



Presenters: Harry Clark, Chairman/CEO

Brendan Clark, CFA, President

Paul Binnion, Director of Strategic Development

Future  
**PARTNER**  
CONFERENCE

Welcome & Introductions

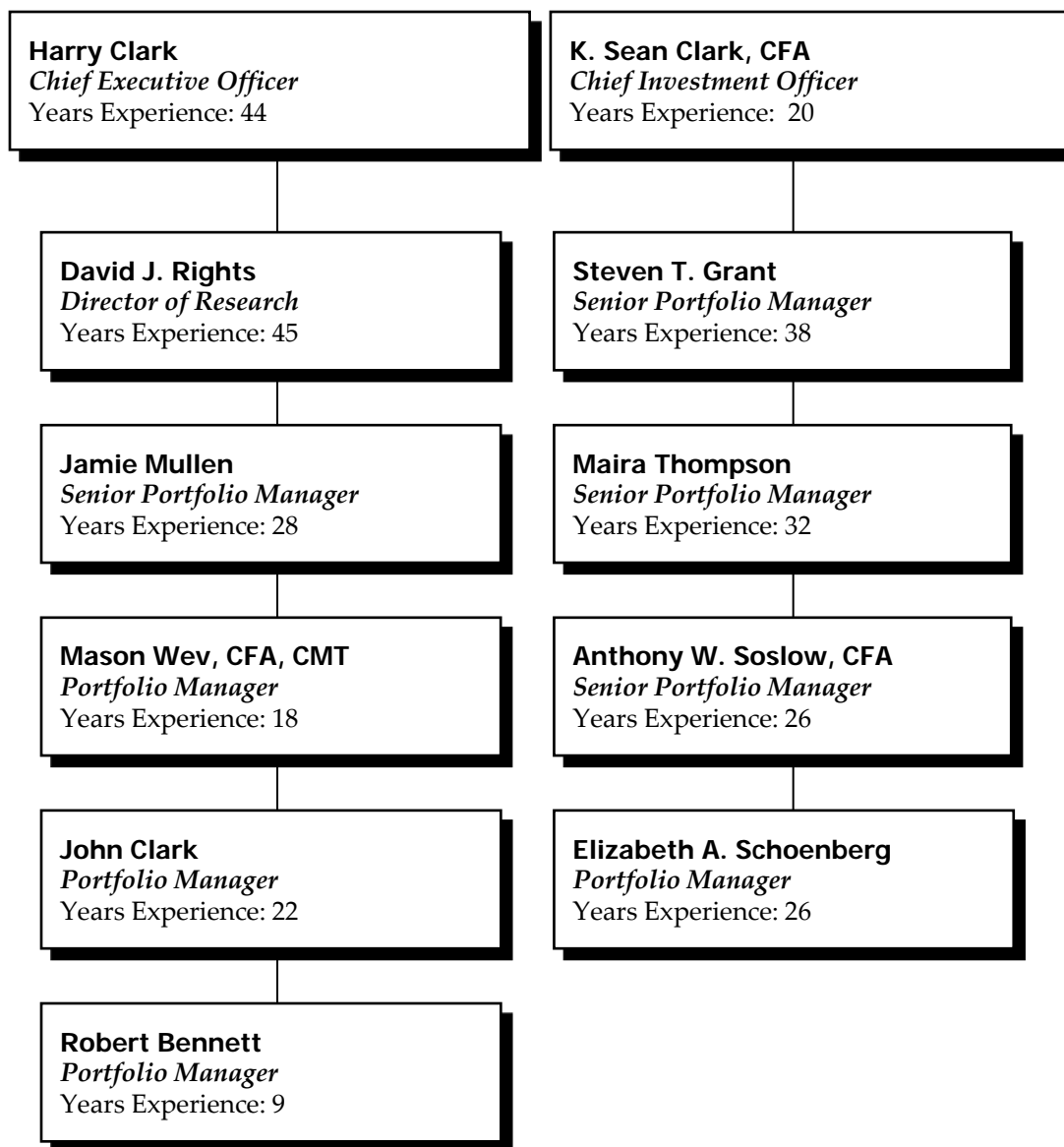


Presenter: Brendan Clark, CFA<sup>®</sup>, President

Future  
**PARTNER**  
CONFERENCE

Your Clients' Needs Are Our Focus

# Investment Professionals



Seasoned investment management team with an average of 28 years of industry experience.



Presenter: Professor Richard C. Marston, Ph D

Future  
**PARTNER**  
CONFERENCE

Portfolio Design:  
A Modern Approach to Asset Allocation

Connecting Client Expectations to the Capital Markets



Presenter:

K. Sean Clark, CFA<sup>®</sup>, Chief Investment Officer

Future  
**PARTNER**  
CONFERENCE

Market Outlook

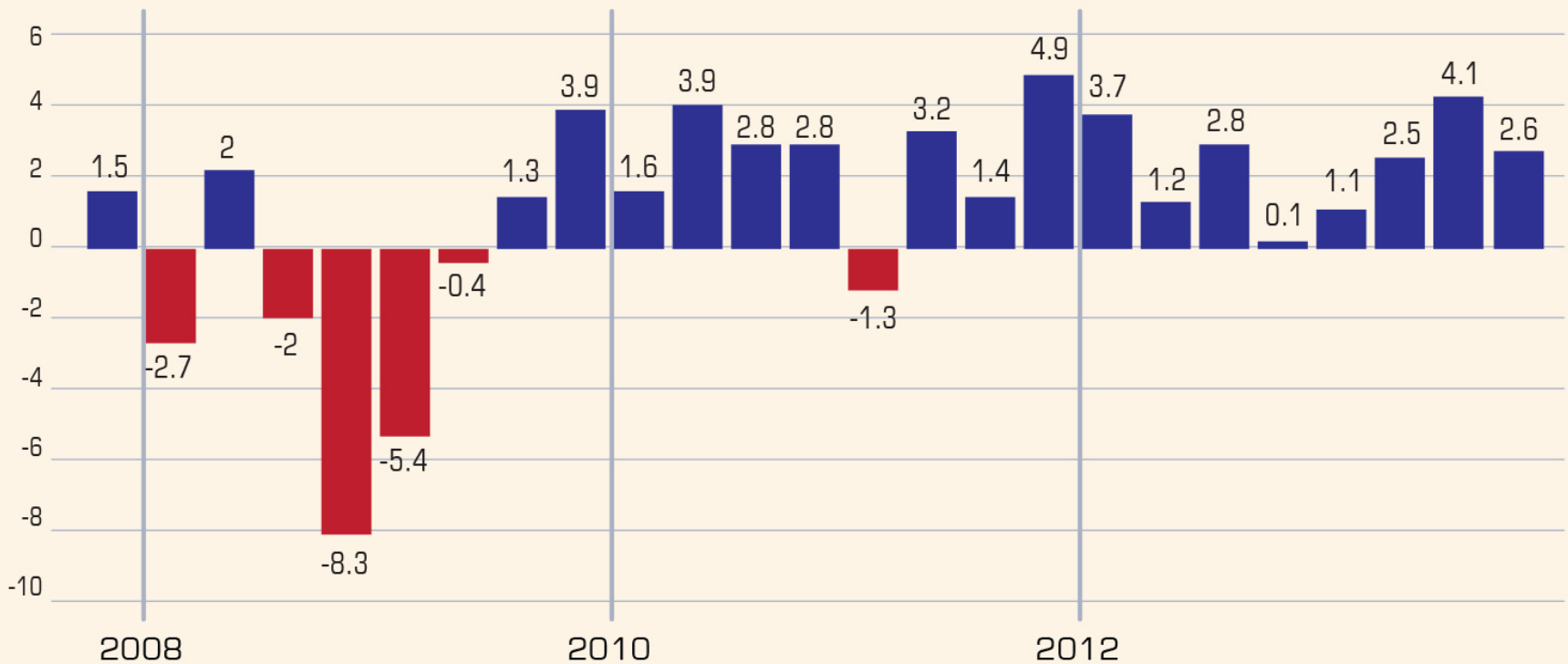
## Past Predictions

	<b>Our Target</b>	<b>Finish</b>	<b>% Missed by</b>
<b>2013</b>	1625	1848.36	13.70%
<b>2012</b>	1425	1426.19	Spot on
<b>2011</b>	1350	1257.60	6.80%
<b>2010</b>	1300	1257.94	3.20%
<b>2009</b>	1100	1115.10	1.50%

Past Performance is not indicative of future results.

## United States GDP Growth Rate

### Percent Change in Gross Domestic Product



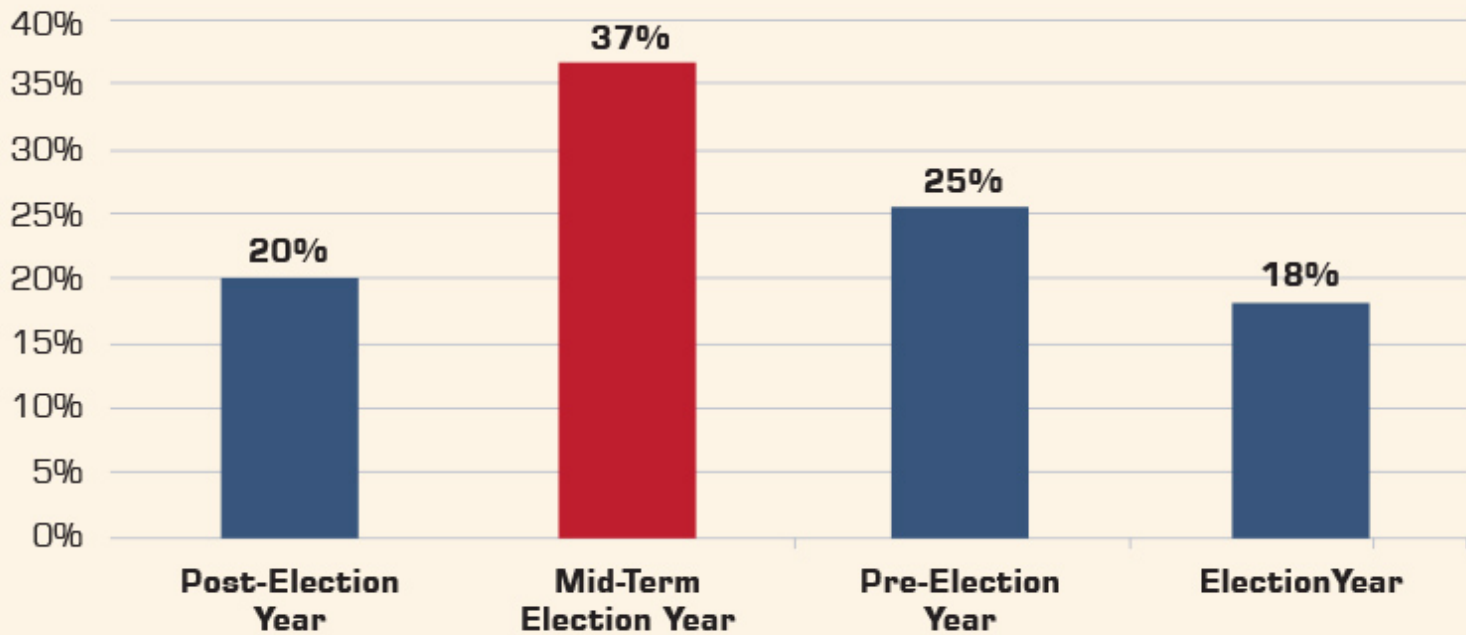
Source: [www.tradingeconomics.com](http://www.tradingeconomics.com) | U.S. Bureau of Economic Analysis

## Our 2014 Outlook – Executive Summary

- Early stage of Secular Bull in equities. 2014 S&P 500 Range 1575 -2000. Strong momentum and mid-term year historical tendencies suggest year-end target of 1950.
- Mid-term election year trends and new Fed Chair suggest cyclical decline in Q2 and Q3. Strong year-end rally to finish in positive territory.
- Overvaluations and bullish extremes in sentiment suggest a correction
- Developed Markets to outperform Emerging Markets for most of year. Emerging Markets lead on recovery based on their high beta.
- Long-term – Attractive Relative Valuations for stocks
- Economy – Leading indicators suggest continued economic growth. Expect 3.0% growth in U.S. economy. Modest inflationary pressures. Global economy to grow. Europe to avoid recession but experience sub-par growth.
- Federal Reserve – Taper throughout the year but leave interest rates low into 2016.
- Fixed Income – Secular bear market in bonds. Favor credit over duration risk. 10-year Treasury Note yield range 2.40% - 3.75%, with high end of range being tested late in year.
- Volatility – Expect volatility to move higher from historic low levels as the risks of a market decline increase during the second and third quarters.



## Sum of All Declines >5% Since WWII in Four-Year Presidential Cycle



Source: S&P Capital IQ. Past performance is no guarantee of future results.

# Election Cycle

-21.7%

48.5%

60.0%

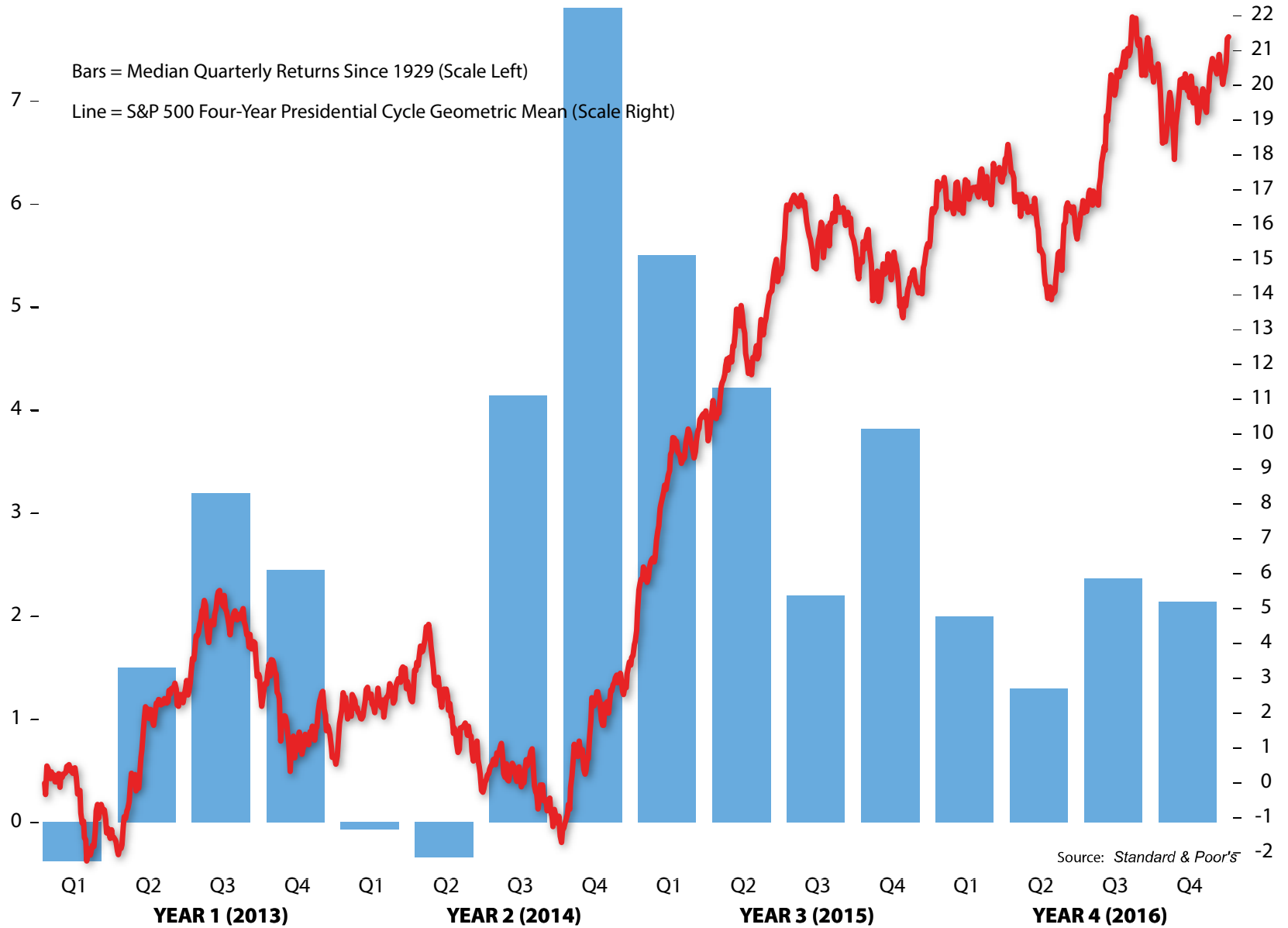
Source: Ned Davis Research

# Presidential Year 2 – Buying Opportunity in 2<sup>nd</sup> Half of Year

Historical Year 2 Examples from the 4 Year Presidential Cycle



## S&P 500 Four-Year Presidential Cycle (1929 - 2013)



Source: Standard & Poor's

# S&P 500 Index vs. NDR Cycle Composite

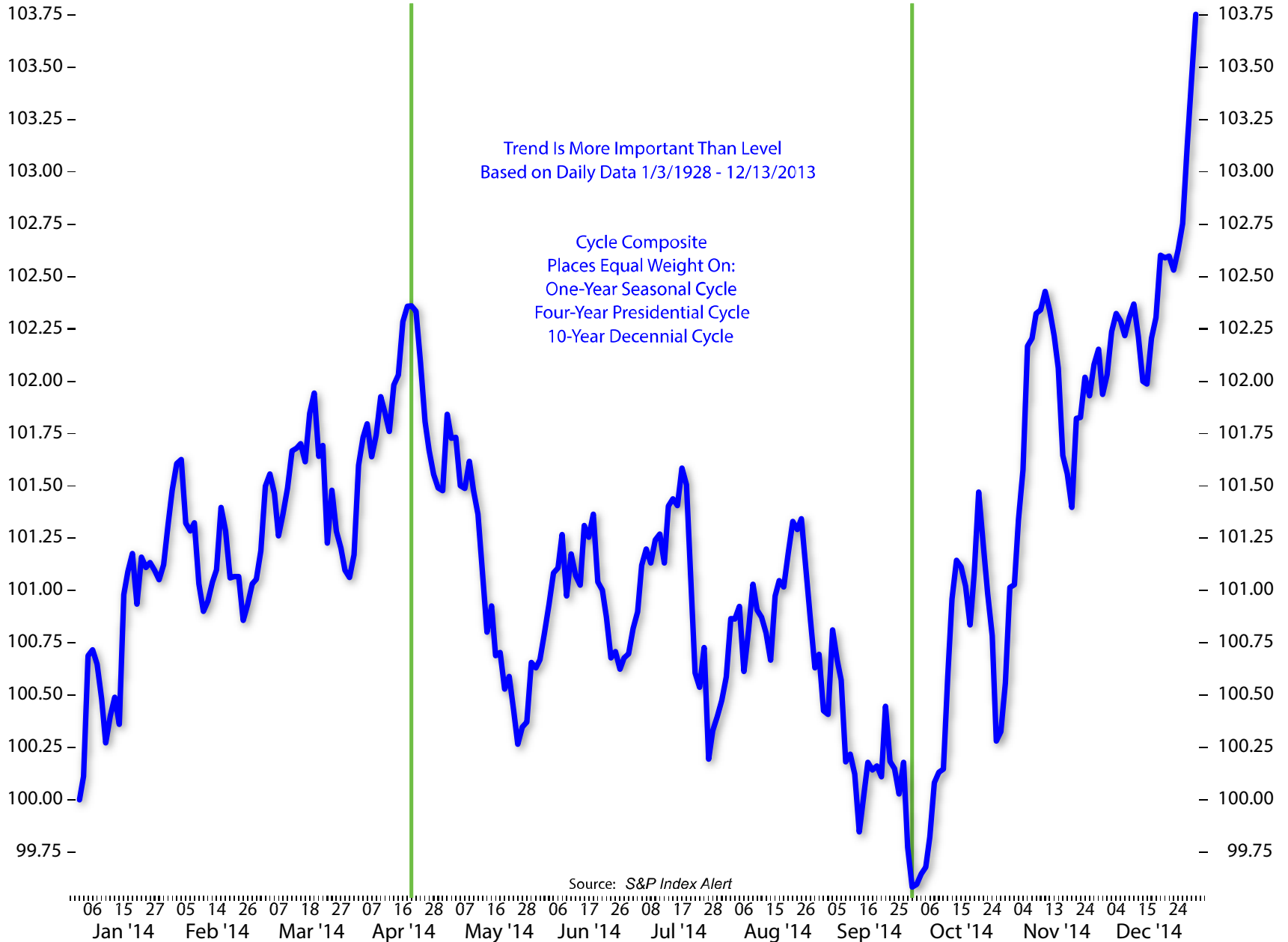
Daily Data 2008-12-31 to 2013-12-31 (Log Scale)

— S&P 500 Index through 2013-09-12 ( Scale Left)  
 — NDR Cycle Composite 2009-2013 ( Right Scale)



