



# FORM ADV PART 2A

JULY 30, 2018



**Crossmark Wealth Management, LLC**  
**Form ADV Parts 2A and 2B**  
**Revised July 30, 2018**

**Form ADV Part 2A**

**Crossmark Wealth Management, LLC**

**July 30, 2018**

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, 2018. **Crossmark Wealth Management, LLC, is a new investment adviser that did not engage or service any clients since the date of its last Brochure. The only update to the Brochure was our office address.**

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 privately owned SEC-registered investment adviser headquartered in Houston, Texas. We provide investment advice and discretionary investment management services to individual clients. Crossmark Wealth is wholly owned by Crossmark Global Holdings, Inc. (**Crossmark Global Holdings**), which is also a privately owned company.

Crossmark Global Investments, Inc. (**Crossmark**) is also an SEC-registered investment adviser and wholly owned by Crossmark Global Holdings. Crossmark provides investment advice and discretionary investment management services to individual and institutional clients and serves as the investment advisor to the series portfolios of Steward Funds, Inc. (the **Steward Funds**), which are available to both individual and institutional investors. Certain investment strategies offered by Crossmark are offered to clients of Crossmark Wealth. The Steward Funds are also offered to clients of Crossmark Wealth.

Crossmark Wealth provides investment advice and discretionary investment management services based on the individual needs of each of our clients. We review your goals and objectives in developing an investment policy to meet those investment needs and objectives. As the client, you may impose reasonable restrictions on our ability to invest in certain securities, types of securities, or industry sectors.

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 (**EFTs**). The specific investment style chosen for each client is based on the goals, objectives, and individual needs of the client. Certain asset allocation clients of Crossmark Wealth invest in the Steward Funds and are charged an advisory fee by Crossmark Wealth in addition to the fees charged by Crossmark Wealth to the Funds. Any client may, outside of any relationship with Crossmark Wealth, make direct investments in the Steward Funds.

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.

As of March 31, 2018, Crossmark Wealth had no discretionary assets under management and no non-discretionary assets under management.

**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 of service we provide to you
- The size of your account
- The complexity of your investment program

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 1.5% (150 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.

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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 quarter that the portfolio is being managed by us. This pro-rated period would include any termination notice required to be given under your investment advisory agreement. There is no penalty for terminating an agreement. The client may either pay these fees directly to Crossmark Wealth or authorize deduction of the fees from the account.

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 personal accounts.

**Fees Charged by Other Investment Advisers**

Crossmark Wealth may recommend that all or a portion of your account be managed by Crossmark or an unaffiliated investment adviser. To the extent that Crossmark 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 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.

**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 and its affiliates. Your assets will not be invested in the Steward Funds without your advance knowledge and consent.

No 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.

The fees paid by the Steward Funds to Crossmark and its affiliates range from 0.33% (33 bps) to 0.46% (46 bps) of client assets under management.

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

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.

**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).

We have minimum account sizes that vary based on:

- The type of service we provide to you
- The complexity of your investment program

Minimum account requirements will differ among clients.

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

**Methods of 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.

**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:

**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.

### **Crossmark Equity Strategies**

#### ***Covered Call Income***

Crossmark's Covered Call Income strategy is a "Buy-Write" strategy, also called a "covered call" strategy—an investment approach in which the investor buys a stock or a basket of stocks and writes (or sells) call options that 'cover' the stock position. The strategy can be used to enhance portfolio returns under certain market conditions and to reduce volatility. In down markets, the option premium received cushions the price decline in an equity portfolio. The trade-off is that in strong equity markets, the upside potential of the equity investment is limited.

#### ***Global Equity Income***

Crossmark's Global Equity Income 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.

#### ***Large Cap Core Growth***

Crossmark's Large Cap Core Growth strategy seeks to provide investors with high quality, large capitalization core and growth stocks while at the same time explicitly controlling for portfolio risk. This strategy combines objective, quantitative analytics with subjective stock evaluation. The universe of available investments screened using several measures which fall under five basic criteria: free cash flow, rising earnings estimates, quality of earnings, relative strength, and stock valuation.

#### ***Custom Equity Indexation***

Crossmark's Custom Equity Index strategy provides long-term investors with a separately managed portfolio of stocks designed to closely track the total return of a benchmark index while applying client-specified constraints to the portfolio. These constraints often include social, ethical or financial criteria. Index portfolios can offer a cost effective approach for achieving diversified market exposure and the possibility of excellent relative returns over time. The strategy utilizes a quantitative methodology that combines a multifactor risk model with an optimization algorithm to create a portfolio that minimizes tracking error relative to its targeted index benchmark.



