide discretionary asset management services for your accounts. However, you may deny such authority and request that we manage your account on a non-discretionary basis. If we do manage your account on a discretionary basis and that authority is denied or revoked in the future we may, at our sole discretion, choose to terminate any advisory relationship with you.

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When you agree to give us discretionary authority we can place trades in your account without contacting you prior to each trade to obtain your permission.

Our discretionary authority includes the ability to do the following without contacting you:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell.

In all cases this discretion is to be used in a manner consistent with the stated investment objectives for your account. When we select securities and determine the amounts of those securities to buy or sell we will observe the policies, limitations or restrictions which you may have given us to follow.

You give us discretionary authority when you sign a discretionary investment management agreement with our firm and you may limit this authority by giving us written instructions in advance of entering into an agreement. You may also limit this authority at any time after entering into an agreement while that agreement remains in effect by once again providing us with written instructions. These limitations and other instructions will become a part of your permanent file. Examples include restrictions against owning certain stocks and bonds and limitations on the percentage of cash held at any one time.

**As noted above, we may recommend that all or a portion of your account be managed by Crossmark or invested in the Steward Funds or the Assemblies of God Loan Fund. In the event that we make such a recommendation, that recommendation will only be carried out with your specific knowledge and consent after you have been provided disclosure as to the business relationships that exist between the parties and the fees that would be collected by affiliates of Crossmark Wealth.**

**Item 17 Voting Client Securities**

Our firm does not accept the proxy authority to vote client securities. Generally, the investment advisers that we recommend and engage to manage client accounts have authority to vote proxies, in accordance with their own proxy voting policies, including Crossmark, which are summarized in each such adviser's Form ADV brochure. In the event that proxies are sent to our firm, our firm will forward them to the appropriate client and ask the party who sent them to mail them directly to the client in the future. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations.

**Item 18 Financial Information**

Registered investment advisers, such as Crossmark Wealth, are required to provide you with certain financial information or disclosures about their financial condition. Crossmark Wealth has no financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients; and Crossmark Wealth has not been the subject of a bankruptcy proceeding.

We do not require or solicit prepayment of more than \$1,200 in fees per client six months or more in advance, therefore we have no material additional financial disclosures.

**Crossmark Wealth Management, LLC**  
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**Privacy Policy Notice**

**WE ARE COMMITTED TO PROTECTING YOUR PRIVACY**

Crossmark Wealth appreciates the privacy concerns and expectations of our customers. We are committed to maintaining a high level of privacy and confidentiality when it comes to your personal information and we use that information only as permitted by law. This privacy policy contains information about how we fulfill this commitment to you. In compliance with government regulations, we will provide this notice to you annually.

**OUR COMMITMENT TO YOU**

We value the trust of our customers and will continue to recognize the importance of holding your personal financial information as confidential.

We will use information responsibly in order to protect you from fraud, offer you improved products and services and comply with legal obligations.

We will maintain accurate customer information and respond promptly to customer requests to correct information.

We will require companies with which we do business to use our customer information appropriately and to safeguard the confidentiality of such information.

**COLLECTION OF INFORMATION**

We collect nonpublic personal information about you from the following sources:

- Information that we receive from you personally on applications, forms, or other correspondence, such as your name, address, phone number, social security number, and e-mail address.
- Information about your transactions with us, such as your account holdings and transaction history.

**DISCLOSURE OF INFORMATION**

We do not disclose any information about our customers or former customers to third parties except to the extent necessary to service your account, as permitted by law.

**WE PROTECT NON-PUBLIC PERSONAL INFORMATION ABOUT FORMER CUSTOMERS**

If you decide to close your account(s), we will continue to adhere to the privacy policies and practices described in this notice. As permitted by law, we may disclose your non-public personal information to affiliates of Crossmark and to third parties involved in the maintenance of your account(s).

**WE HAVE SAFEGUARDS IN PLACE**

We have safeguards in place to protect the confidentiality, security and integrity of your non-public personal information. We restrict access to non-public personal information to those who need to know that information in order to service your account. We maintain physical, electronic and procedural safeguards that comply with government requirements to guard non-public personal information.