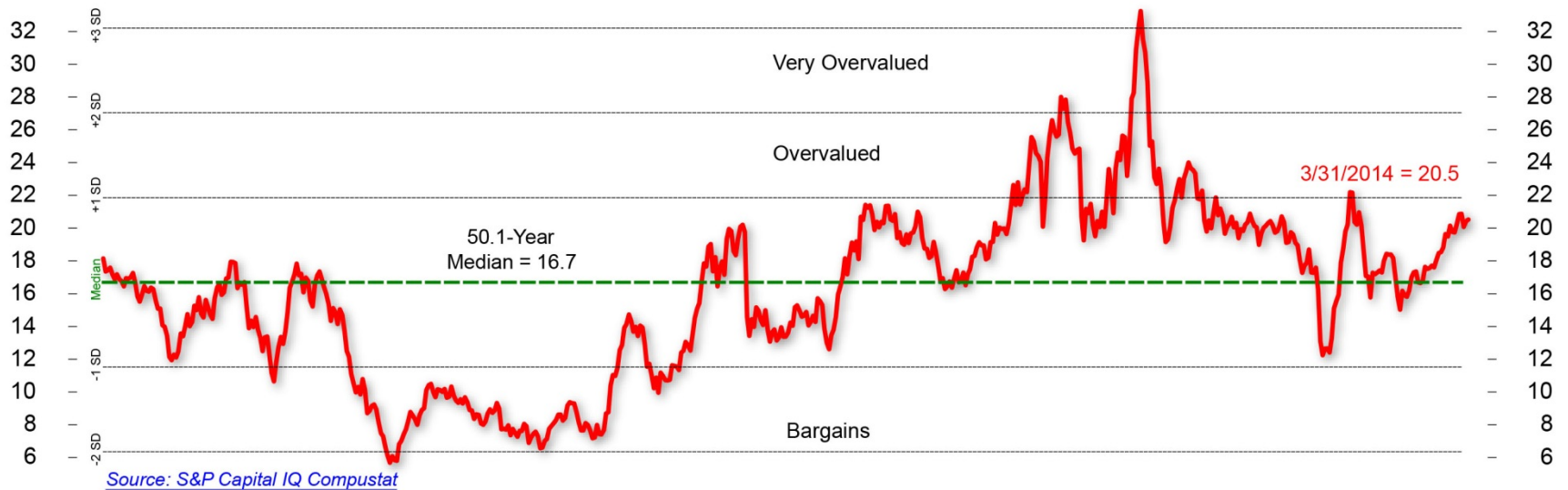
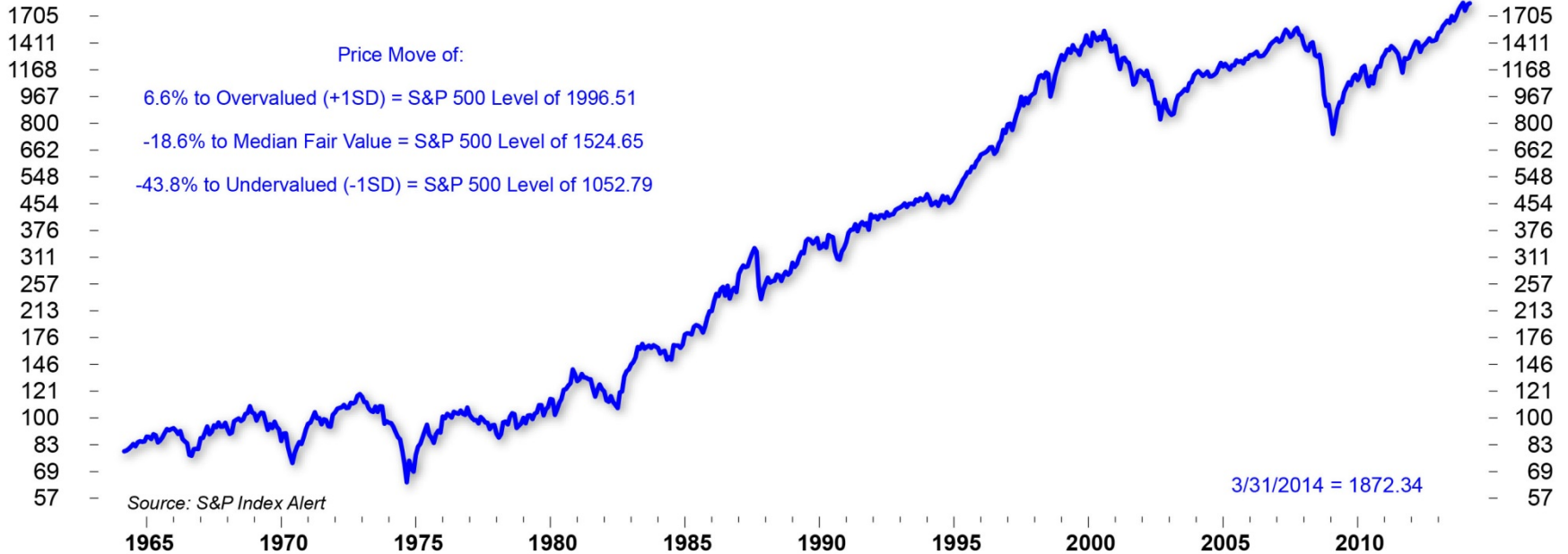
# S&P 500 Cycle Composite for 2014

Daily Data 2013-12-31 to 2014-12-31



# Standard & Poor's 500 Stock Index

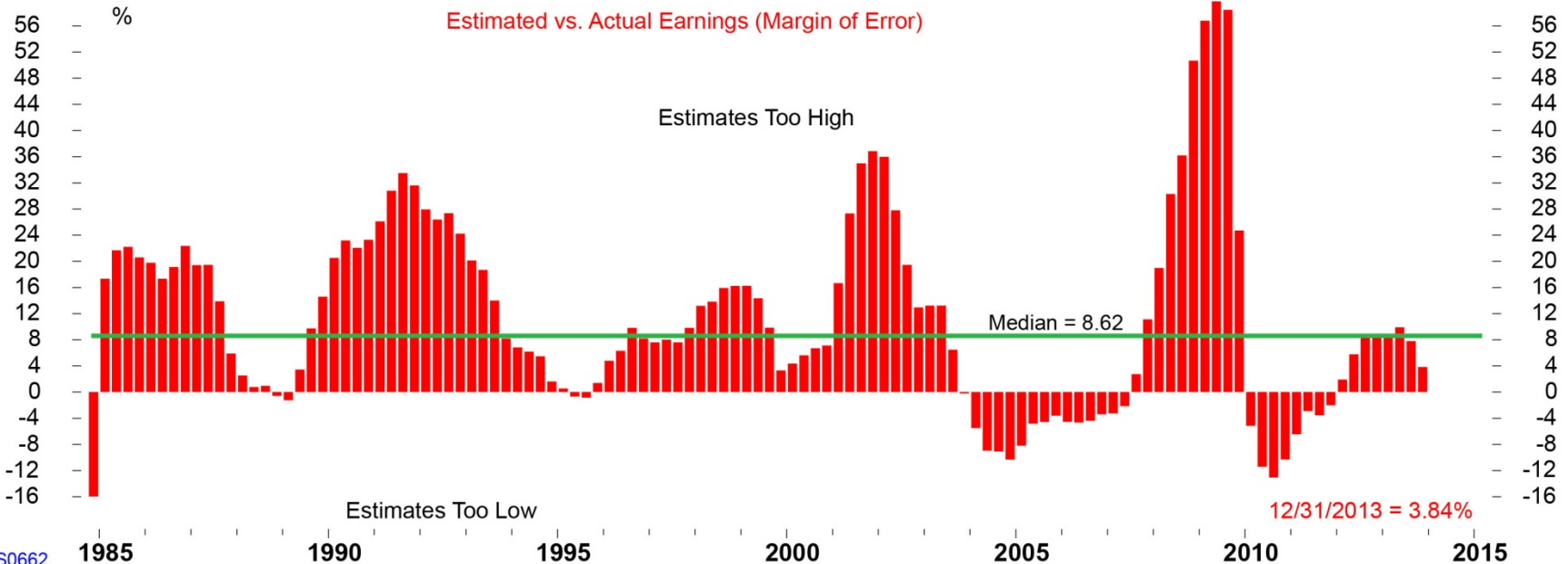
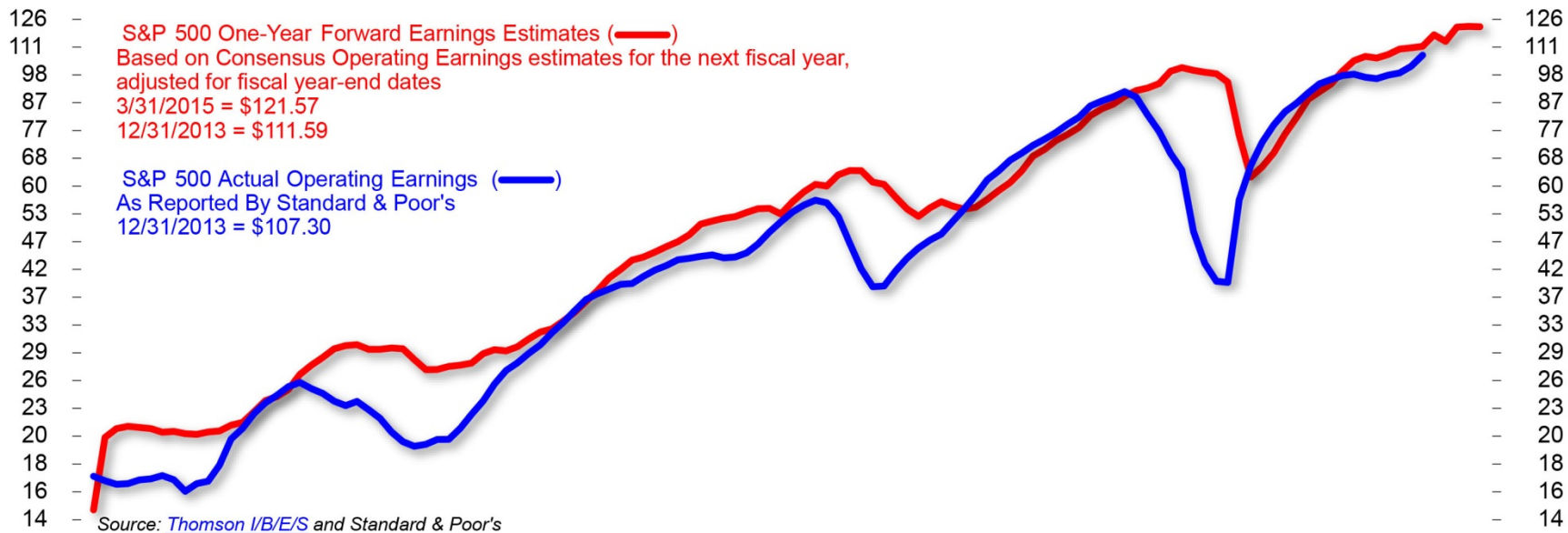
Monthly Data 3/31/1964 - 3/31/2014 (Log Scale)



## S&P 500 Median Price/Earnings Ratio (NDR Calculation) with Historical Median

# S&P 500 Actual Operating Earnings vs Earnings Estimates

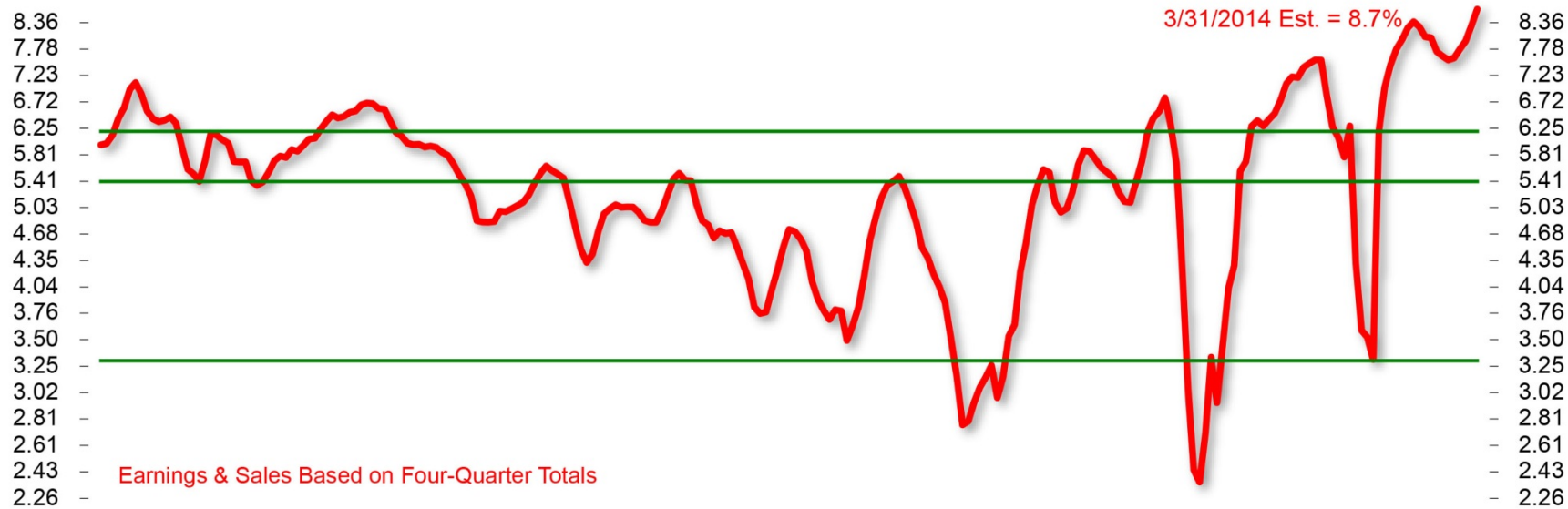
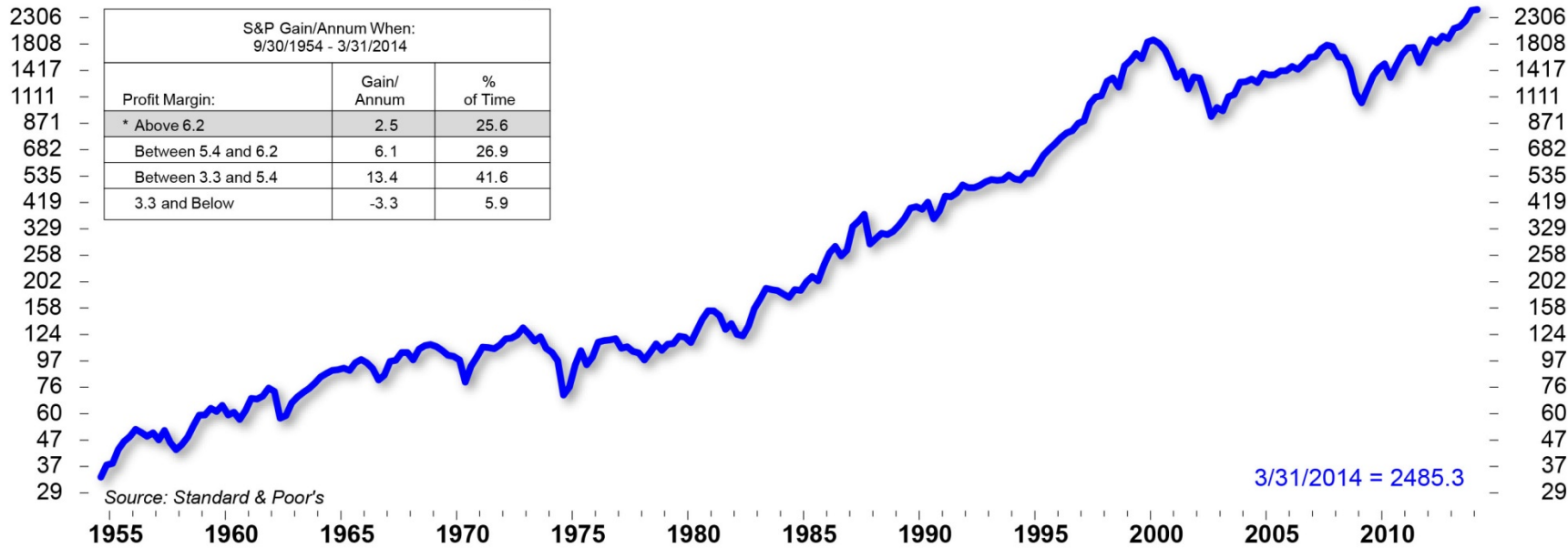
Quarterly Data 12/31/1984 - 3/31/2015 (Log Scale)



S0662



# Standard & Poor's Industrial Average

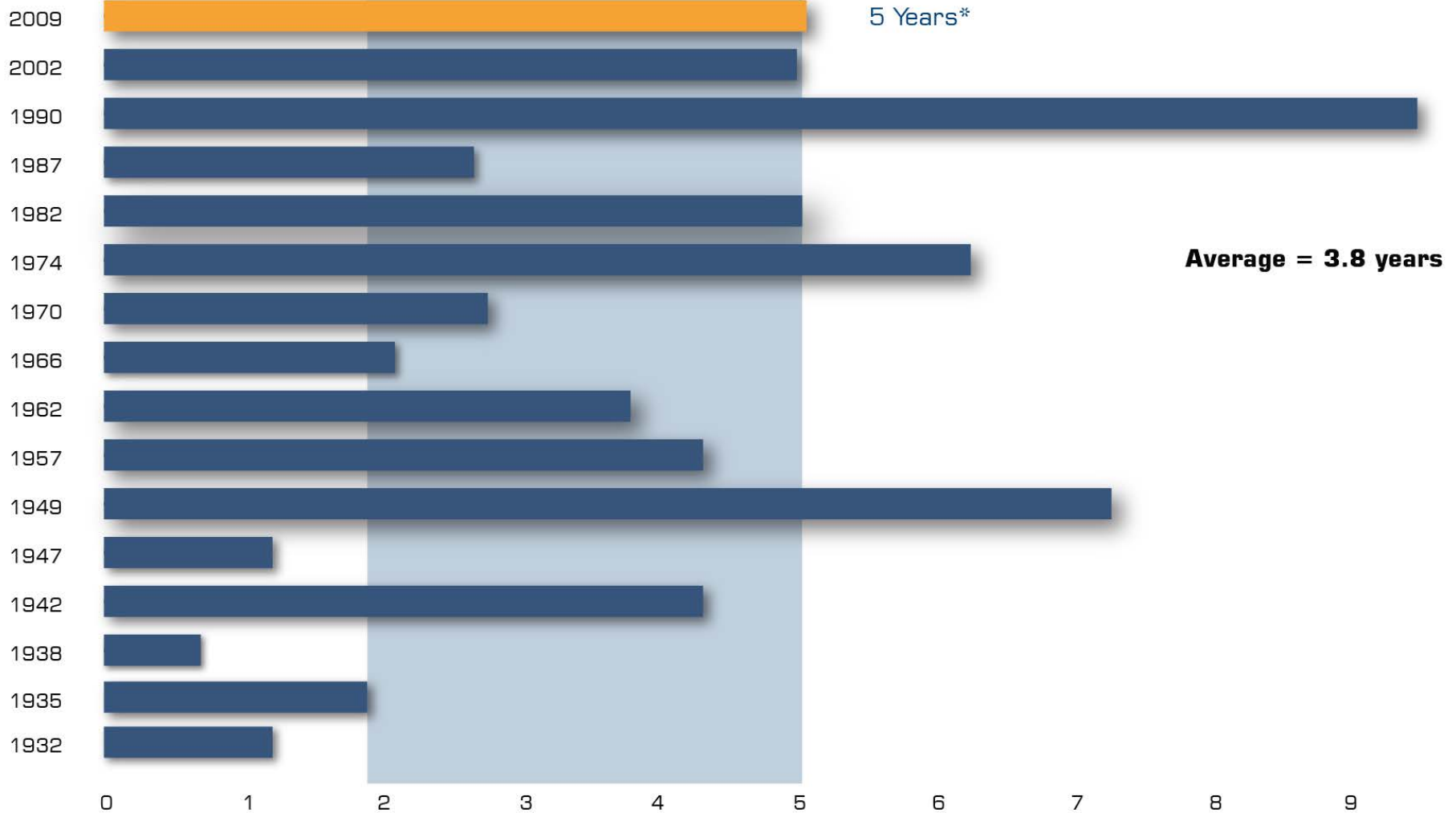


## Standard & Poor's Industrial Average Profit Margin (Earnings/Sales)

(S658)