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**Crossmark Fixed Income Strategies**

***Current Income***

Crossmark's Current Income strategy is designed for investors who are focused on optimizing their bond portfolios for income. Clients who utilize this product invest in bonds primarily for the potential of high levels of interest income, while maintaining investment grade credit quality. We utilize investment grade corporate bonds, mortgage-backed securities, agencies and preferred stocks to achieve the objective.

***Fixed Income***

Crossmark's Fixed Income strategy seeks to provide income and capital appreciation together with capital preservation through the management of high quality domestic bonds. The strategy offers investors a separately managed account consisting of government, agency and investment quality corporate bonds. Our fixed income approach is based on the belief that superior long-term returns can be achieved with less-than-market risk by focusing on high quality securities, and by adding value through active duration management, selective rotation of market sectors, and the securities within those sectors.

***Intermediate Fixed Income***

Crossmark's Intermediate Fixed Income strategy seeks to provide capital preservation, current income and capital appreciation opportunities through investment in intermediate maturity bonds. This style assumes less interest rate sensitivity and will often provide less current income than our fixed income strategy. The portfolio allocation includes investments in U.S. Treasury, agency and investment grade corporate issues.

***Municipal Fixed Income***

Crossmark's Municipal Fixed Income strategy seeks to maximize after tax income and preserve capital. We attempt to reduce risk levels in portfolios by managing duration and utilizing "A" and higher rated bonds which are not subject to the alternative minimum tax (AMT). Crossmark's Municipal Bond strategy is available for national, state specific or customized portfolios.

**Crossmark Blended and Custom Strategies**

***Balanced Portfolios***

Crossmark's Balanced strategy has been created for the investor who seeks growth over time and also desires current income. The strategy utilizes stocks and U.S. domestic, investment grade, primarily intermediate-duration bonds.

***Custom Asset Allocation***

Crossmark's custom asset allocation process provides the client the ability to create a custom asset allocation portfolio using stocks, bonds, mutual funds and ETFs to meet their specific income and growth objectives.

**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. Crossmark's ability to choose suitable securities has a significant impact on the ability of Crossmark to achieve any selected investment objective.

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**Risks Associated with Options 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.

**Item 9      Disciplinary Information**

There are no legal or disciplinary events that we deem are material to a client's or prospective client's evaluation of our firm or the integrity of our management.

**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 FINRA-registered broker/dealer that serves as the underwriter and distributor for the Steward Funds. See more information regarding Crossmark Distributors below.
- Crossmark Consulting, LLC (**Crossmark Consulting**), a consulting company that provides portfolio analytics and social screening services to Crossmark and the Steward Funds. Certain directors, officers, and employees of Crossmark Wealth also serve as directors and officers of Crossmark Consulting.

**Steward Funds**

As noted above, Crossmark serves as the investment adviser to the Steward Funds. Crossmark 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.

**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 of 1940. These fees are generally re-allotted to other broker-dealers and financial intermediaries who sell Steward Fund shares and service shareholder accounts. Crossmark also receives fees from the Steward Funds for administrative, compliance, and shareholder services. Some of these fees are also re-allotted to broker-dealers and financial intermediaries who service shareholder accounts.

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 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.

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

**Assemblies of God Loan Fund**

A number of Crossmark Wealth clients may acquire interests in Assemblies of God Loan Fund (or similar investments), and Crossmark Wealth may provide advice and recommendations to clients with respect to the purchase of interests in Assemblies of God Loan Fund. Crossmark Wealth, or its affiliates, may have a proprietary interest in certain of these investments or funds, which may include carried interests or prior investment by Crossmark and its affiliates.

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 a fee in respect of the assets invested in the Fund.

**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 following is a summary of the policies contained in our Code of Ethics:

- Standards of Business Conduct
- Compliance with Federal Securities Law
- Review and/or Approval of Personal Securities Transactions of Certain Persons
- Ability to Purchase the Same Securities Recommended to or Owned by Firm Clients Subject to Approval
- Obligation to Report Violations and Enforcement of Sanctions Where Necessary
- Annual Employee Certification Required

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Our Code of Ethics includes policies and procedures for the review of proposed transactions, quarterly securities reporting, initial and annual securities holdings reports that must be submitted by the firm's access persons, and restrictions on the acceptance of significant gifts and the reporting of gifts and business entertainment items incurred by our personnel. Our code also provides for oversight, enforcement and recordkeeping provisions.