We appreciate the opportunity to serve your investment needs. We pledge to follow the policies, safeguards and guidelines as described in this notice and to protect the confidentiality of your information. Your relationship is very important to us, and we will take great care to honor these commitments to you.

**For more information about Crossmark Wealth's privacy policies, please call (800) 262-6631.**



**Crossmark Wealth Management, LLC**  
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**FORM ADV PART 2B SUPPLEMENTAL BROCHURE**

**ITEM 1**

**Crossmark Wealth Management, LLC**

**15375 Memorial Drive, Suite 200**

**Houston, Texas, 77079**

**(713) 260-9000**

**[www.crossmarkwealth.com](http://www.crossmarkwealth.com)**

**Scott Wynant**

Managing Director

**Luke Lloyd**

Senior Investment Advisor

**Lupe Ambrosy**

Senior Wealth Management  
Associate

This brochure supplement provides information about the above named professionals that supplements the Crossmark Wealth Management, LLC (Crossmark Wealth) brochure. You should have received a copy of that brochure.

Please contact us by email at [info@crossmarkwealth.com](mailto:info@crossmarkwealth.com) if you did not receive Crossmark Wealth's brochure or if you have any questions about the contents of this supplement.

Additional information about the above named professionals is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Crossmark Wealth Management, LLC**  
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**Scott H. Wynant      Managing Director**

Birth Year: 1954

**Item 2   Educational Background and Business Experience**

Scott Wynant brings over 40 years' experience in financial and investment services to Crossmark Wealth, where he currently focuses on wealth management solutions for institutions and individuals. His clients include foundations, endowments, retirement plans, and families.

Scott has been with Crossmark Wealth since its inception, in 2017. Scott has been with AGFinancial since 1997. Scott was instrumental in the creation of AGFinancial Wealth Management Solutions, LLC, in 2003, and the Steward family of faith-based mutual funds. He served as Chief Investment Officer and member of the AGFinancial Investment Committee from 1998 to 2008. Prior to joining AGFinancial, Scott served as first Vice President of Smith Barney for sixteen years in Oregon and Northern California.

Scott earned a bachelor of business administration degree from the University of Oregon and holds FINRA Series 7, 66, and 24 registrations.

**Item 3   Disciplinary Information**

There are no legal or disciplinary actions to report.

**Item 4   Other Business Activities**

As noted above, certain directors, officers, and employees of Crossmark Wealth also serve as directors, officers, and registered representatives of various Crossmark affiliates and the Steward Funds. Scott is a registered representative and registered principal of Crossmark Distributors.

Crossmark Wealth does not believe these relationships create material conflicts of interest between Crossmark Wealth and its clients. Crossmark Wealth and its affiliates employ an integrated staffing and resource plan that is intended to ensure that appropriate levels of staffing and infrastructure support exist to undertake the obligations of each company to its clients. Individual directors, officers, employees, and registered representatives are compensated based on commensurate skills and experience as well as performance. Compensation programs are designed and monitored to avoid potential conflicts of interest between the companies and their clients as well as to avoid potential conflicts between clients.

**Item 5   Additional Compensation**

Scott does not receive any additional compensation from non-clients for providing advisory services.

**Item 6   Supervision**

Scott is a supervised person and an Access Person (as defined under Rule 204A-1 of the Investment Advisers Act) of Crossmark Wealth and Crossmark Global Investments and, as such, is subject to the firm's compliance policies and procedures in addition to the Crossmark Wealth Code of Ethics. The firm's compliance department periodically monitors supervised persons' trading for client accounts.

The following individuals comprise Crossmark Wealth's Management Team:

- Robert C. (Bob) Doll, CFA
- Scott Wynant
- Jim Coppedge

All other professionals listed in this brochure are supervised by the Management Team.