# Bull Market Duration

## Bull Markets



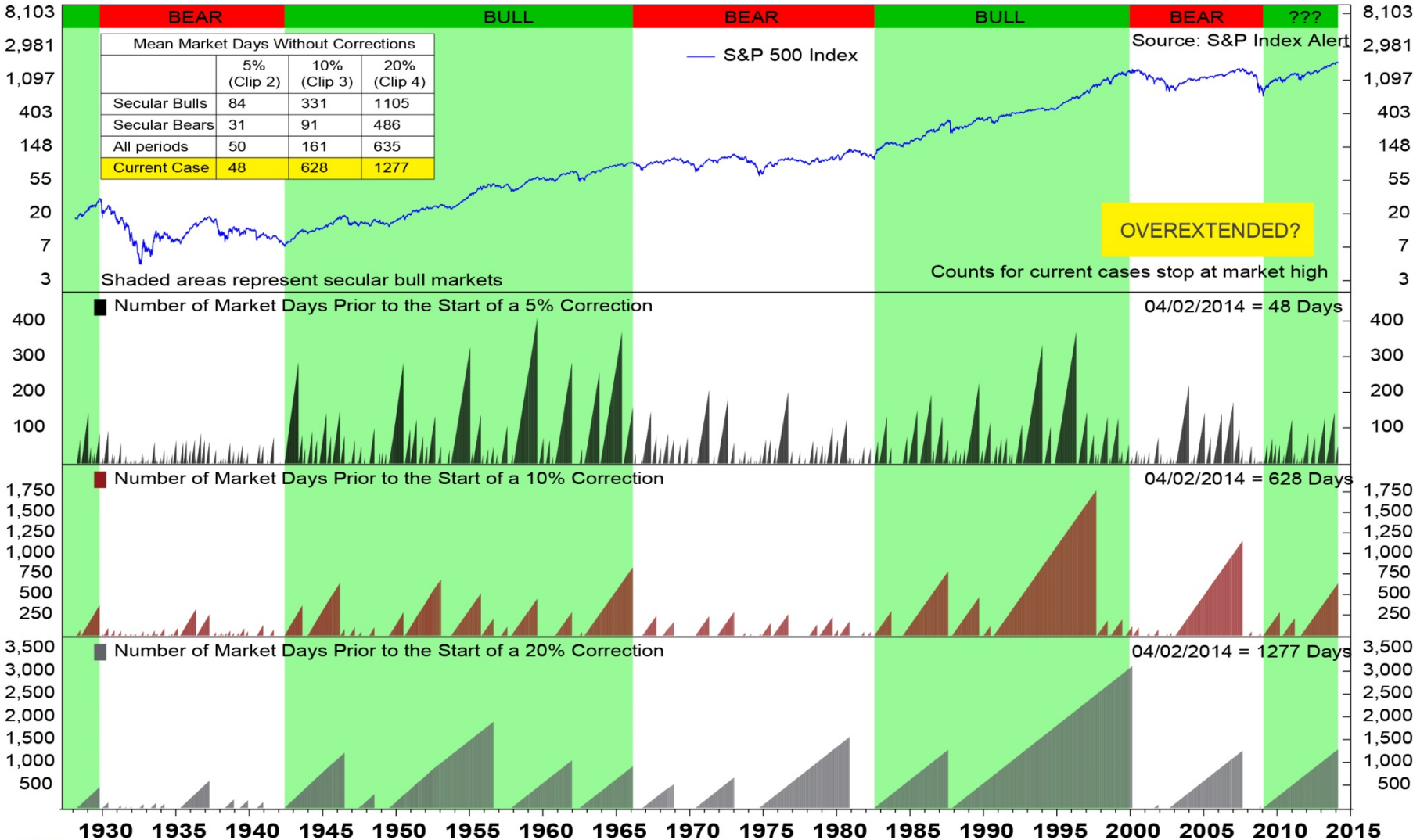
\*through 3/31/14

Source: Investech Research

## 10% Corrections Since 2009

10% Corrections Since 2009	
4/23/10 – 7/2/10	-15.99%
4/29/11 – 10/3/11	-19.39%
4/2/12 – 6/4/12	-9.93%

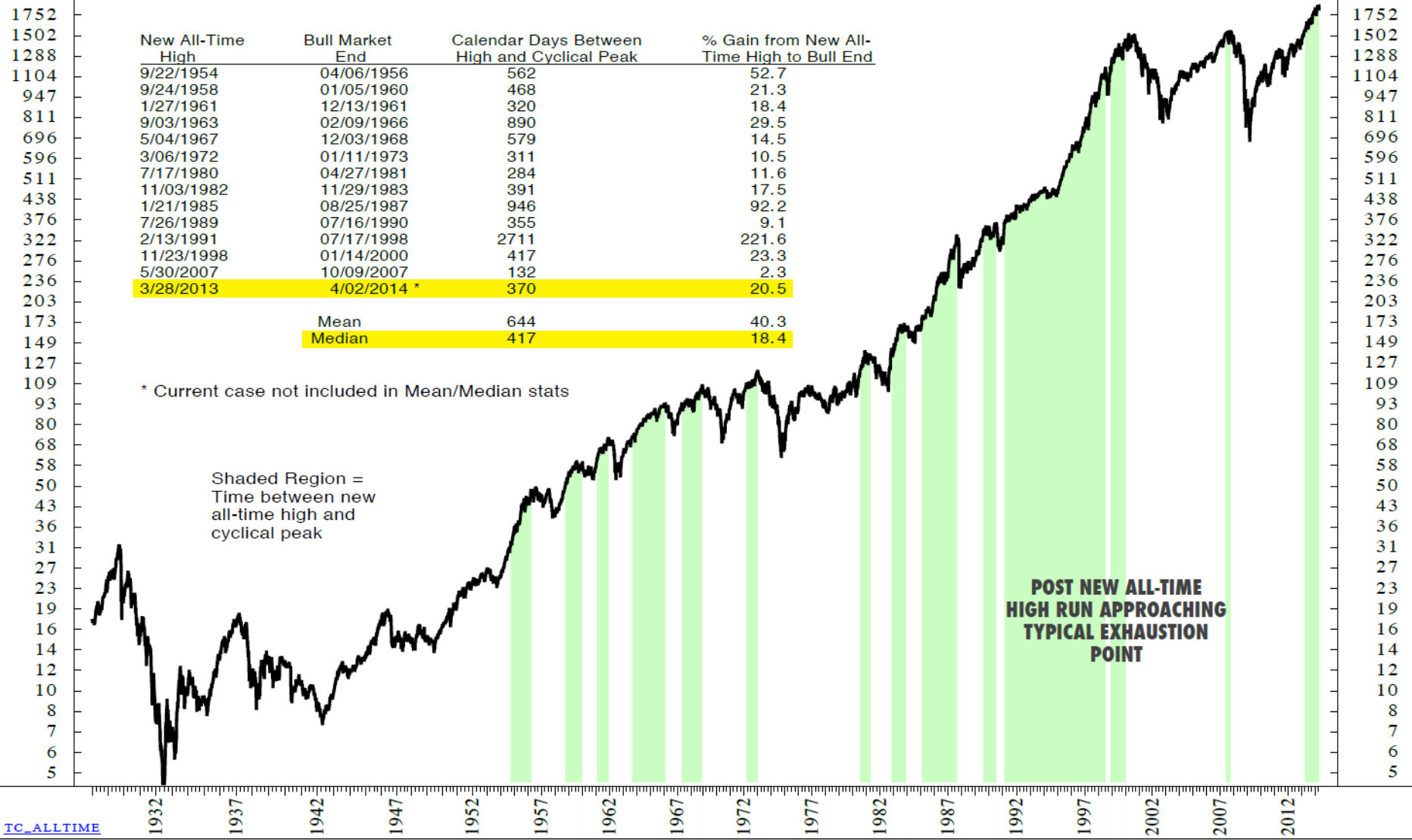
# S&P 500: Number of Days Before the Start of 5%, 10%, and 20% Corrections



S0239

# New All-Time Highs for the S&P 500 Following a Bear Market

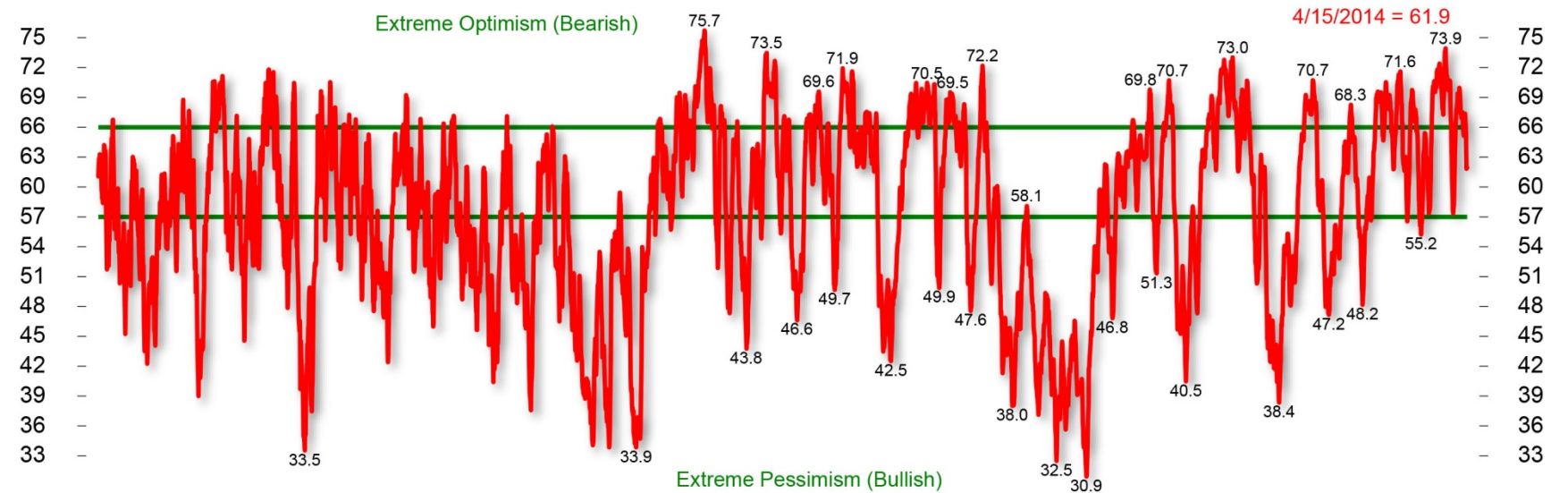
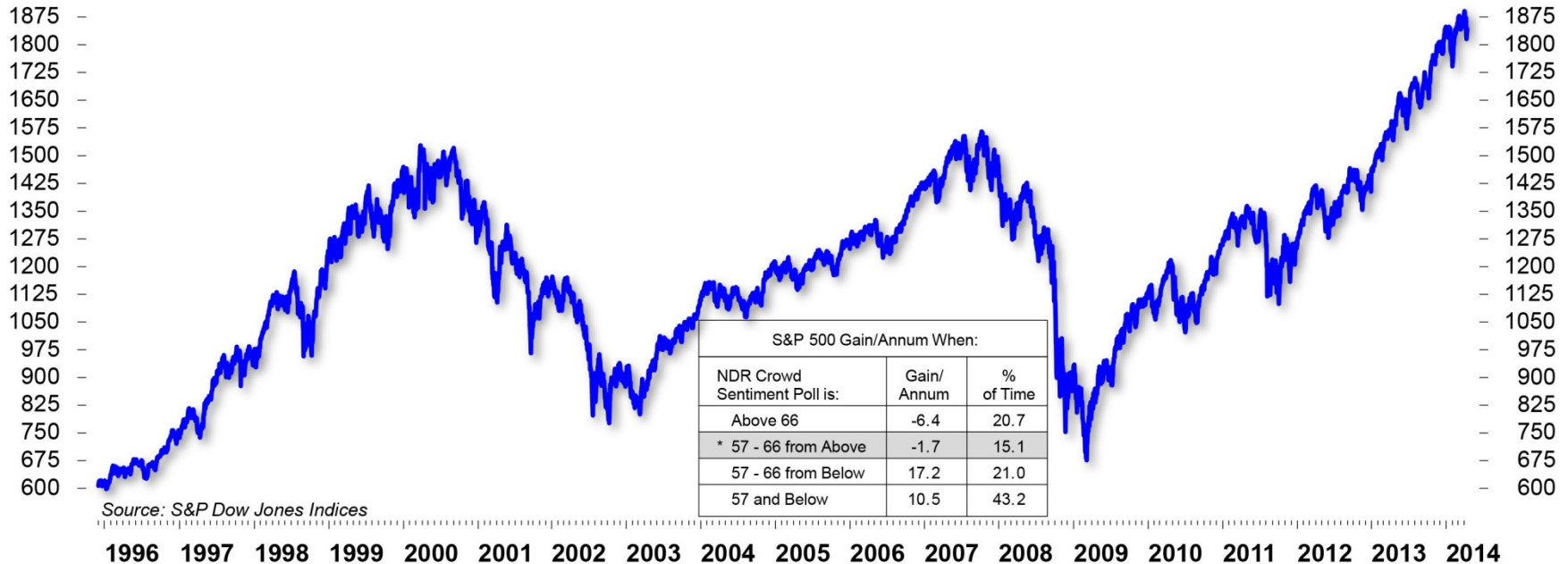
Daily Data 1/03/1928 - 4/11/2014 (Log Scale)



TC\_ALLTIME

# Standard & Poor's 500 Composite Index

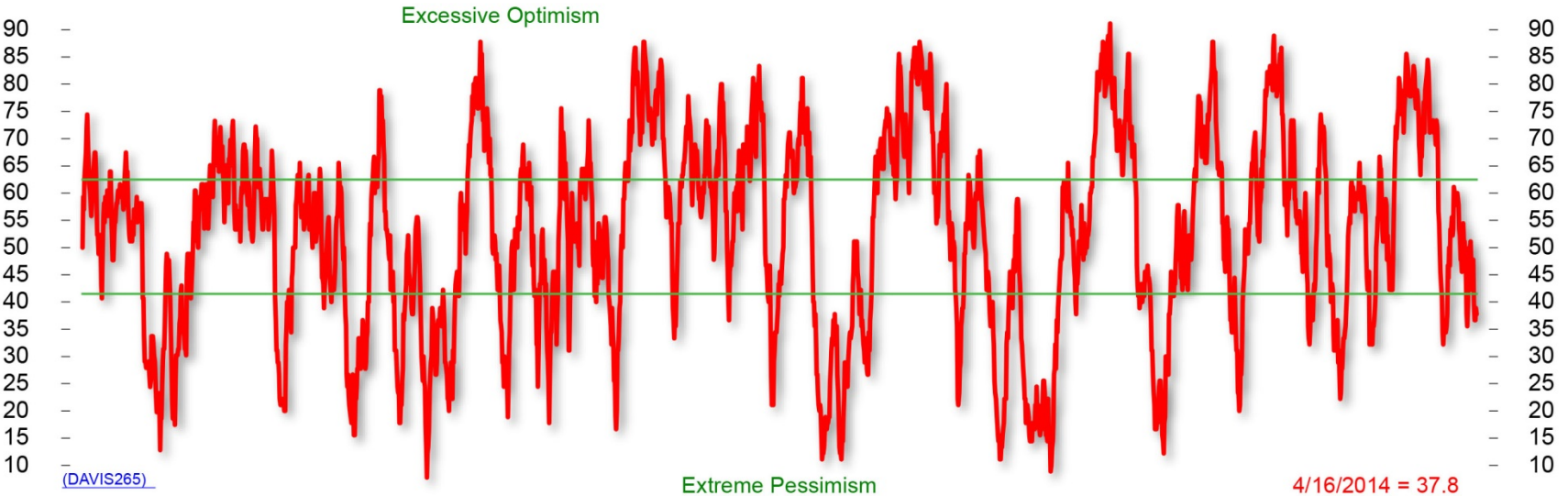
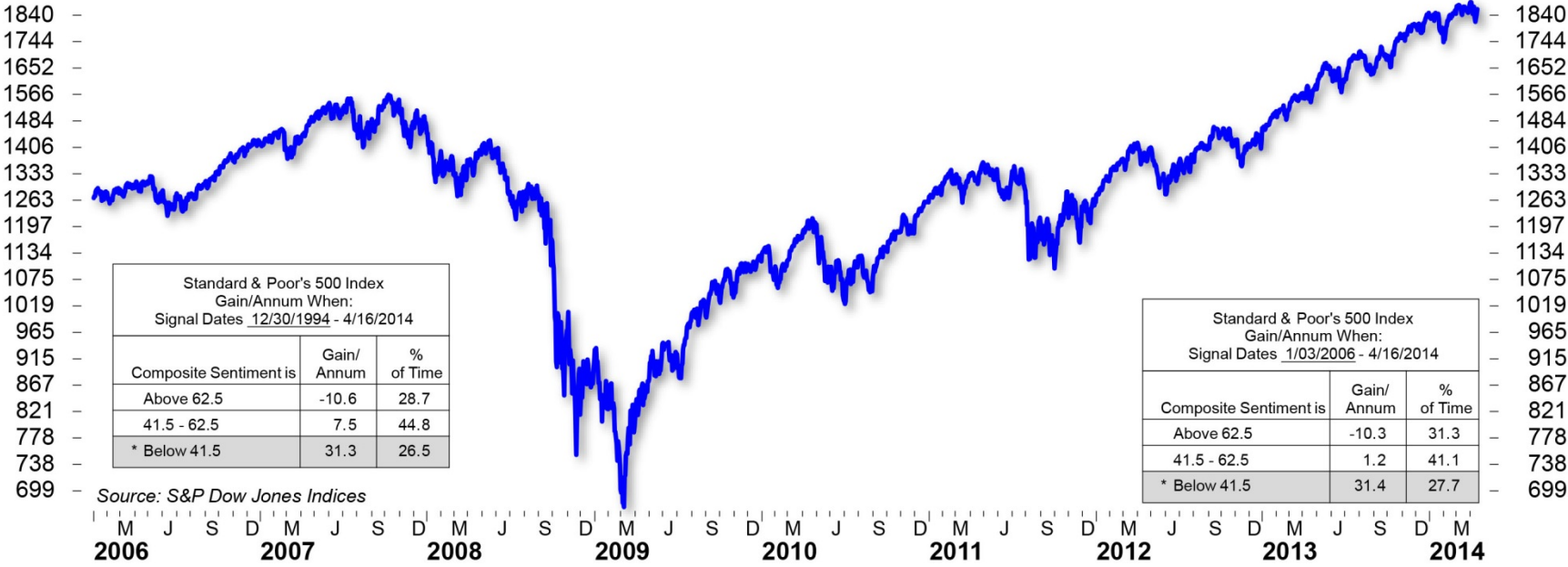
Daily Data 12/01/1995 - 4/15/2014  
(updated weekly on Wednesday mornings)



## NDR Crowd Sentiment Poll - Transitional Mode Basis

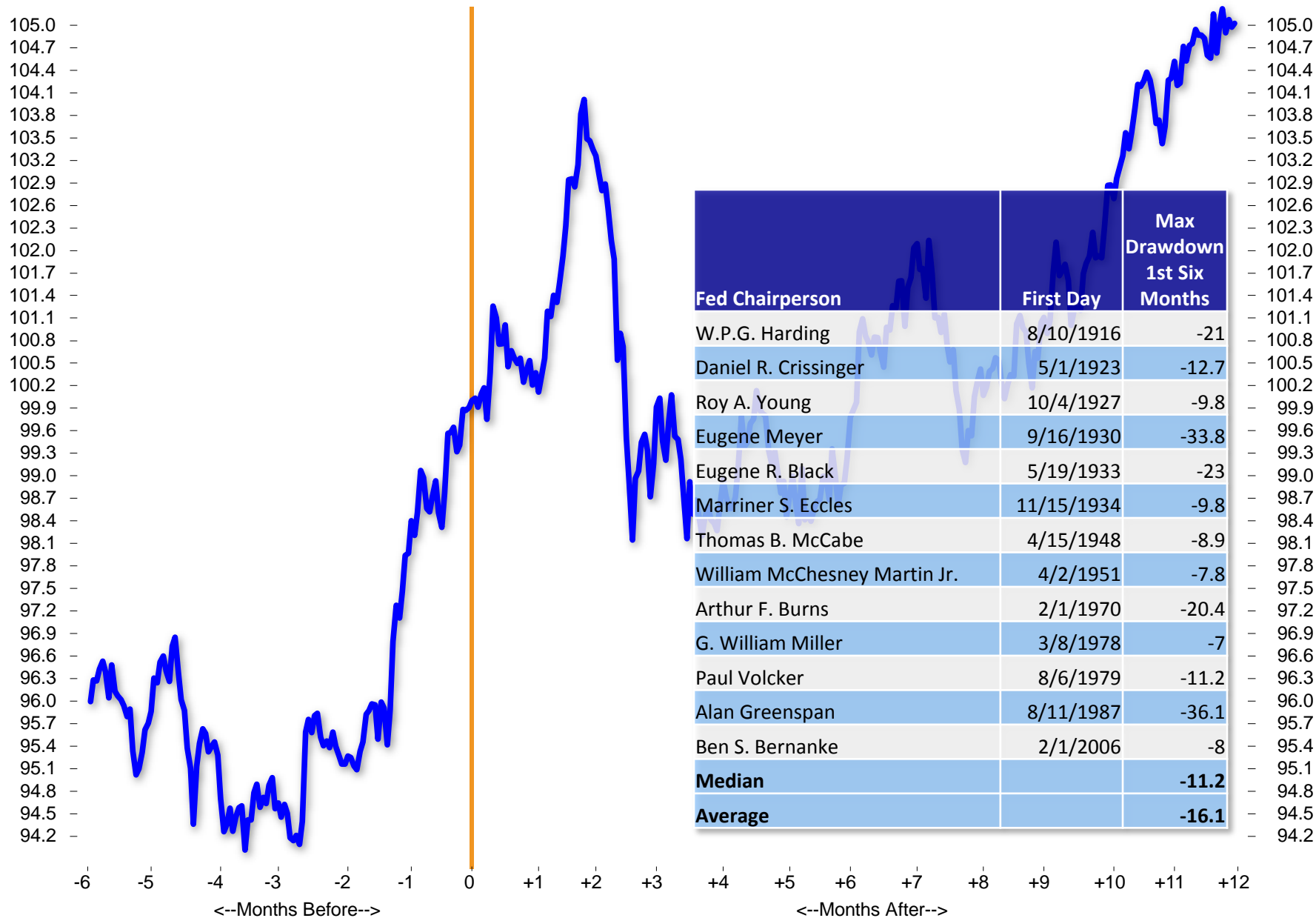
(S574A)