Our Code of Ethics further 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. 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 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.

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- 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.

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, but we generally recommend National Financial Services (Fidelity) to our clients.

**Research and Soft Dollar Benefits**

Crossmark Wealth does not utilize soft dollars for the procurement of research or brokerage services. However, Crossmark does and other unaffiliated investment advisers engaged to manage your assets may utilize soft dollars.

Examples of such eligible research products and services 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. 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.

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.

**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

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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**

Where Crossmark Wealth has discretionary authority, we may determine without consultation with the client on a transaction-by-transaction basis, the securities to be bought or sold, and the amount of securities to be bought or sold, subject to and in accordance with the investment objective and investment restrictions of the client. We manage both accounts in which Crossmark Wealth is given authority by the client to select brokers and negotiate commissions, and accounts in which the client designates the broker-dealer to which brokerage should be directed.

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

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

If you should request that we utilize a specific broker-dealer that is someone we do not utilize on a regular basis you should be aware that your choice may interfere with our ability to “batch” or combine your trades with other client trades. This may impact the price at which your security is bought or sold and may impact the commission cost you pay for your order.

**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. Reasons that we may not aggregate orders may include:

- 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.
- 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

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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 account's origination and your investment management agreement. 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 may enter into contractual arrangements with individuals who may solicit clients for Crossmark Wealth. The arrangements must be made in writing pursuant to Rule 206(4)-3 under the Advisers Act. Rule 206(4)-3 requires, among other things, that the solicitor, at the time of his solicitation, provide the client with a copy of this brochure. The solicitor must also provide the client with a separate document describing the solicitation arrangement, disclosing any affiliation between Crossmark Wealth and the solicitor, any compensation for solicitation and whether advisory fees for solicited clients are higher than those for other clients due to compensation paid to the solicitor.

**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 their own proxy voting policies, which will be described to you in such adviser's Form ADV brochure. Otherwise, clients will receive proxies or other solicitations directly from their custodian or a transfer agent. 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.



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**Item 19 Privacy Policy**

**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.**

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**ITEM 1**

**FORM ADV PART 2B SUPPLEMENTAL BROCHURE**

**Crossmark Wealth Management, LLC**  
**15375 Memorial Drive, Suite 200**  
**Houston, Texas, 77079**  
**(713)260-9000**  
[www.crossmarkwealth.com](http://www.crossmarkwealth.com)

**Michael L. Kern, III, CFA**  
**Jim Coppedge**  
**Victoria Fernandez**  
**Andrew J. Jacobson**

**Luke Lloyd**  
**Zachary P. Wehner**  
**Scott Wynant**

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).

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**Item 2 Educational Background and Business Experience**

The qualifications of persons who will be involved in the investment advisory services will be examined for excellence in training, experience and professional reputation. While no set criteria exist for every individual to be employed, persons with account responsibilities will generally have degrees in finance, business or significant relevant experience.

Some persons involved in the investment field will hold certain professional designations. Some Individuals employed by Crossmark Wealth may hold the Chartered Financial Analyst (CFA), Certified Trust and Financial Advisor (CTFA), Certified Investment Management Analyst (CIMA), Certified Financial Planner (CFP), and/or Accredited Investment Fiduciary (AIF) designations. The minimum qualifications for each of these designations are summarized below.

A Chartered Financial Analyst (CFA Charterholder) must pass three six-hour exams (Levels I, II, III) covering a broad-based curriculum of investment principles, meet certain professional and ethical requirements, and become a regular member of the CFA Institute.

A Certified Financial Planner (CFP) is issued by the Certified Financial Planner Board of Standards in the United States to individuals who are required to have a bachelor's degree from an accredited college or university and to pass the CFP Certification Examination, complete the core education requirements, and meet ethics and continuing education requirements.

The name, year of birth, formal education and business background for the persons involved in investment advisory services for Crossmark Wealth are detailed below:

<b>Michael L. Kern, III, CFA</b>	<b>President &amp; CEO</b>	<b>Birth Year: 1973</b>
<b>Education:</b>	Wayne State University, BS in Finance and Business Economics	
<b>Business:</b>		
2017 to Present	Crossmark Wealth Management, LLC	
2015 to Present	Crossmark Consulting, LLC	
2015 to Present	Crossmark Distributors, Inc.	
2015 to Present	Crossmark Global Holdings, Inc.	
2015 to Present	Crossmark Global Investments, Inc.	
1996 to 2015	Stout Risius Ross, Inc.	