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**Luke Lloyd**

**Senior Investment Adviser**

Birth Year: 1982

Luke Lloyd joined Crossmark Global Investments in 2009, and Crossmark Wealth upon its inception in 2017. He serves as Senior Investment Advisor responsible for financial planning, risk analysis, strategic investment consulting, client relationship management, and ongoing portfolio analysis. Prior to joining Crossmark Global Investments, he served as a financial advisor for both Wells Fargo and Chase Investments.

Luke earned a bachelor of business administration degree from the University of Iowa. He currently holds the Certified Financial Planner™ designation and FINRA Series 7 and 66 registrations.

**Item 3 Disciplinary Information**

There are no legal or disciplinary actions to report.

**Item 4 Other Business Activities**

As noted above, certain directors, officers, and employees of Crossmark Wealth also serve as directors, officers, and registered representatives of various Crossmark affiliates and the Steward Funds. Luke is a registered representative of Crossmark Distributors.

Crossmark Wealth does not believe these relationships create material conflicts of interest between Crossmark Wealth and its clients. Crossmark Wealth and its affiliates employ an integrated staffing and resource plan that is intended to ensure that appropriate levels of staffing and infrastructure support exist to undertake the obligations of each company to its clients. Individual directors, officers, employees, and registered representatives are compensated based on commensurate skills and experience as well as performance. Compensation programs are designed and monitored to avoid potential conflicts of interest between the companies and their clients as well as to avoid potential conflicts between clients.

**Item 5 Additional Compensation**

Luke does not receive any additional compensation from non-clients for providing advisory services.

**Item 6 Supervision**

Luke is a supervised person (as defined under Rule 204A-1 of the Investment Advisers Act) of Crossmark Wealth and, as such, is subject to the firm's compliance policies and procedures in addition to the Crossmark Wealth Code of Ethics. The firm's compliance department periodically monitors supervised persons' trading for client accounts.

The following individuals comprise Crossmark Wealth's Management Team:

- Robert C. (Bob) Doll, CFA
- Scott Wynant
- Jim Coppedge

All other professionals listed in this brochure are supervised by the Management Team.

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|                     |   |                  |
|---------------------|---|------------------|
| <b>Lupe Ambrosy</b> | <b>Senior Wealth Management Associate</b> | Birth Year: 1986 |
|---------------------|---|------------------|

Lupe Ambrosy joined Crossmark Global Investments in 2008, and Crossmark Wealth upon its inception in 2017. She serves as Senior Wealth Management Associate responsible for onboarding new client, assisting them with account set-up and ongoing service needs.

Lupe earned a bachelor of business administration degree from the University of Houston-Downtown and holds a FINRA Series 7 registration.

**Item 3 Disciplinary Information**

There are no legal or disciplinary actions to report.

**Item 4 Other Business Activities**

As noted above, certain directors, officers, and employees of Crossmark Wealth also serve as directors, officers, and registered representatives of various Crossmark affiliates and the Steward Funds. Lupe is a registered representative of Crossmark Distributors.

Crossmark Wealth does not believe these relationships create material conflicts of interest between Crossmark Wealth and its clients. Crossmark Wealth and its affiliates employ an integrated staffing and resource plan that is intended to ensure that appropriate levels of staffing and infrastructure support exist to undertake the obligations of each company to its clients. Individual directors, officers, employees, and registered representatives are compensated based on commensurate skills and experience as well as performance. Compensation programs are designed and monitored to avoid potential conflicts of interest between the companies and their clients as well as to avoid potential conflicts between clients.

**Item 5 Additional Compensation**

Lupe does not receive any additional compensation from non-clients for providing advisory services.

**Item 6 Supervision**

Lupe is a supervised person (as defined under Rule 204A-1 of the Investment Advisers Act) of Crossmark Wealth and, as such, is subject to the firm's compliance policies and procedures in addition to the Crossmark Wealth Code of Ethics. The firm's compliance department periodically monitors supervised persons' trading for client accounts.

The following individuals comprise Crossmark Wealth's Management Team:

- Robert C. (Bob) Doll, CFA
- Scott Wynant
- Jim Coppedge

All other professionals listed in this brochure are supervised by the Management Team.