# Standard & Poor's 500 Index



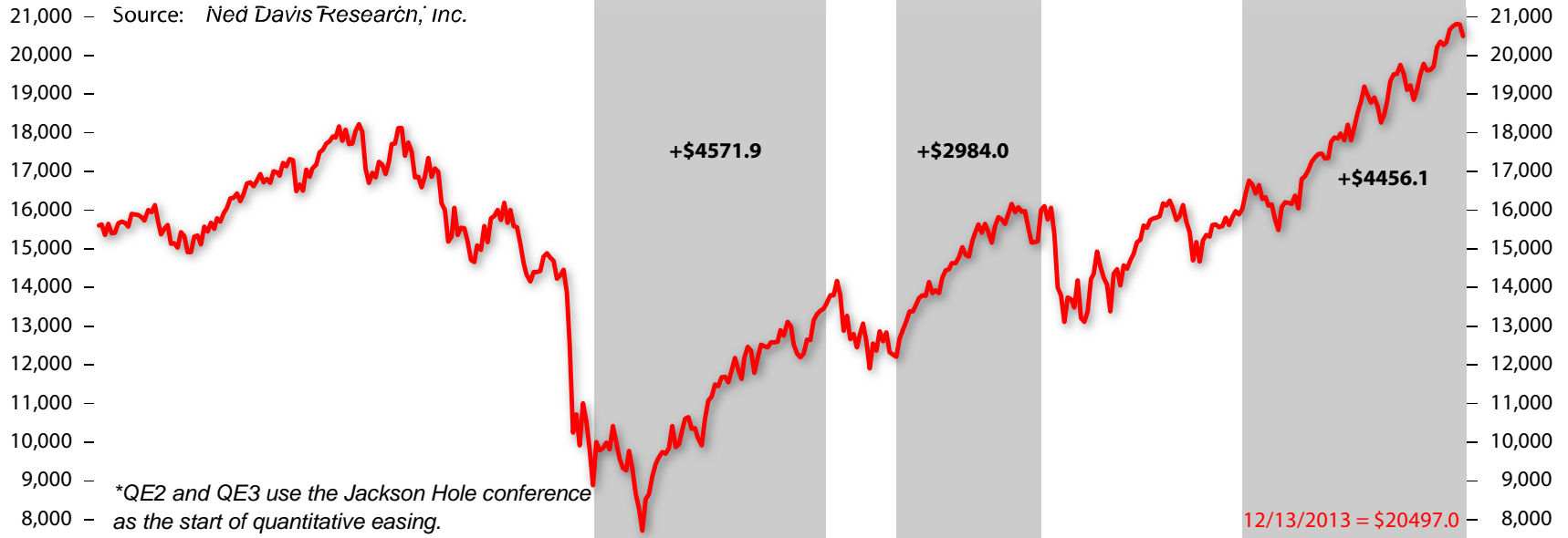
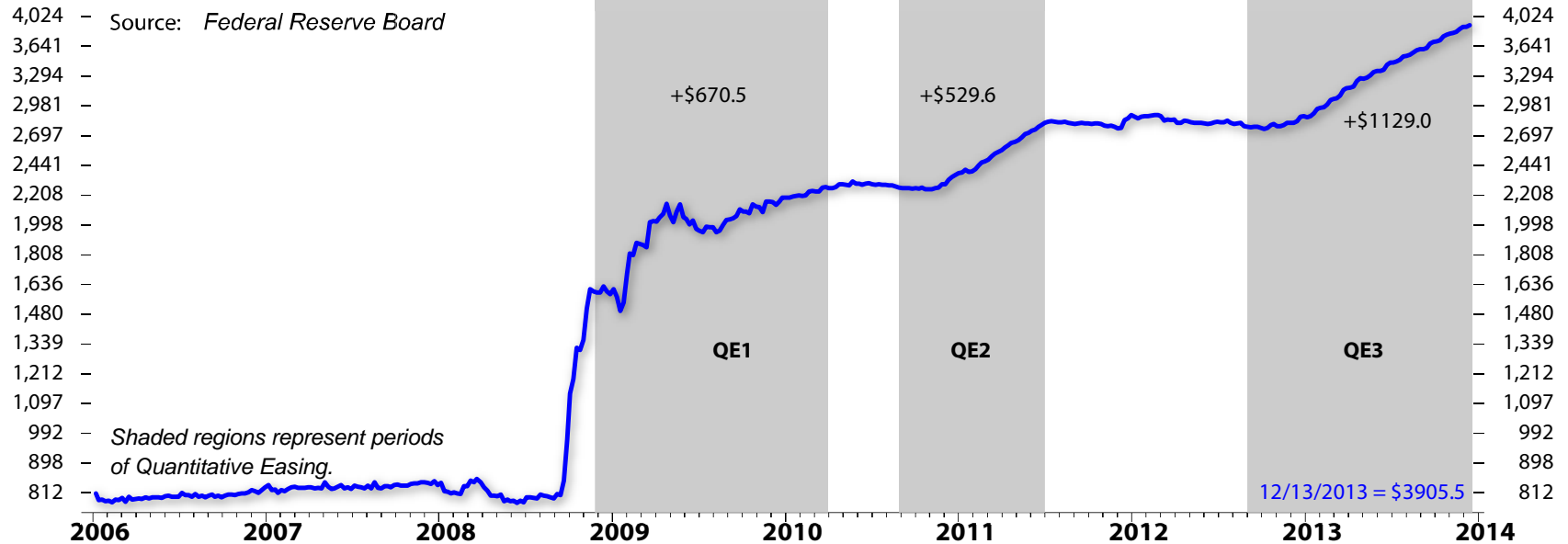
## NDR Daily Trading Sentiment Composite

## DJIA Following Fed Chairperson Changes





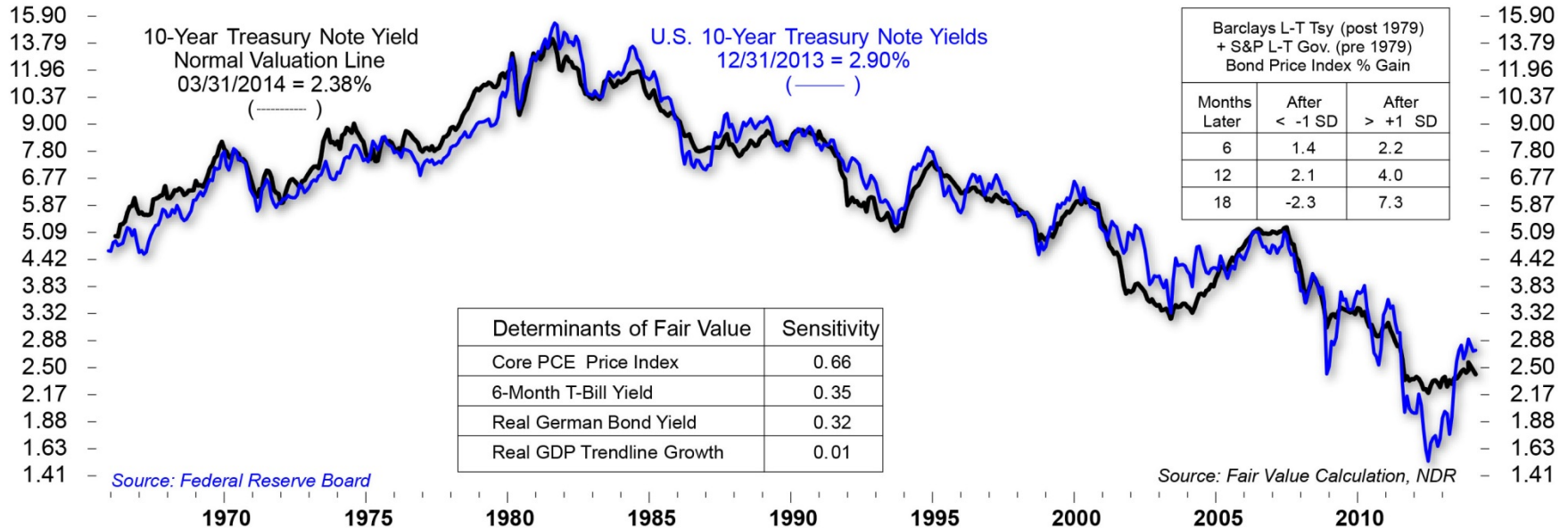
## U.S. Federal Reserve Bank Credit (\$ Billions)



## U.S. Market Cap (\$ Billions)

# 10-Year Treasury Note Yield Normal Valuation Line

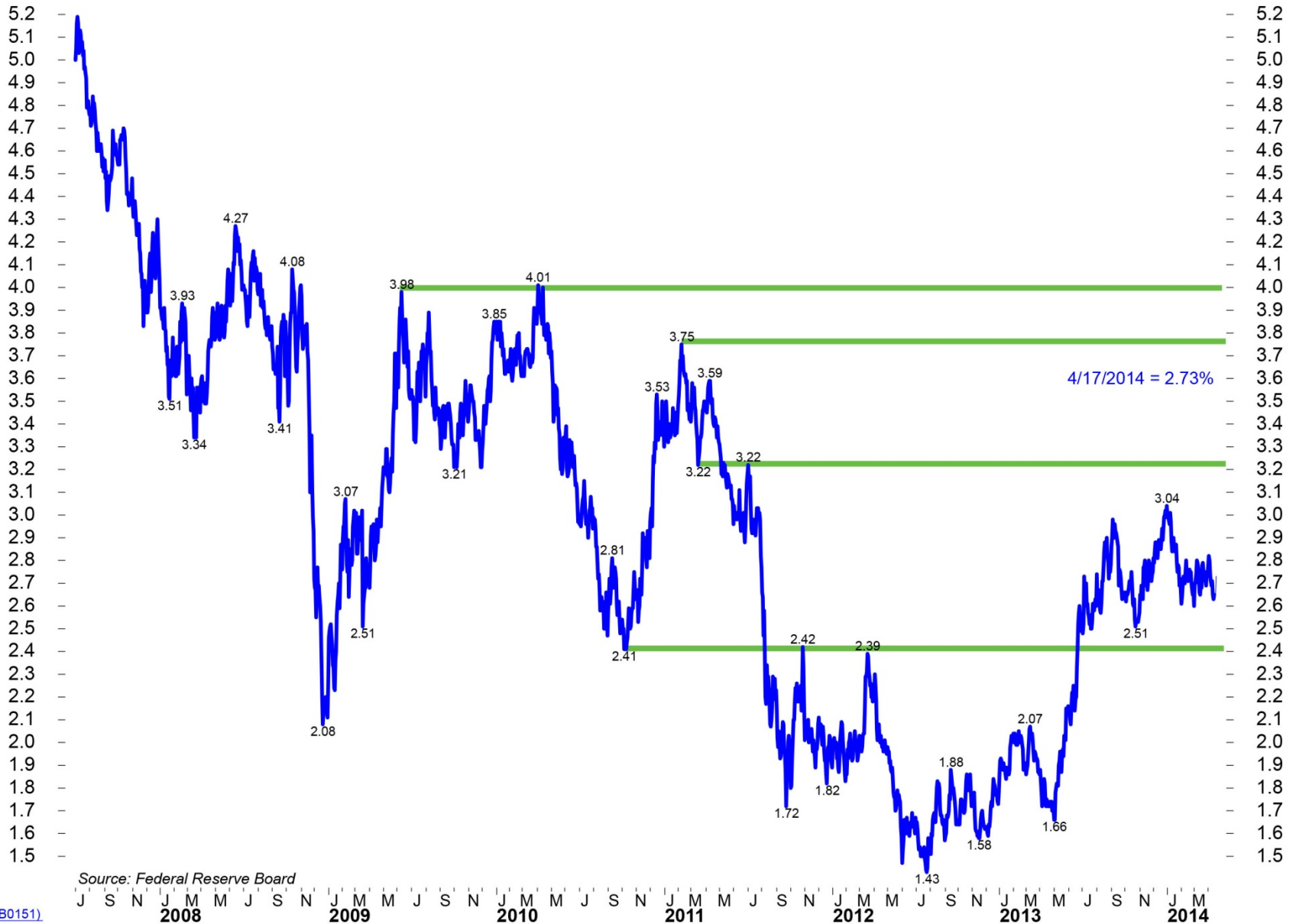
Monthly Data 12/31/1965 - 03/31/2014 (Log Scale)



## 10-Year Note Yields Over or Under Valued

# 10-Year Constant Maturity Treasury Note Yields (Since 2007)

Daily Data 7/02/2007 - 4/17/2014

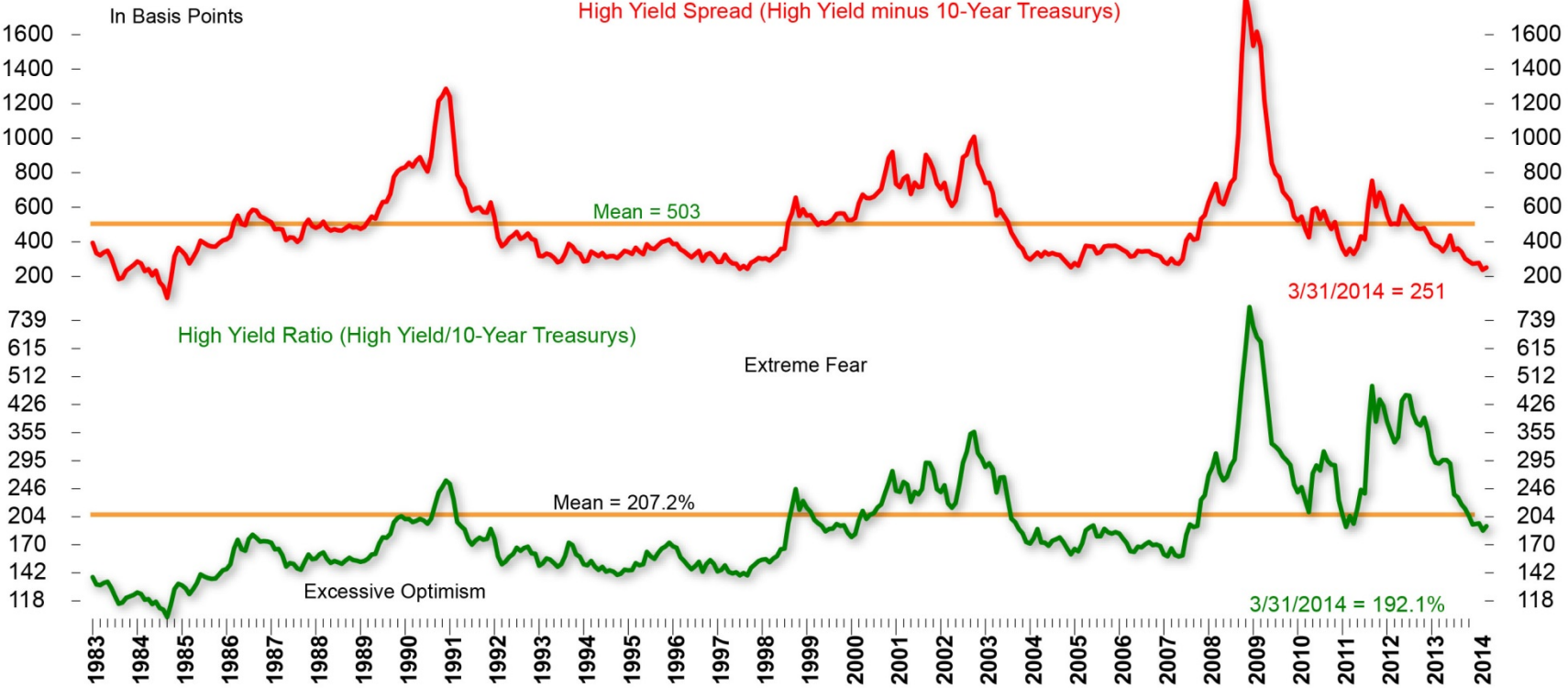
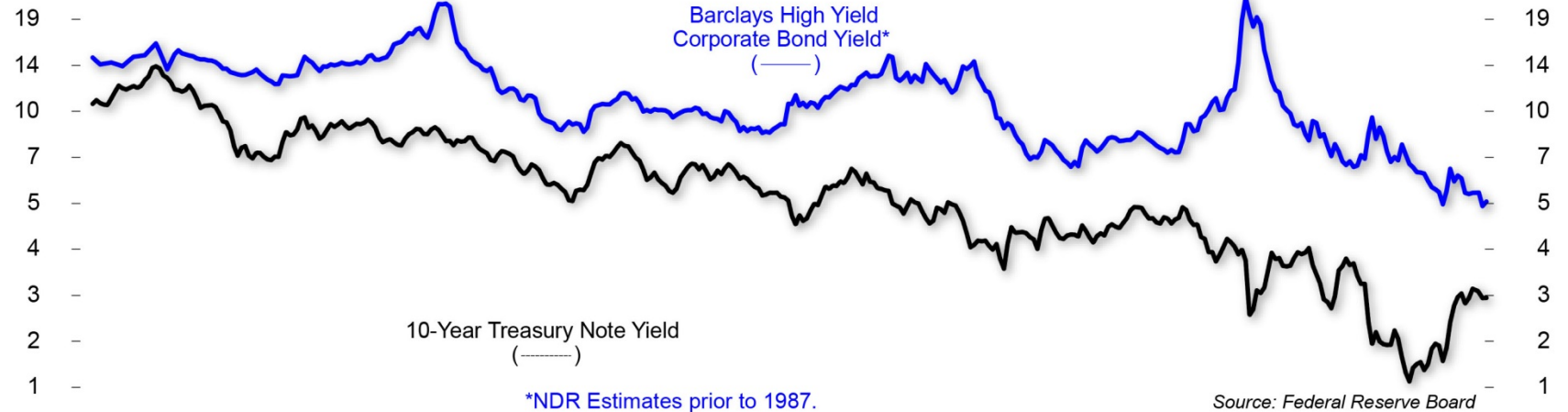


Source: Federal Reserve Board

(B0151)

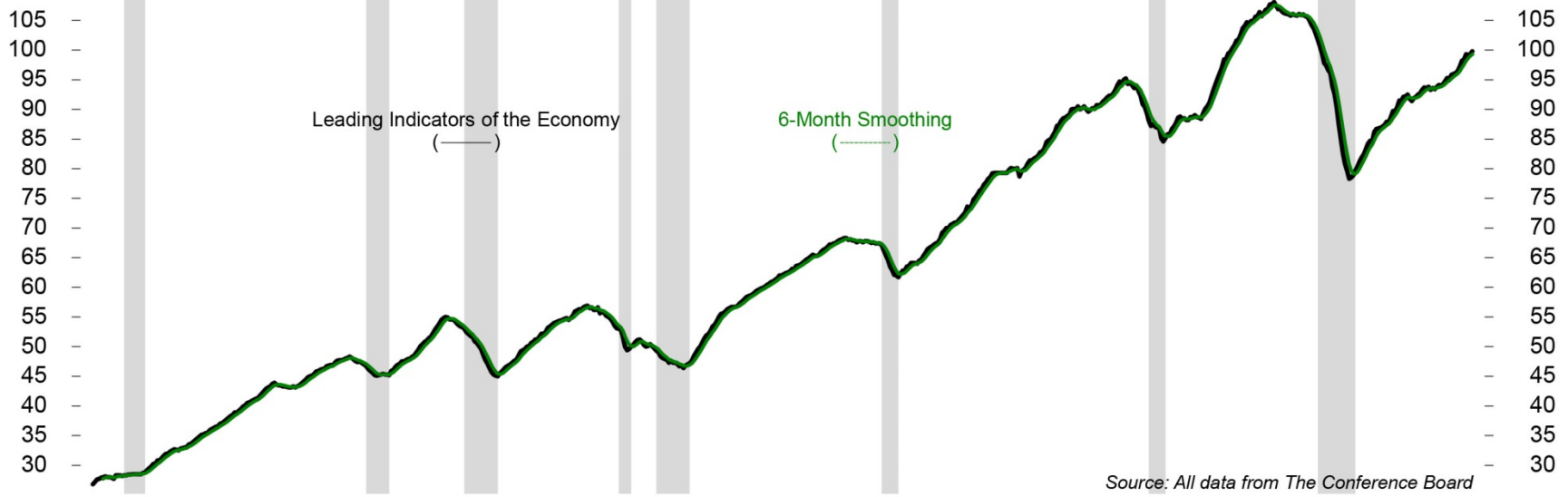
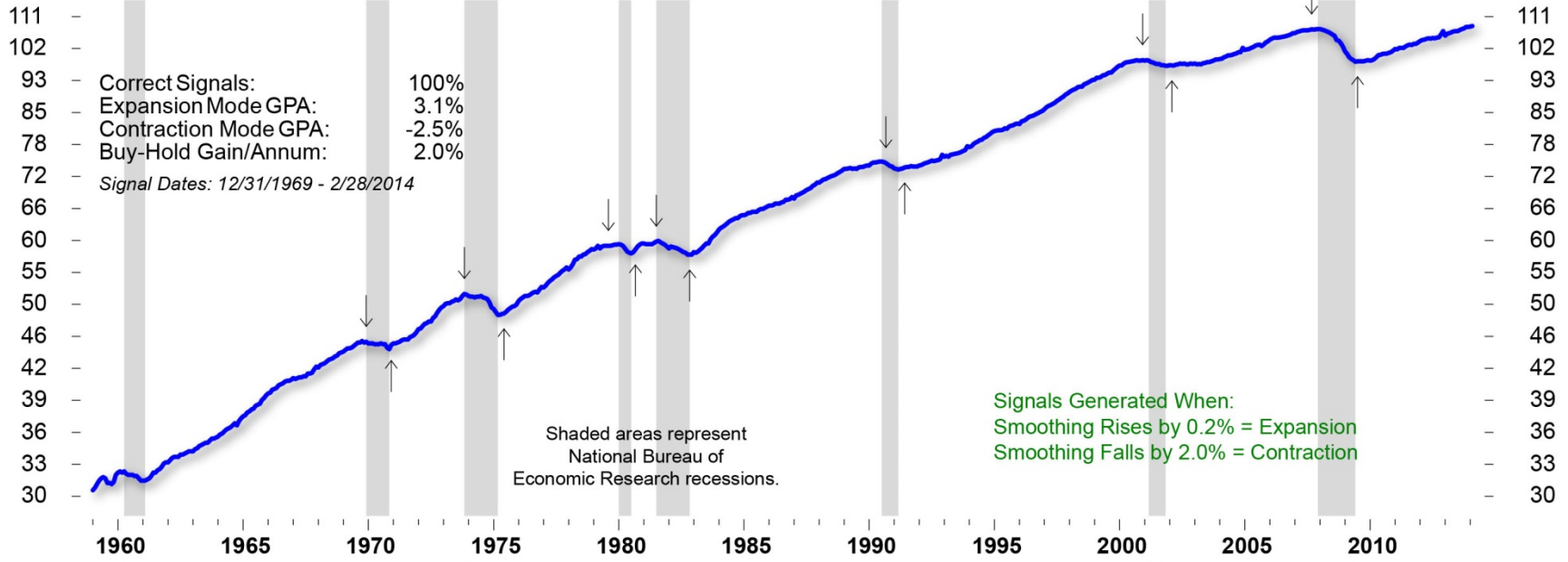
# High Yield Corporate Spreads (Relative to 10-Year Treasurys)