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**Jim Coppedge**                      **General Counsel & Chief Compliance Officer**                      **Birth Year: 1968**

**Education:**                      Texas A&M University, BBA in Finance  
                                          St. Mary's University School of Law, JD

**Business:**

2017 to Present	Crossmark Consulting, LLC
2017 to Present	Crossmark Distributors, Inc.
2017 to Present	Crossmark Global Holdings, Inc.
2017 to Present	Crossmark Global Investments, Inc.
2017 to Present	Crossmark Wealth Management, LLC
2007 to 2015	American International Group, Inc.
1999 to 2007	Invesco, Ltd.
1992 to 1999	USAA

**Victoria L. Fernandez**                      **Chief Market Strategist**                      **Birth Year: 1973**

**Education:**                      Rice University, BA,  
                                          Mays Business School, Texas A&M University, MBA

**Business:**

2012 to Present	Crossmark Global Investments, Inc.
1994 to 2012	Fayez Sarofim

**Andrew J. Jacobson**                      **Chief Operating Officer**                      **Birth Year: 1972**

**Education:**                      University of Michigan, BBA  
                                          Pepperdine University, MBA

**Business:**

2017 to Present	Crossmark Wealth Management, LLC
2016 to Present	Crossmark Consulting, LLC
	Crossmark Global Investments, Inc.
2011-2016	Calvary Community Church
1993 to 2010	Ally Bank

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**Luke Lloyd**                      **Senior Investment Adviser**                      **Birth Year: 1982**

**Education:**                      University of Iowa, BBA in Finance

**Business:**  
2017 to Present                      Crossmark Wealth Management, LLC  
2009 to Present                      Crossmark Distributors, Inc.  
2009 to Present                      Crossmark Global Investments, Inc.  
2006 to 2009                      Chase Investment Services  
2004 to 2006                      Wells Fargo Bank

**Zachary P. Wehner**                      **Portfolio Manager**                      **Birth Year: 1988**

**Education:**  
Southern Methodist University, BBA in Accounting  
Southern Methodist University, BA in History  
University of Houston, JD  
University of Houston, MBA

**Business:**  
2014 to Present                      Crossmark Global Investments, Inc.

**Scott H. Wynant**                      **Managing Director**                      **Birth Year: 1954**

**Education:**                      University of Oregon, BA in Business Administration

**Business:**  
2017 to Present                      Crossmark Wealth Management, LLC  
2008 to Present                      Crossmark Consulting, LLC  
2008 to Present                      Crossmark Distributors, Inc.  
2008 to Present                      Crossmark Global Holdings, Inc.  
2008 to Present                      Crossmark Global Investments, Inc.  
2008 to 2012                      Capstone Financial Solutions, LLC  
1997 to 2008                      AG Financial Services Group  
1982 to 1997                      Smith Barney Shearson

**Item 3                      Disciplinary Information**

There are no legal or disciplinary actions to report on any of the aforementioned professionals.

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**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.

Crossmark Wealth does not believe these relationships create material conflicts of interest between Crossmark Wealth and its clients. Crossmark 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.

The following individuals who are listed above also serve as directors, officers, and registered representatives of various Crossmark Wealth affiliates and/or the Steward Funds:

- **Michael L. Kern, III, CFA**, serves as the President and CEO of each of the Crossmark affiliates identified above and as President and Treasurer of the Steward Funds. He is also a registered representative and principal of Crossmark Distributors.
- **Jim Coppedge** serves as the General Counsel and Chief Compliance Officer of each of the Crossmark affiliates identified above and as Chief Compliance Officer of the Steward Funds. He is also a registered representative and principal of Crossmark Distributors.
- **Victoria Fernandez** serves as Chief Market Strategist for Crossmark and as an officer of the Steward Funds.
- **Luke Lloyd** is a registered representative of Crossmark Distributors.
- **Zachary Wehner** serves as a portfolio manager at Crossmark, a registered representative of Crossmark Distributors, and as an officer of the Steward Funds.
- **Scott Wynant** serves as a Director, registered representative and registered principal of Crossmark Distributors.

**Item 5 Additional Compensation**

None of the above mentioned professionals receive any additional compensation from non-clients for providing advisory services.

**Item 6 Supervision**

The following individuals comprise Crossmark Wealth's Management Team:

- |                |                   |
|----------------|-------------------|
| • Michael Kern | • Andrew Jacobson |
| • Jim Coppedge | • Scott Wynant    |

All other professionals listed in this brochure are supervised by the Management Team. The Management Team can be reached at 800-262-6631.