Monthly Data 1/31/1983 - 3/31/2014 (Log Scale)



# The Economy (The Index of Coincident Economic Indicators)

Monthly Data 1/31/1959 - 2/28/2014 (Log Scale)



Source: All data from The Conference Board

# The Index of Leading Economic Indicators

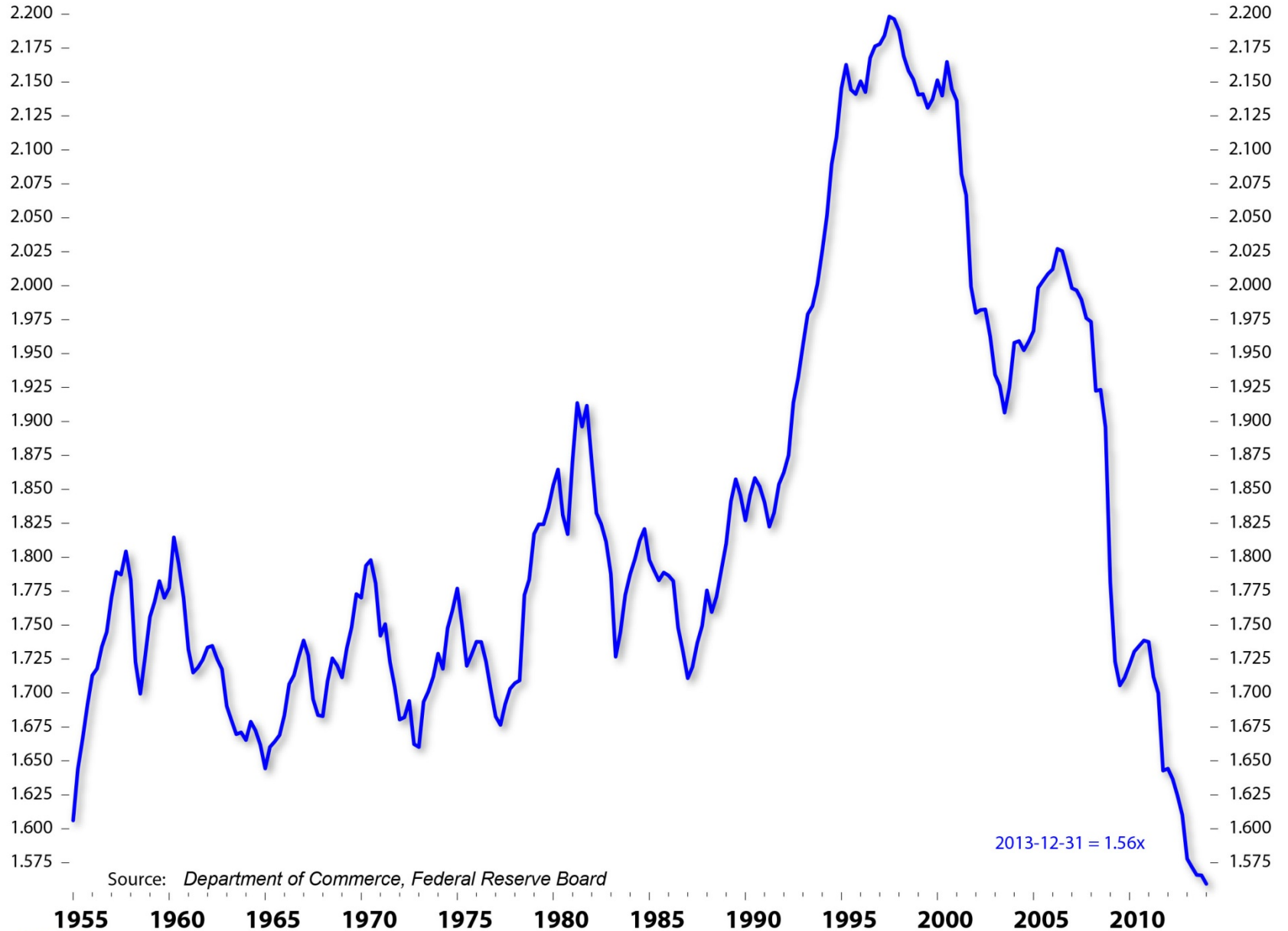
(E10)

# LEI Recession Lead Times

LEI Peak	Recession Start	Months from Peak to Start
12/31/1959	4/30/1960	4
4/30/1969	12/31/1969	8
2/28/1973	11/30/1973	9
10/31/1978	1/31/1980	15
10/31/1980	7/31/1981	9
1/31/1989	7/31/1990	18
4/30/2000	3/31/2001	11
3/31/2006	12/31/2007	21

# U.S. M2 Money Supply Velocity (GDP/M2)

Quarterly Data 1954-12-31 to 2013-12-31

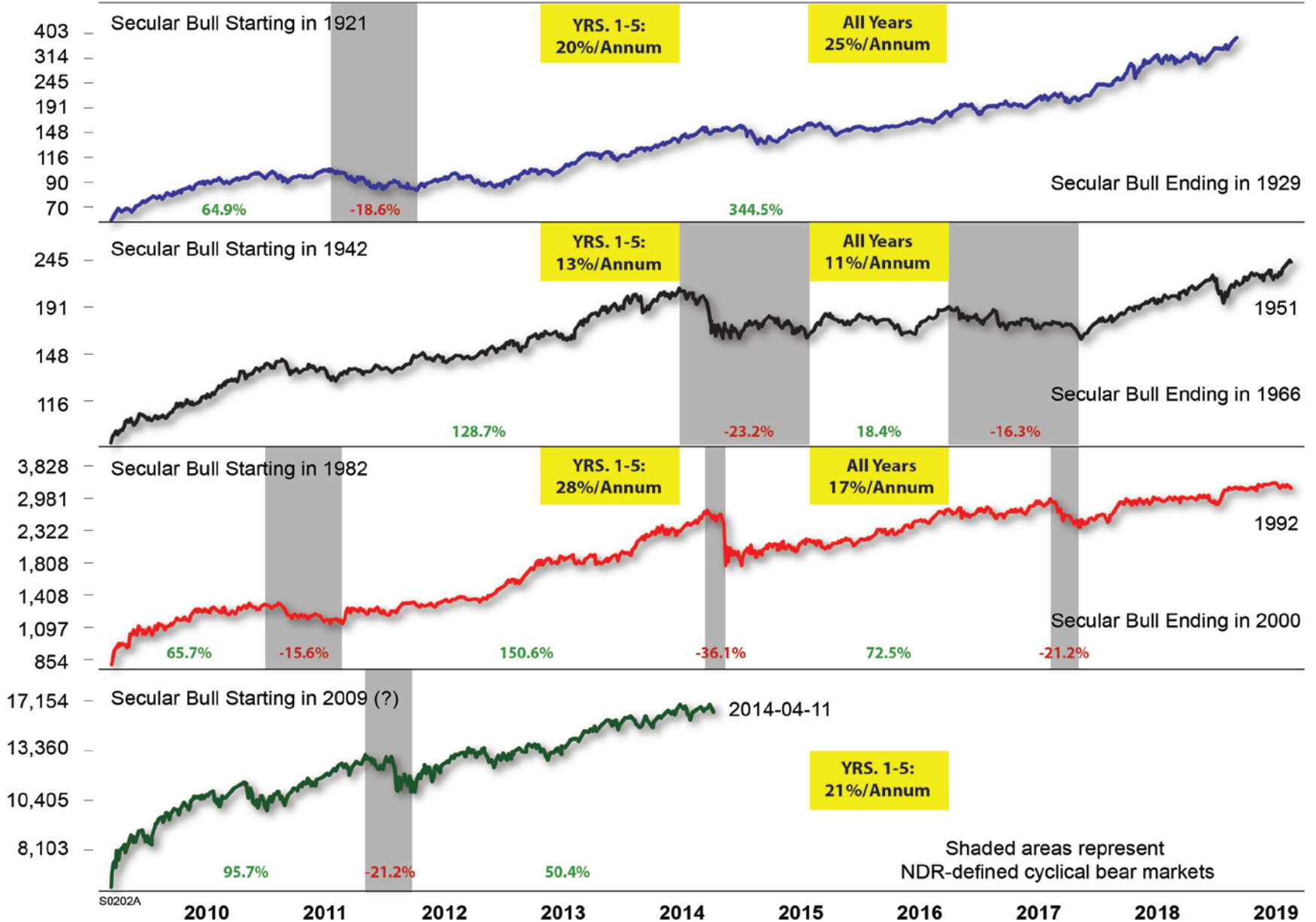


Source: Department of Commerce, Federal Reserve Board

2013-12-31 = 1.56x

DAVIS182

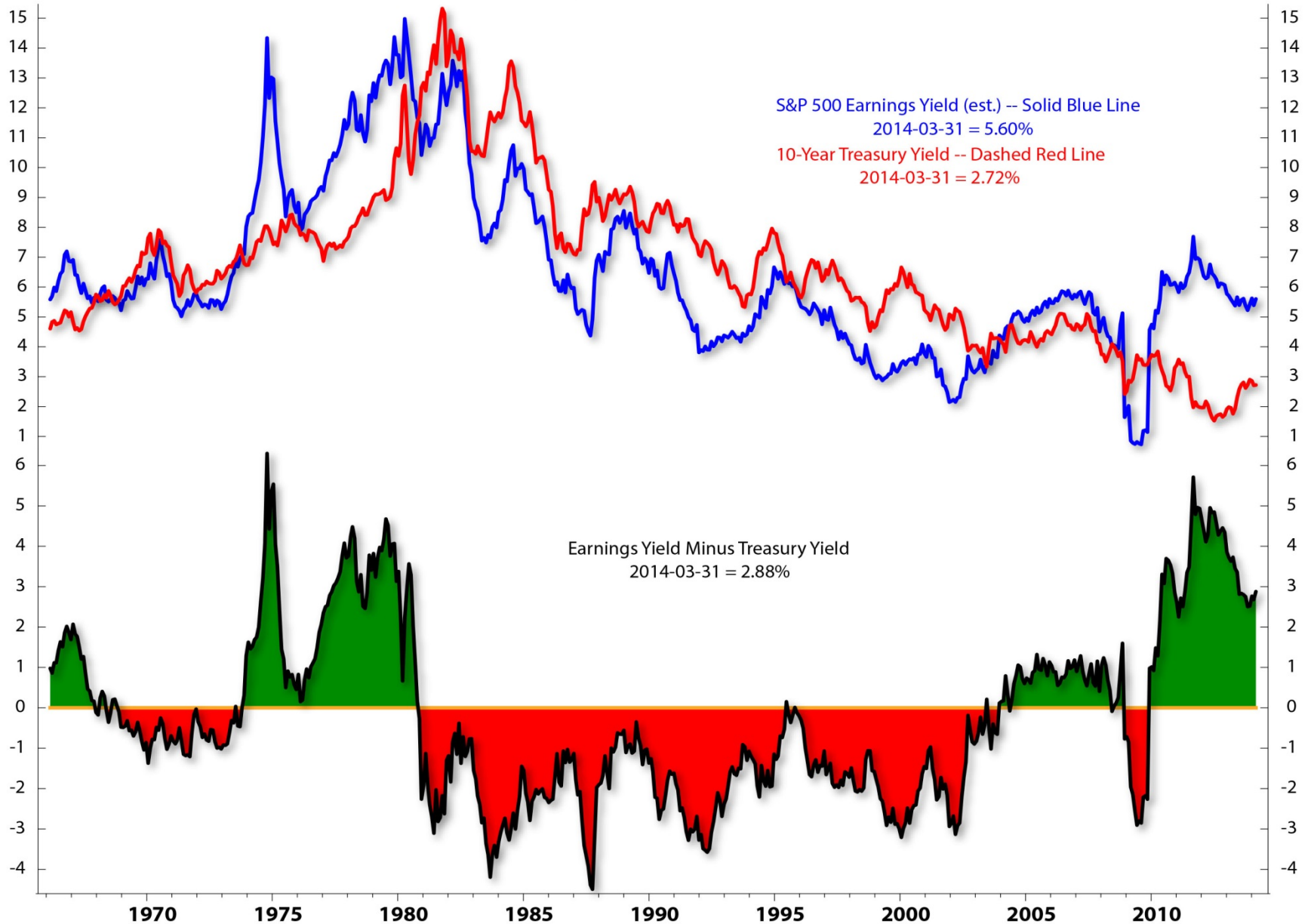
# DJIA Secular Bull Market Comparison



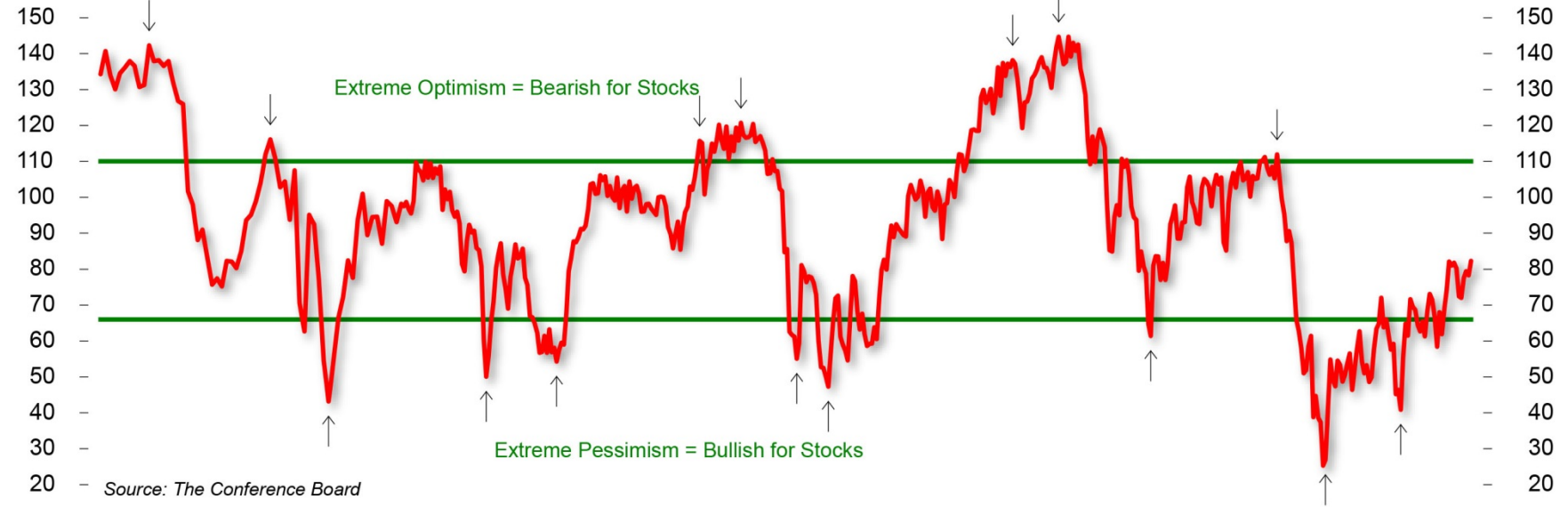
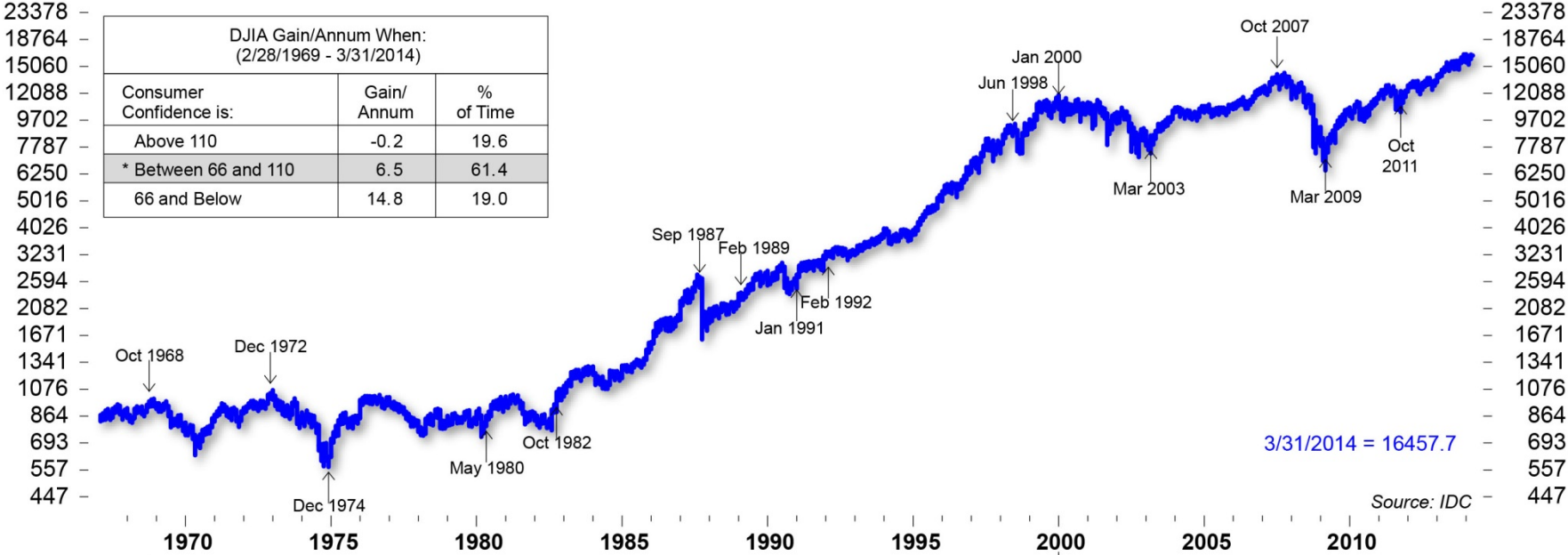


# S&P 500 Earnings Yield vs. 10-Year Treasury Yield

Monthly Data 1966-01-31 to 2014-03-31



# Dow Jones Industrial Average

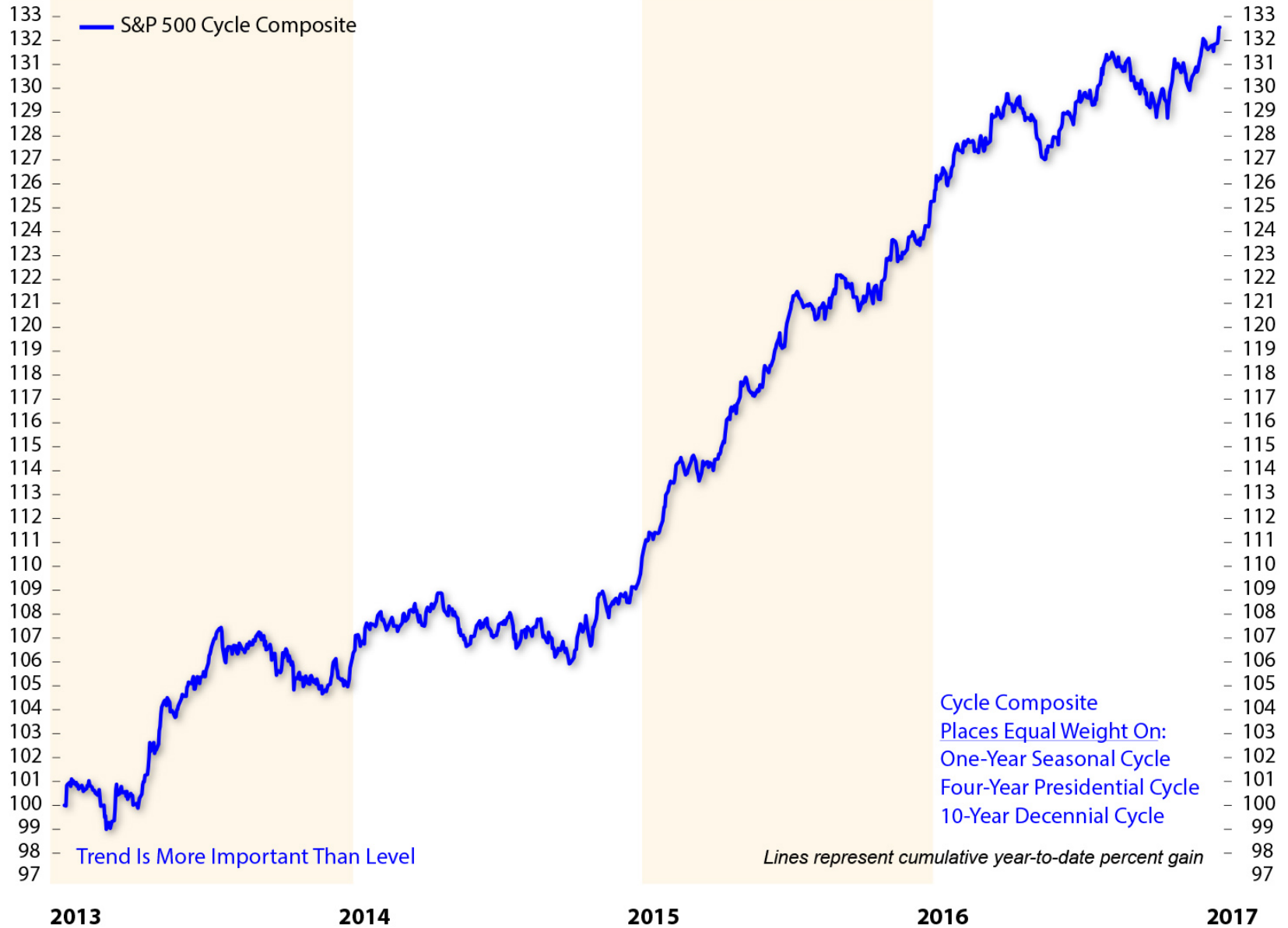


## Consumer Confidence (Conference Board)

(S1060A)

# S&P 500 Cycle Composite (2013-2016)

Daily Data 2012-12-31 to 2016-12-30



A stylized logo for 'Q&A'. The letters 'Q' and 'A' are rendered in a dark grey, serif font. The ampersand '&' is rendered in a light purple, cursive script font. The ampersand is positioned between the 'Q' and 'A', overlapping them. The 'Q' has a small tail that curves under the ampersand. The 'A' has a horizontal bar that overlaps the ampersand.



Presenter:

K. Sean Clark, CFA<sup>®</sup>, Chief Investment Officer

Future  
**PARTNER**  
CONFERENCE

Investment Philosophy & Process

## Investment Philosophy

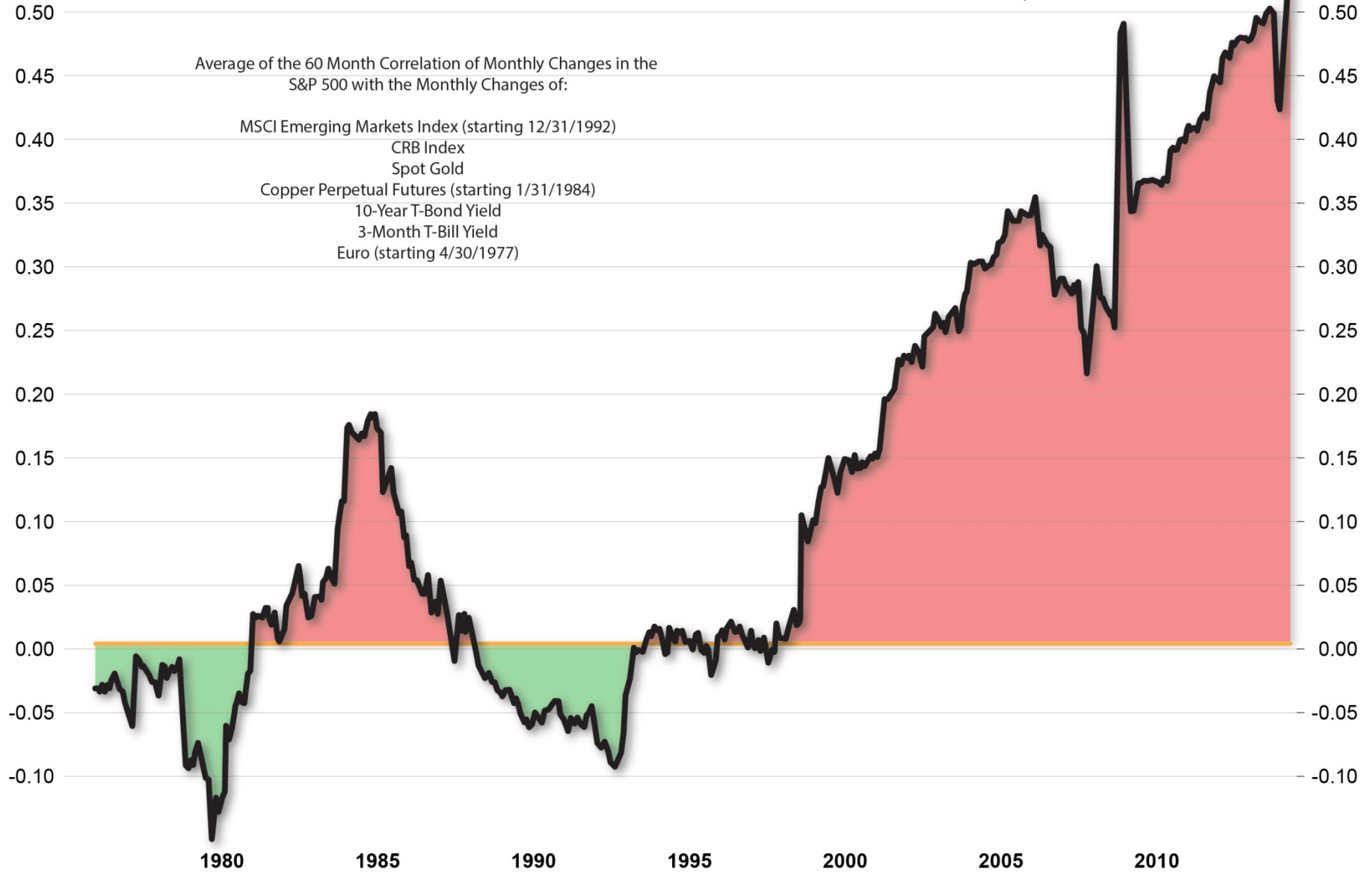
---

- Seek to provide superior risk adjusted returns through a disciplined process focused on
  - ❖ Meaningful diversification
  - ❖ Opportunistic asset allocation
  - ❖ Systematic risk management

# Meaningful Diversification

# Correlation of the S&P 500 vs. Other Asset Classes

Monthly Data: 1/31/1976 - 3/31/2014





## Correlation

	1990 to 1999		2000 to 2009		Bear Market	Recovery Period
	Bull Correlation 1990s	Bear Correlation 1990s	Bull Correlation 2000s	Bear Correlation 2000s	10/1/2007 to 2/28/2009 Correlation	3/1/2009 to 8/31/2013 Correlation
S&P 500	1.00	1.00	1.00	1.00	1.00	1.00
Russell 1000 Value	0.80	0.92	0.86	0.85	0.98	0.99
Russell 2000	0.51	0.66	0.43	0.67	0.96	0.93
MSCI EAFE	0.37	0.55	0.63	0.83	0.91	0.89
MSCI World ex U.S.	0.38	0.57	0.64	0.83	0.91	0.92
MSCI Emerging Markets	0.31	0.68	0.47	0.66	0.80	0.83
DJ Credit Suisse Hedge Fund			0.09	0.41	0.58	0.80
S&P GS Commodity Index	-0.14	-0.12	0.08	0.39	0.56	0.65
NAREIT U.S. Real Estate	0.18	0.47	0.25	0.55	0.84	0.77
BC U.S. Corporate High Yield	0.15	0.57	0.31	0.56	0.71	0.73
BC U.S. Agg Bond TR USD	0.27	0.13	0.00	0.15	0.36	-0.16
<b>CBOE Market Volatility</b>	<b>-0.11</b>	<b>-0.66</b>	<b>-0.32</b>	<b>-0.46</b>	<b>-0.71</b>	<b>-0.76</b>

The volatility (beta) of a client portfolio may be greater or less than its respective benchmarks. It is not possible to invest in these indices.

# Frequency of Declines

S&P 500 Declines	Occurrences Per Year	Frequency Average	Probability of Decline Moving to Next Stage	Mean Decline
-5% or more	3.5	Every 14 weeks	32%	-10.9%
-10% or more	1.1	Every Year	46%	-19.6%
-15% or more	0.5	Every 2 years	58%	-28.2%
-20% or more	0.3	Every 3 years	N/A	-35.7%

Source: Ned Davis Research – The Anatomy of Standard & Poor’s 500 Stock Index Declines 1/03/1928 to 4/17/14. Most recent data available.

# Modern Portfolio Theory's Cruel Joke

Good Times	Bad Times
Low Correlation	High Correlations
Low Volatility	High Volatility
High Returns	Low Returns

“Any plan conceived in moderation, must fail when circumstances are set in extremes.”

Prince Metternich

# Opportunistic Asset Allocation

## Relative Strength

### *What Is It? How Does It Work?*

---

- Clark Capital Relative Strength Specifics
  - ❖ Price of one security divided by price of comparative security or benchmark tracked over time
  - ❖ Positive Relative Strength means that security is rising more than the benchmark in rising markets and going down less in downtrends
  - ❖ An oscillator is used to smooth the Relative Strength line and identify trends with buy and sell targets
  - ❖ Time Frame – All models optimized for 3 to 6 trades per year

## Why Do We Think Relative Strength Works?

- Unemotional Disciplined Process
- Purely Quantitative Models
- Allows Price Movements of Global Markets to Determine Trends
  - ❖ Markets Are Efficient
  - ❖ Relative Strength Is Not Fundamentally Oriented
- No Forecasting
  - ❖ Historical Data Only

## Why Do We Think Relative Strength Works?

- Relative Strength is durable and adaptive over time
- Relative Strength adapts to new themes as they emerge
- Ken French, Dartmouth University, has shown that for over 80 years relative strength has been an effective return factor, and it's been the strongest of all the various return factors he has studied.

# Research Process

## Analysis & Rankings

- Each security is analyzed and ranked
- Top two quartiles constitute the investing universe
- Each buy candidate analyzed for external events, liquidity constraints and overall portfolio diversification needs
- Individual security position sizes determined by portfolio management team

	Security 01	Security 02	Security 03	Security 04	Security 05	Security 06	Security 07	Security 08	Security 09	Security 10	Ranking
Security 01	■	+	-	+	+	-	+	-	+	-	5
Security 02	+	■	-	-	-	+	-	+	-	+	4
Security 03	-	+	■	+	-	+	-	+	-	-	4
Security 04	+	-	+	■	+	+	-	-	+	+	6
Security 05	+	+	-	+	■	-	+	-	-	+	5
Security 06	-	-	+	-	+	■	+	-	-	-	3
Security 07	+	+	+	+	+	-	■	+	-	-	6
Security 08	+	-	+	-	-	-	+	■	-	+	4
Security 09	-	+	+	-	+	+	-	-	■	+	5
Security 10	-	+	-	-	-	-	-	+	+	■	3



## Research Process

---

- Over 21,500 Models
- Investable Universe - 208 exchange traded funds
- 85% Quantitative Research
- 15% Qualitative Analysis

# Changing Conditions May Call for a Broader Toolset



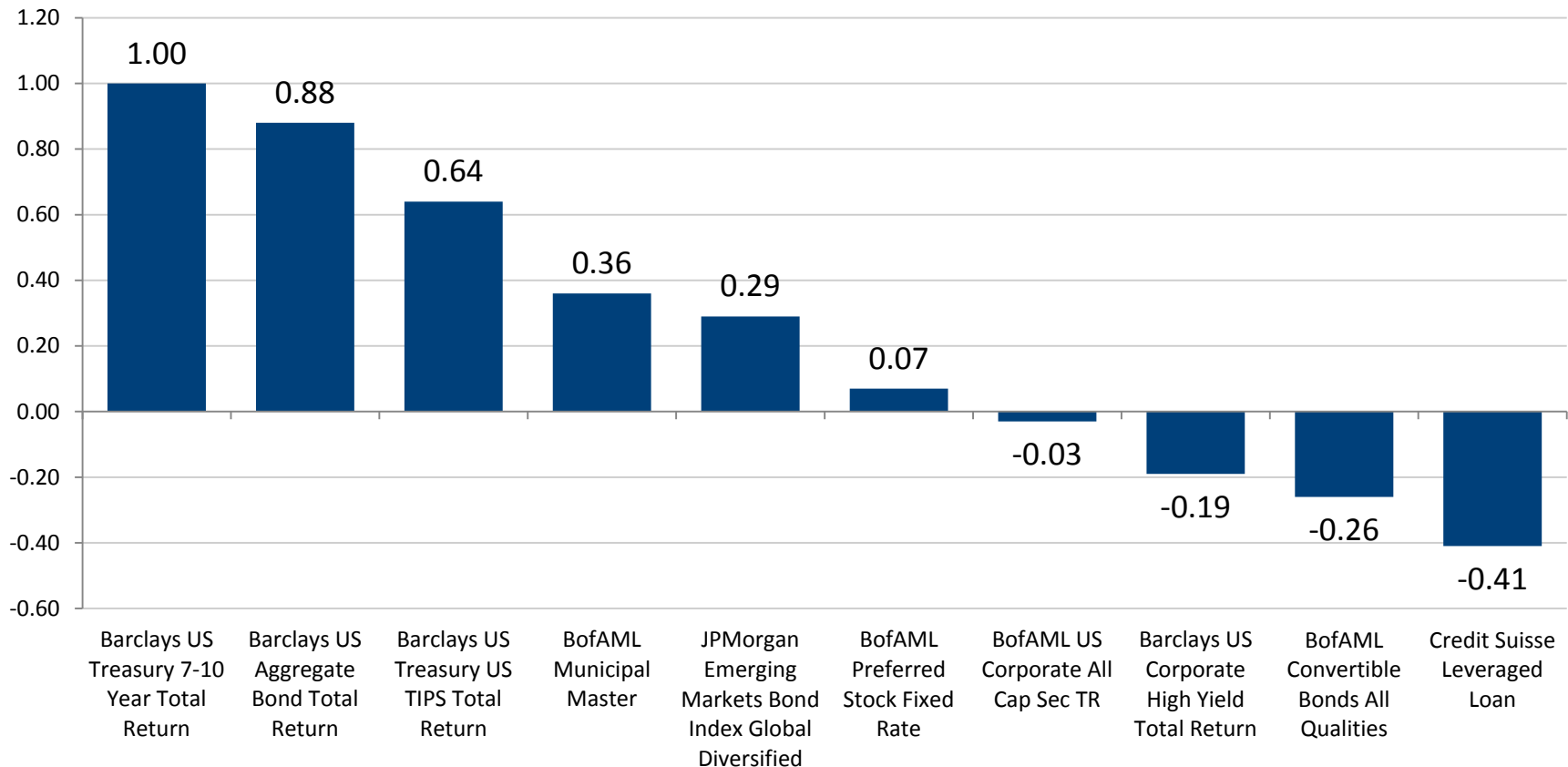
For illustrative purposes only. The information is not intended to be a recommendation to purchase or sell a security. Past performance is no guarantee of future results. Returns reflect reinvestment of capital gains and dividends, if any. Indices are unmanaged and do not incur fees. It is not possible to invest in an index. Stocks are represented by the S&P 500 Index. Bonds are represented by the Ibbotson Associates U.S. Long Term Government Index. Inflation-adjusted returns are based on the average Consumer Price Index (CPI) through the referenced period. Most recent data available.

## Interest Rate Rise – How Each Type of Bond Might Perform Based on Historical Data

Type of Bond	Economy Does Well	Economy Stagnates	Economy Does Poorly
Treasury Bills	Poorly	Mediocre	Well (Nominally)
Treasury Bonds	Poorly	Mediocre	Well (Nominally)
Investment Grade Corporate Short Duration	Mediocre	Mediocre	Mediocre
Investment Grade Corporate Long Duration	Poorly	Poorly	Poorly
High Yield	Well	Poorly	Poorly
Floating Rate	Well	Mediocre	Poorly

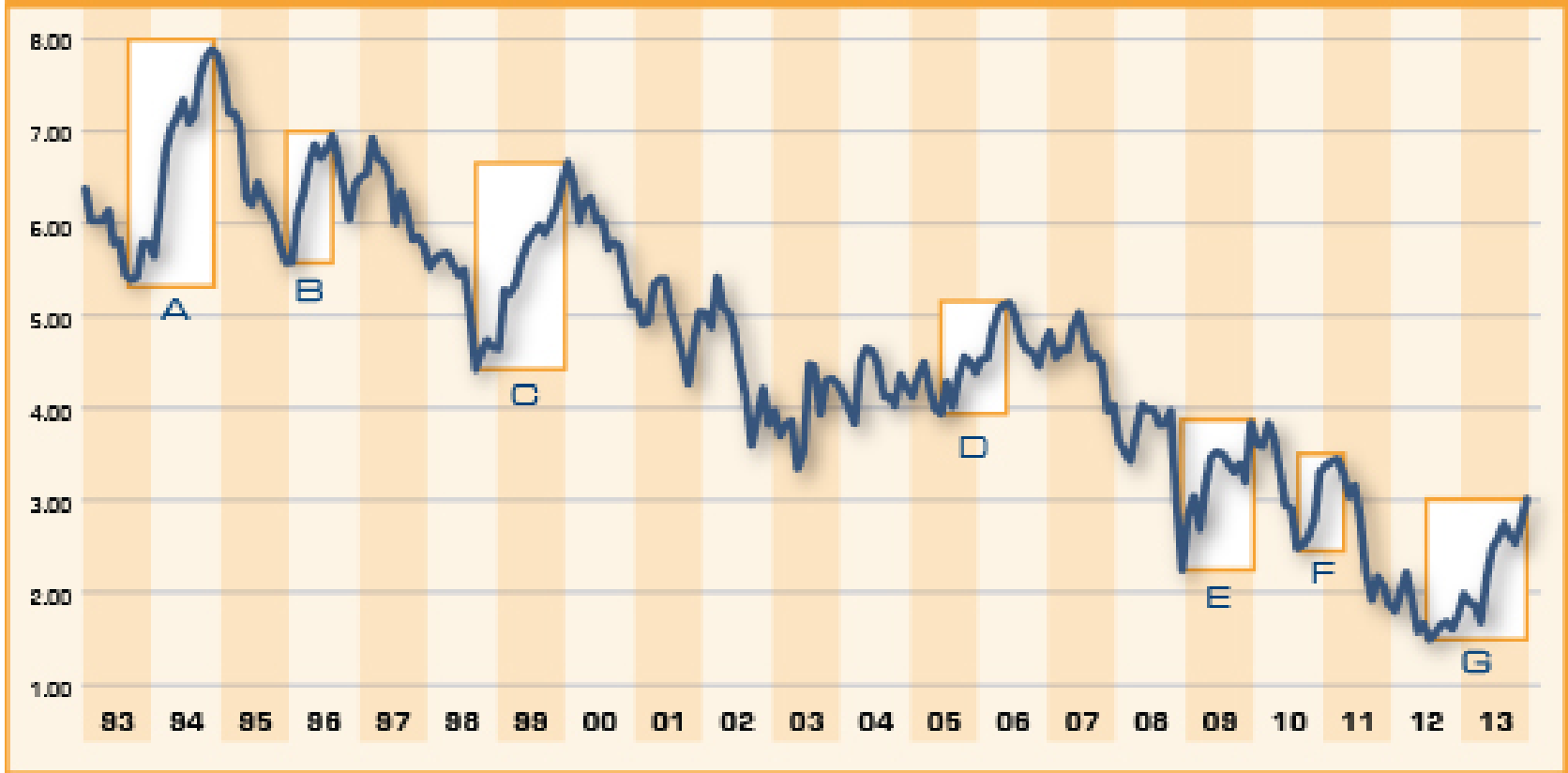
# Finding Securities with a Negative Correlation with U.S. Treasuries — Fixed-Income Sectors to 7-10 Year Treasuries

*Correlations to: Barclays U.S. Treasury 7-10 Year Total Return Index  
(10 years ended March 31, 2014)*



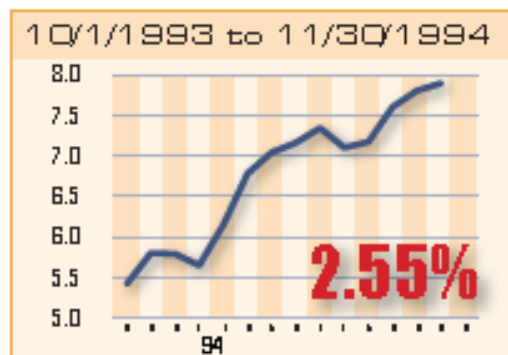
# 10-Year Treasury Yields

Volatile Periods During Declining Interest Rate Trends

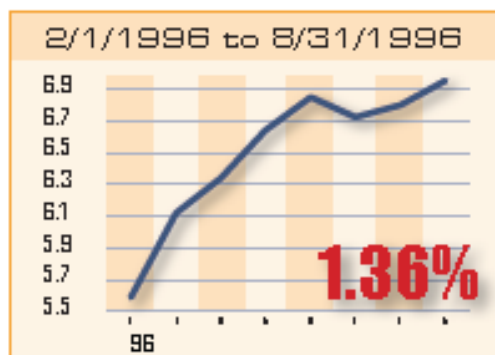


Source: Morningstar Direct. Past performance not indicative of future results. Please see attached disclosures.

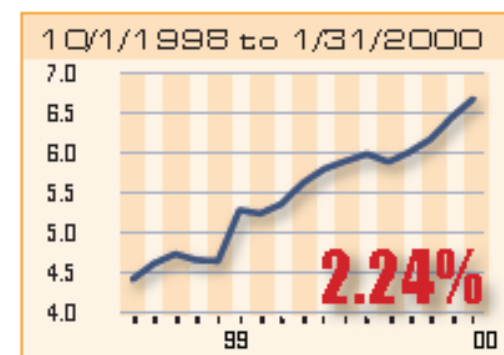
## Rising Rate Periods



Barclays U.S. Corporate High Yield	1.97
Barclays U.S. Treasury 30 Yr	-15.78
Barclays U.S. Treasury 10 Yr	-10.17
Barclays U.S. Treasury 5 Yr	-4.78
S&P 500 TR	2.15



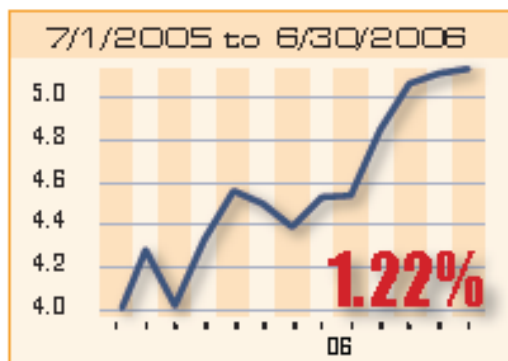
Barclays U.S. Corporate High Yield	3.25
Barclays U.S. Treasury 30 Yr	-10.80
Barclays U.S. Treasury 10 Yr	-5.82
Barclays U.S. Treasury 5 Yr	-2.68
S&P 500 TR	3.92



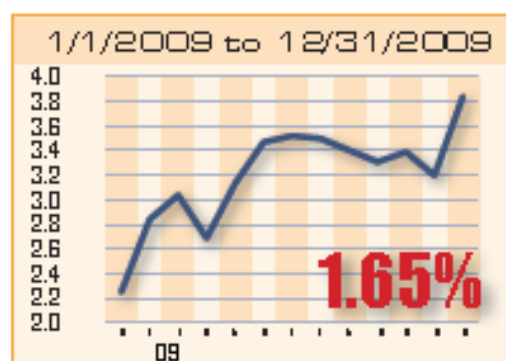
Barclays U.S. Corporate High Yield	4.12
Barclays U.S. Treasury 30 Yr	-15.69
Barclays U.S. Treasury 10 Yr	-10.18
Barclays U.S. Treasury 5 Yr	-3.73
S&P 500 TR	39.44

Source: Morningstar Direct. Past performance not indicative of future results. Please see attached disclosures.

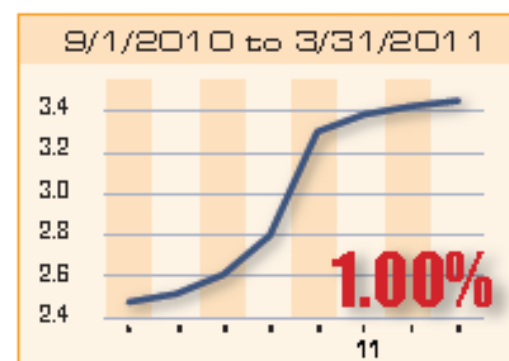
## Rising Rate Periods



Barclays U.S. Corporate High Yield	4.80
Barclays U.S. Treasury 30 Yr	-11.18
Barclays U.S. Treasury 10 Yr	-5.78
Barclays U.S. Treasury 5 Yr	-2.45
S&P 500 TR	8.63



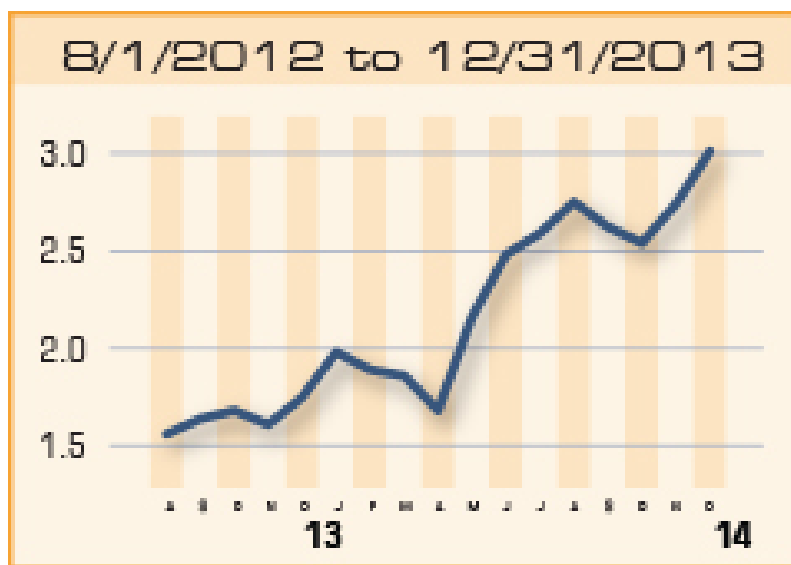
Barclays U.S. Corporate High Yield	58.21
Barclays U.S. Treasury 30 Yr	-25.88
Barclays U.S. Treasury 10 Yr	-9.76
Barclays U.S. Treasury 5 Yr	-1.35
S&P 500 TR	26.46



Barclays U.S. Corporate High Yield	10.46
Barclays U.S. Treasury 30 Yr	-13.55
Barclays U.S. Treasury 10 Yr	-6.04
Barclays U.S. Treasury 5 Yr	-2.17
S&P 500 TR	27.78

Source: Morningstar Direct. Past performance not indicative of future results. Please see attached disclosures.

## Rising Rate - Current Period



Barclays U.S. Corporate High Yield	9.58
Barclays U.S. Treasury 30 Yr	-14.31
Barclays U.S. Treasury 10 Yr	-6.21
Barclays U.S. Treasury 5 Yr	-1.70
S&P 500 TR	25.75

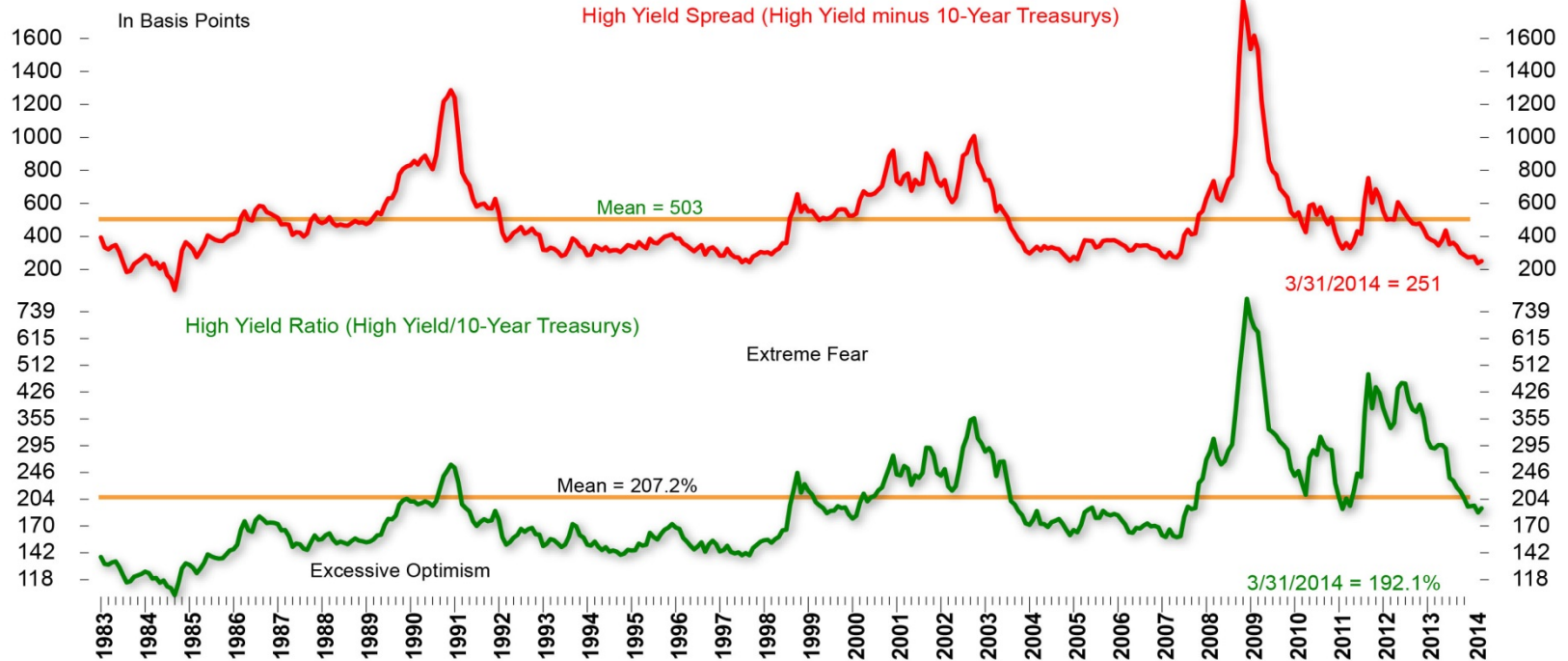
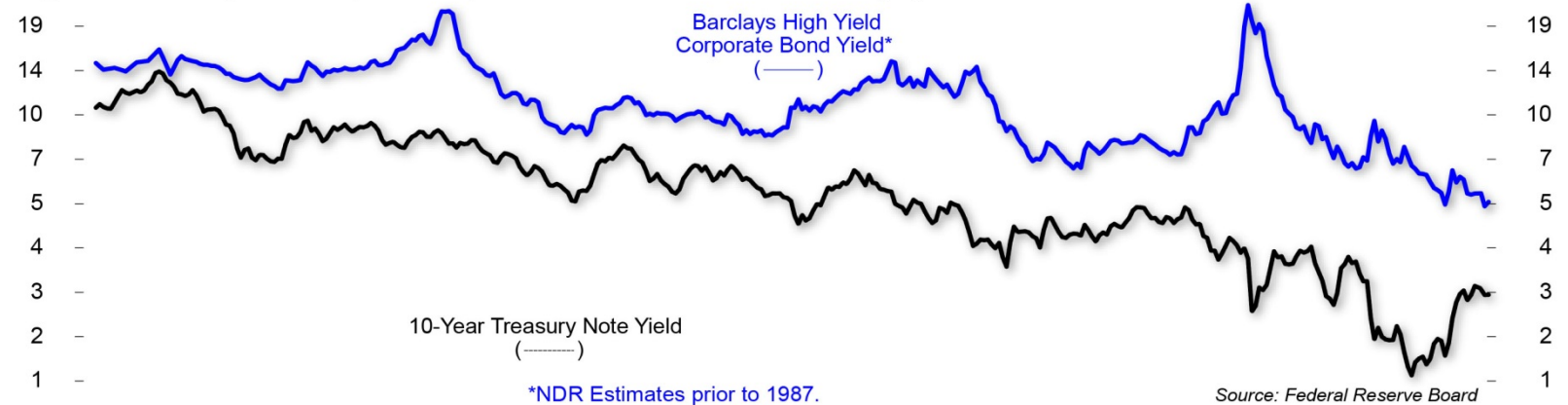
Source: Morningstar Direct. Past performance not indicative of future results. Please see attached disclosures.



# High Yield Spreads

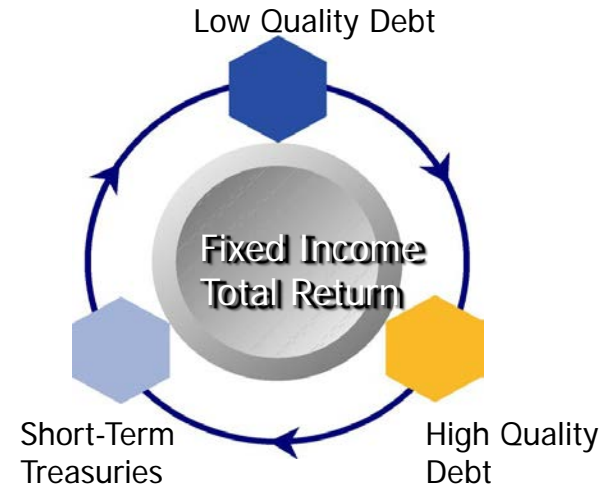
## High Yield Corporate Spreads (Relative to 10-Year Treasuries)

Monthly Data 1/31/1983 - 3/31/2014 (Log Scale)



# Fixed Income Total Return

- Portfolio Objective:** The Fixed Income Total Return strategy is designed to deliver excess alpha over a full market cycle measured against Barclays Capital U.S. High Yield Bond Index and Barclays Capital U.S. Aggregate Bond Index. The strategy seeks total return with a secondary goal of current income.



U.S. Short-Term Treasury	
BIL	Barclays Capital 1-3 Month T-Bill SPDR
SHV	iShares Barclays Short Treasury Cash Equivalents

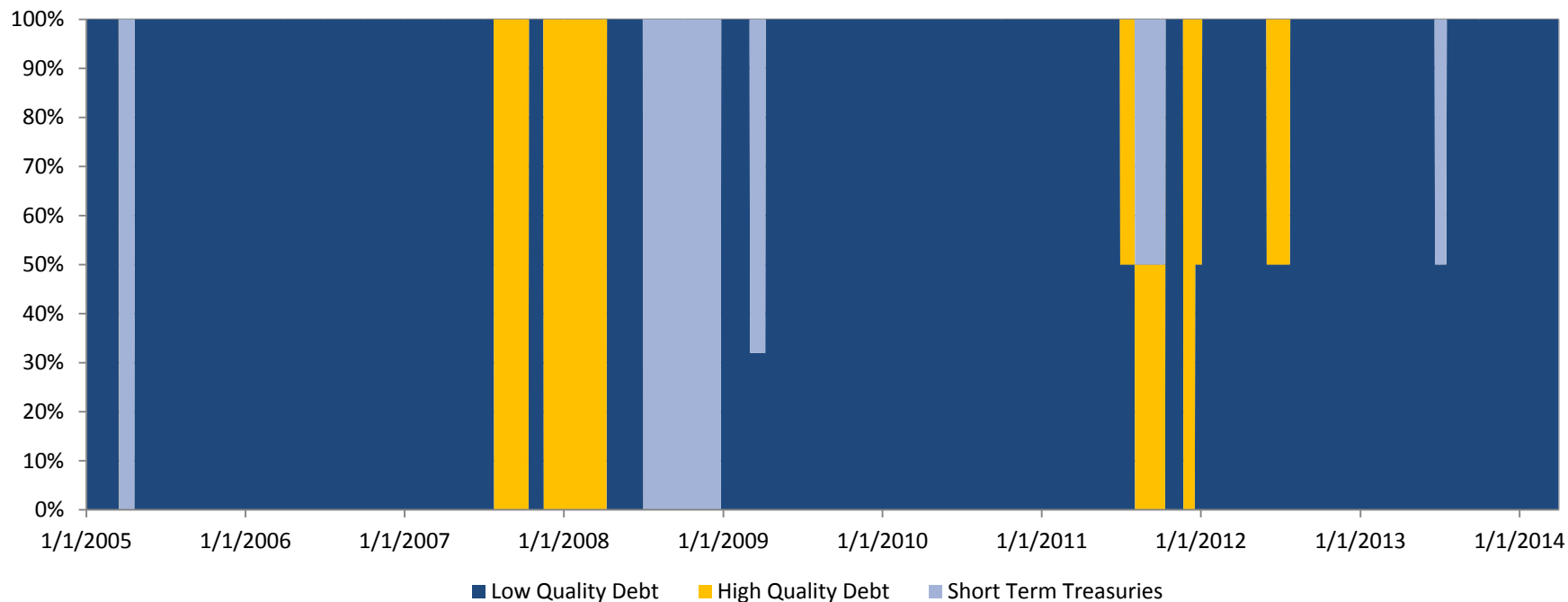
High Quality Debt	
SHY	iShares Barclays 1 -3 Year Treasury
IEI	iShares Barclays 3 - 7 Year Treasury
IEF	iShares Barclays 7 - 10 Year Treasury
TLH	iShares Barclays 10 - 20 Year Treasury
TLT	iShares Barclays 20+ Year Treasury
TIP	iShares Barclays TIPS Bond
LQD	iShares iBoxx \$ Investop Investment Grade Bond
AGG	iShares Barclays Aggregate Bond
IGOV	iShares S&P/Citi International Treasury

Low Quality Debt	
HYG	iShares iBoxx \$ High Yield Bond
JNK	Barclays High Yield Bond SPDR
PHB	PowerShares High Yield Corporate Bond
SJNK	Barclays Capital Short-Term High Yield SPDR
PFF	iShares S&P U.S. Preferred Stock
HYS	PIMCO 0-5 Year High Yield Corporate Bond
HYLD	Peritus High Yield
BKLN	PowerShares Senior Loan Portfolio
HYD	Market Vectors High Yield Muni Bond
EMHY	iShares Emerging Markets High Yield Bond
GHYG	iShares Global High Yield Corporate Bond
IHY	Market Vectors International High Yield Bond
EMB	iShares JPMorgan USD Emerging Markets Bond
HYEM	Market Vectors Emerging Markets High Yield Bond

This is not a recommendation to buy or sell a particular security.

# Portfolio Characteristics & Allocation History as of 3/31/2014

Portfolio Characteristics*		Holdings	Ticker	%	# of Positions	30 day SEC Yield*
Total Holdings Exposure	1615	iShares iBoxx \$ High Yield Corp Bond	HYG	48.5	917	5.90%
Estimated 12 Month Yield	6.16%	Barclays High Yield Bond SPDR	JNK	48.5	698	6.80%
Average Coupon	6.83%	Cash		3.0		
Average Duration	3.88					
Average Credit Quality	B					



This is not a recommendation to buy or sell a particular security. There is no assurance that any securities discussed herein will remain in an account's portfolio at the time you receive this report.

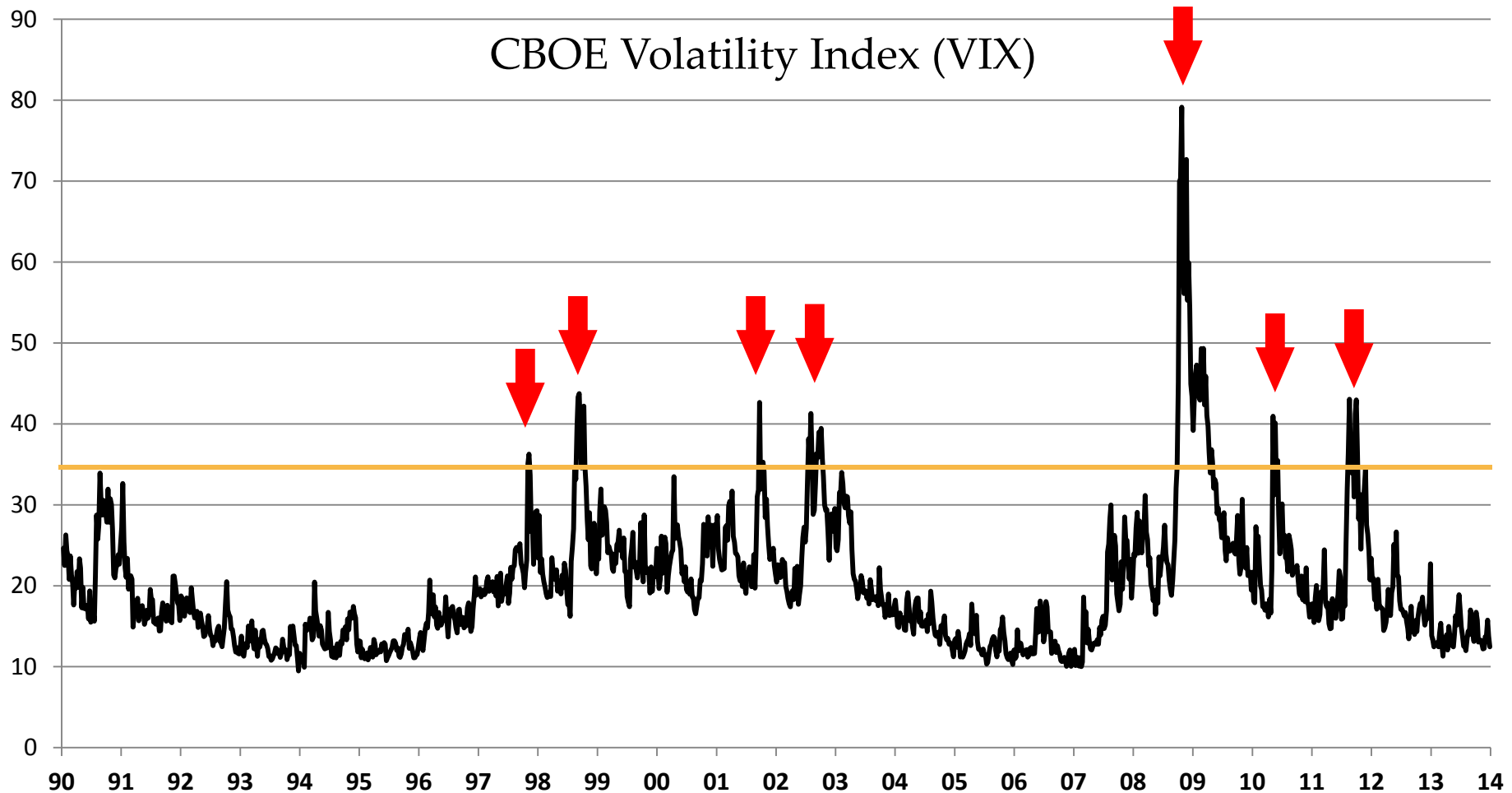
# Systematic Risk Management

# What It May Take to Break Even after a Loss

	Saving	Withdrawing Income
If investment is down	Return needed to break even (without withdrawals)	Return needed to break even (withdrawing 5% at the end of each year)
10%	11.10%	17.60%
20%	25.00%	33.30%
25%	33.30%	42.90%
30%	42.90%	53.80%
40%	66.70%	81.80%

These returns will be reduced by the deduction of advisory fees and other fees that may be incurred in the management of the account.

# Managing Volatility



The VIX measures implied volatility from options that trade on the S&P 500. Implied volatility is a **forward-looking** measure of risk and is used as an input for managing our hedged portfolios.

## Hedge Strategy Objectives

---

- Reduce portfolio volatility
- Prevent large portfolio losses through systematic allocation to volatility
- Provide consistent negative correlation in all market environments
- Provide systematic risk management without forecasting or market timing influence
- Provide confidence in the expected outcome in all market environments
- Provide continuous hedge to help lower risk from event driven declines (i.e. natural disaster, terrorist attacks)

## Potential Client Benefits of the Sentry Strategy

- Clients stay committed to a financial plan over full market cycles (i.e. in both bear and bull markets)
- Clients stay invested
- Client anxiety is reduced during times of market stress



## Potential Partner Benefits of the Sentry Strategy

- Assists advisors with retention
- Reduces client anxiety during times of market stress
- Helps to preserve fee based revenue in bear markets
- Grows revenue during times of economic expansion
- Provides competitive advantage among peers



Moderator: Sean Clark, CFA<sup>®</sup>, Chief Investment Officer

Future  
**PARTNER**  
CONFERENCE

Premier Portfolio Solutions

## Premier Fixed Income Team

---



**Steven Grant**  
Chief Financial Officer



**Jamie Mullen**  
Senior Portfolio Manager



**Jonathan Fiebach**  
Chief Investment Officer



## Premier Equity Team

---



**Maira Thompson**  
Senior Portfolio Manager



**Tony Soslow**  
Senior Portfolio Manager



Presenters:

Paul Binnion, Director of Strategic Development

Ron Bittone, Investment Consultant

Future  
**PARTNER**  
CONFERENCE

The Client Comes First



# Case Design Process

## 7 Paperwork Execution and Investment Begins

1. Clark Capital service liaison reviews paperwork requirements with advisor/assistant
2. Advisor meets with client to sign all paperwork and then fax or sends paperwork to Clark Capital
3. Clark Capital obtains all necessary paperwork and establishes account(s)
4. Transfer necessary assets into newly opened Clark Capital client account(s)
5. Clark Capital allocates assets across desired models and management begins

## 6 Investment Proposal Review

1. Discuss proposed investments and their objective with advisor
2. Review Proposal in detail and make any necessary changes
3. Ensure everyone is on the same page consistent with client goals
4. Review and discuss the team's role and responsibilities

## 5 Clark Capital Creates Investment Proposal

1. IC consults with portfolio team to ensure appropriate investment selection
2. Investment proposal is reviewed by CIO
3. Formal Investment Proposal is generated by Advisor Support team
4. Investment Proposal and corresponding docs are emailed to advisor's team

## 8 Ongoing Collaboration

1. Collaborate with Clark Capital to review client portfolio
2. Make any necessary allocation changes
3. Discuss current allocation and ensure we are on track to meet client needs
4. Audit income plan to "harvest" investment gains

Advisor introduces Investment Proposal to client (if applicable)

*If client is happy with Income Plan, we would move to Step 4*

Advisor introduces Income Plan to client and edits plan if necessary

*If client reacts negatively to Income Plan, we would return to Step 3*

## 4 Investment Selection and Solution Discussion

1. Discuss Income Plan and possible solutions for each bucket
2. Review Income Plan and make necessary changes
3. Fill each bucket with solutions which meet ROR and time horizon objectives
4. Identify diversification needs and risk tolerance
5. Review and discuss current investment inventory

# Case Design Process

Advisor meets with client and begins gathering information

Advisor gathers additional information from client following triage call

Advisor gathers additional information from client during meeting

## 1 Triage/Intro Call

1. Provide Client Financial Information
  - Tax information
  - Investment statements
  - Risk profile
  - Balance sheet
  - Cash flow analysis
2. Provide Client Financial Goals
  - Financial plan
  - Family vision statement
  - Current Investment Policy Statement
  - Discovery notes
  - Monte Carlo simulation
  - Client income statement and needs

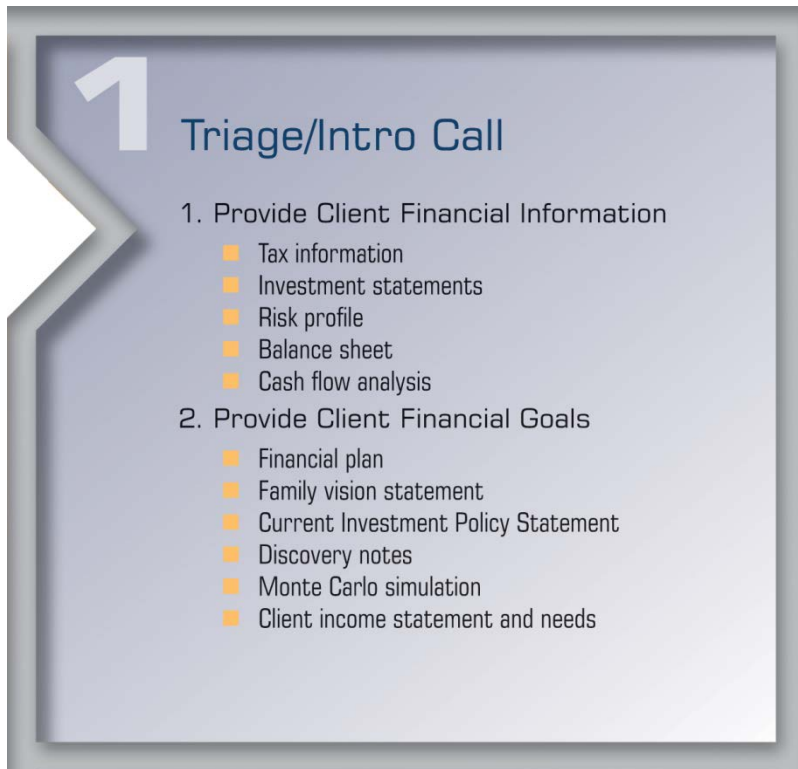
## 2 Deep Dive Case Design Call

1. Discuss Client's Current Financial Picture
  - Brokerage statements
  - 401(k) holdings
  - Direct Mutual Funds
  - Different registration needs
  - Pension
  - Social Security income
  - Annuity or Insurance Products
  - Life Insurance
  - Other income sources
2. Discuss Client's Investment Objectives/Goals
  - Income needs
  - Retirement plan
  - Budget plan
  - Legacy plan
  - Overall investment needs for sustainability

## 3 Ready Talk and/or Income Planning Software Call

1. Utilize if client has income needs
2. Utilize if client is planning to retire in near future (five years away)
3. Build Income Plan with assumed ROR and time horizon for each bucket
4. Construct a written plan to capture investment needs and objectives
5. Used to audit future income needs

## Triage/Intro Call



1 Triage/Intro Call

1. Provide Client Financial Information
  - Tax information
  - Investment statements
  - Risk profile
  - Balance sheet
  - Cash flow analysis
2. Provide Client Financial Goals
  - Financial plan
  - Family vision statement
  - Current Investment Policy Statement
  - Discovery notes
  - Monte Carlo simulation
  - Client income statement and needs

- Provide Client Financial Information
  - ❖ Tax information
  - ❖ Investment statements
  - ❖ Risk profile
  - ❖ Balance sheet
  - ❖ Cash flow analysis
- Provide Client Financial Goals
  - ❖ Financial plan
  - ❖ Family vision statement
  - ❖ Current Investment Policy Statement
  - ❖ Discovery notes
  - ❖ Monte Carlo simulation
  - ❖ Client income statement and needs





Welcome, tfinnegan

My Account • Logout



HOME

ABOUT US

NAVIGATOR WORKSTATION

INVESTMENT PHILOSOPHY

INVESTMENT STRATEGIES

RESOURCE CENTER

ADMIN

## Proposal Request

If you would like Clark Capital to prepare an Investment Proposal for a client please complete the following. Normal processing time for a proposal is approximately 48 hours. Please note that all fields with an asterisk (\*) are required.

### ADVISOR INFORMATION

\*Advisor Name:

\*Advisor Company:

Advisor Address:

Advisor Phone:

\*Advisor Email:

### CLIENT INFORMATION

\*Client Name:

Date of Birth:

\*Is Client Retired?  Yes  No

If no, how many years until?

\*Household Income:

\*Investable Net Worth:

Investable Assets NOT being considered for this proposal:

Asset mix of the Funds  EQUITIES  FIXED INCOME  OTHER

NOT being considered:

## Deep Dive Case Design Call

### 2 Deep Dive Case Design Call

#### 1. Discuss Client's Current Financial Picture

- Brokerage statements
- 401(k) holdings
- Direct Mutual Funds
- Different registration needs
- Pension
- Social Security income
- Annuity or Insurance Products
- Life Insurance
- Other income sources

#### 2. Discuss Client's Investment Objectives/Goals

- Income needs
- Retirement plan
- Budget plan
- Legacy plan
- Overall investment needs for sustainability

- Discuss Client's Current Financial Picture
  - ❖ Brokerage statements
  - ❖ 401(k) holdings
  - ❖ Direct Mutual Funds
  - ❖ Different registration needs
  - ❖ Pension
  - ❖ Social Security income
  - ❖ Annuity or Insurance Products
  - ❖ Life Insurance
  - ❖ Other income sources
- Discuss Client's Investment Objectives / Goals
  - ❖ Income needs
  - ❖ Retirement plan
  - ❖ Budget plan
  - ❖ Legacy plan
- Overall investment needs for sustainability

# Portfolio X-Ray®: Valued Client:

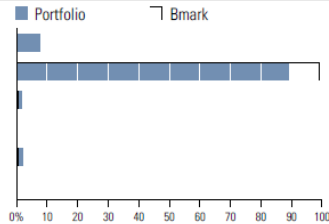
## Asset Allocation 03-31-2014



Asset Allocation	Portfolio %	Bmark %
Cash	8.79	0.37
US Stocks	19.37	44.26
Non-US Stocks	19.11	17.43
Bonds	51.74	37.78
Other/Not Clsd	<b>0.99</b>	<b>0.15</b>

## Bond Analysis 03-31-2014

Fixed-Income Sectors	Portfolio %	Bmark %
Government	7.45	0.00
Municipal	88.87	99.09
Corporate	1.52	0.35
Securitized	0.21	0.00
Cash & Equivalents	1.84	0.56
Derivative	0.12	0.00



## Maturity Breakdown

Effective Maturity	Portfolio %	Credit Quality	Portfolio %
1-3	4.05	AAA	21.68
3-5	1.63	AA	48.81
5-7	26.61	A	23.61
7-10	40.80	BBB	2.17
10-15	26.43	BB	0.84
15-20	0.18	B	0.59
20-30	0.04	Below B	0.03
>30	0.25	NR	2.27

## Credit Quality Breakdown

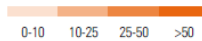
## Benchmark

Custom

## Investment Style 03-31-2014

### Fixed-Income Style

0	89	0	High Med Low
9	0	0	
0	0	0	
Ltd	Mod	Ext	

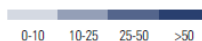


### Fixed-Income Style

	Portfolio	Bmark
Effective Duration	5.86	8.54
Effective Maturity	7.77	—

### Equity Style

17	19	24	Large Mid Small
6	10	13	
3	4	4	
Value	Blend	Growth	



### Equity Style

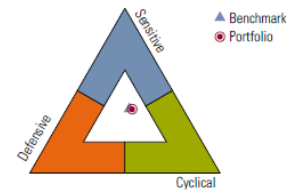
	Portfolio	Bmark
Average Market Cap (\$mil)	18,634.72	50,161.19
Price/Earnings	17.30	16.95
Price/Book	2.02	2.10
Price/Sales	1.05	1.34
Price/Cash Flow	9.59	9.53

## Market Value

\$8,719,079.72

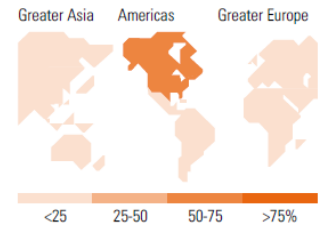
## Stock Analysis 03-31-2014

### Stock Sectors



	Portfolio %	Bmark %
<b>Cyclical</b>	<b>36.80</b>	<b>33.09</b>
Basic Matls	5.17	4.19
Consumer Cycl	13.97	8.87
Financial Svs	11.42	13.47
Real Estate	6.24	6.56
<b>Sensitive</b>	<b>45.59</b>	<b>46.09</b>
Commun Svs	5.68	3.63
Energy	15.90	21.84
Industrials	11.71	9.50
Technology	12.30	11.12
<b>Defensive</b>	<b>17.61</b>	<b>20.82</b>
Consumer Def	8.57	8.29
Healthcare	8.44	9.87
Utilities	0.60	2.66
<b>Not Classified</b>	<b>0.00</b>	<b>0.00</b>

### World Regions



	Portfolio %	Bmark %
<b>Americas</b>	<b>57.87</b>	<b>73.29</b>
North America	56.78	73.02
Latin America	1.09	0.26
<b>Greater Europe</b>	<b>29.46</b>	<b>19.17</b>
United Kingdom	7.66	7.04
Europe-Developed	21.43	12.01
Europe-Emerging	0.15	0.00
Africa/Middle East	0.22	0.12
<b>Greater Asia</b>	<b>12.67</b>	<b>7.55</b>
Japan	6.50	4.29
Australasia	0.29	2.00
Asia-Developed	2.88	1.00
Asia-Emerging	3.00	0.26
<b>Not Classified</b>	<b>0.00</b>	<b>0.00</b>

## FOOT LOCKER INC

Rating Analysis - 3/26/13

Debt: \$133.0M, Cash+: \$928.0M

Est. Share Value: \$32.87 Price: \$33.04

EJR Sen Rating(Curr/Prj) A-/ A-

EJR CP Rating: A1+

EJR's 5 yr. Default Probability: 1.7%

EJR 5 yr. Recov. Rate (see liq. analyses): 95.0%

Foot Locker Inc's (FL) revenues were \$1.71B for the quarter ending Jan 2013 vs \$1.50B for the prior year. Net Income for the Jan '13 quarter was \$104M the prior year's \$81.0M income.

A strong qtr - FL's Feb '13 qtr net inc jumped by 28.4% YOY (excl \$12M of impairments, net is up 34.9% YOY) led by strength both by chain and geography. Revs rose 14.0% YOY helped by an extra week of sales and strong comps growth of 7.9%. Gr mgns rose by 97 bps at 32.9%, led by occupancy leverage and an extra week of sales. (Excl the 53rd week of sales, gross margins improved by 40 bps to 32.4%). Opr inc rose by 35.6% YOY to \$171M from \$127M, on prop lower SG&A exps. For FY12, rev rose 9.9% to \$6.18B and opr inc is up 38.8% at \$612M. Total debt is \$133M, cash of \$928M vs. a mkt cap of \$4.98B. The new share repurchase program of \$600M (over 3 years) and the \$220M in 2013 capex is manageable. Watch for pressure in footwear margins, and markdown rate in merchandise division. Affirming.

CREDIT POSITION	*Annual Ratios		Ratios for 4 Rolling Quarters				
	Jan-13	PJan-15*	Jan-12	Apr-12	Jul-12	Oct-12	Jan-13
Pretax Int Coverage (x)	124.4	65.8	34.0	41.2	48.0	48.2	62.2
Funds fr Oper/Debt (%)	556.4	326.5	408.9	448.9	482.0	521.8	556.4
Free Oper Cashflow/Debt(%)	330.8	264.4	415.6	341.5	410.5	368.4	357.1
Return on Equity (%)	16.7	17.2	13.2	14.1	15.3	16.3	16.7
T Debt/Cap(w Debt)(%)	5.3	9.0	6.0	5.7	5.8	5.5	5.3
(Debt+10xRent)/(Cap+10xRent)%	5.3	9.0	6.0	5.7	5.8	5.5	5.3
Implied Sen. Rating	AA-	AA-	A+	AA-	AA-	AA-	AA-

### INDUSTRY RATIOS

	AA	A	BBB	BB	B	CCC
Pretax Int Coverage (x)	11.6	7.2	4.2	2.5	1.4	0.7
Funds fr Oper/Debt (%)	55.0	39.3	25.3	13.5	7.5	2.5
Free Oper Cashflow/Debt(%)	27.0	8.5	1.5	-1.5	-4.5	-7.0
Return on Equity (%)	22.0	15.5	13.9	9.0	7.7	3.0
T Debt/Cap(w Debt)(%)	29.6	43.7	55.5	70.5	72.0	110.0
(Debt+10xRent)/(Cap+10xRent)%	47.1	55.0	63.8	82.1	90.0	98.0



## PORTFOLIO SUMMARY REPORT

### TAXABLE SAMPLE

report as of February 25, 2014

<u>Portfolio Totals</u>		<u>Portfolio Averages</u>	
Total Par Value	\$500,000.00	Coupon	5.03 %
Priced Par Value	\$500,000.00	Maturity	7.36 yrs
Total Market Principal	\$519,537.40	Effective Maturity	5.33 yrs
Accrued Interest	\$5,867.45	Modified Duration	4.50 yrs
Total Market Value	\$525,404.85	Yield to Maturity	4.25 %
Items Represented	32	Yield to Worst	3.93 %
Estimated Annual Income	\$25,131.55	Market Price	103.907

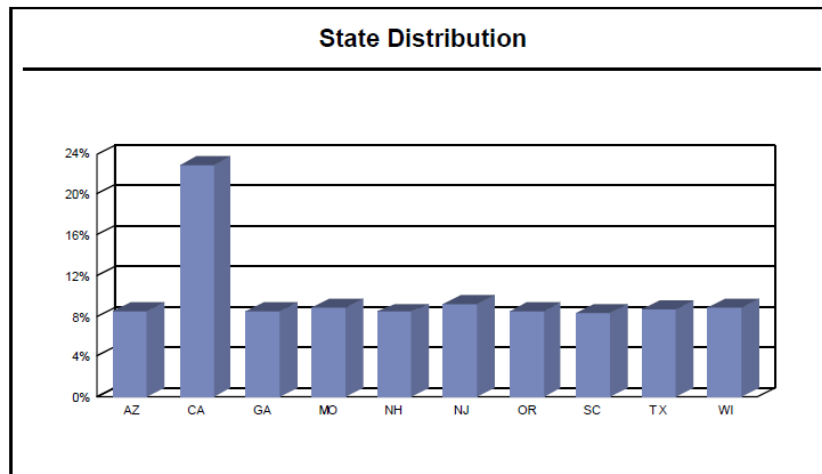
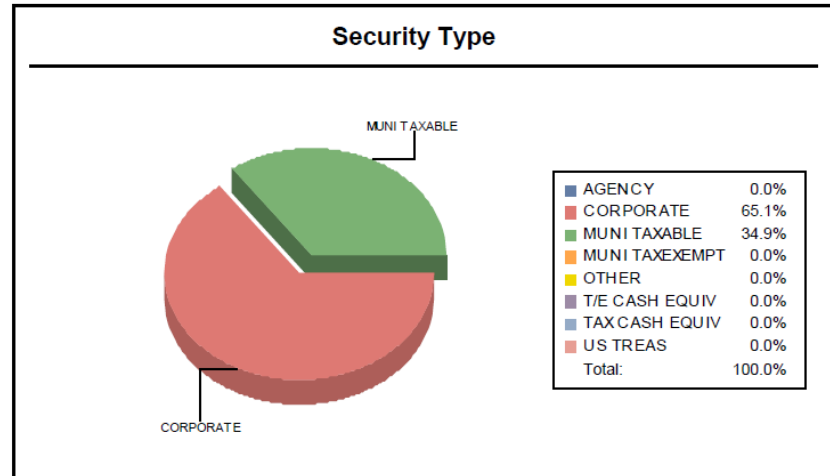
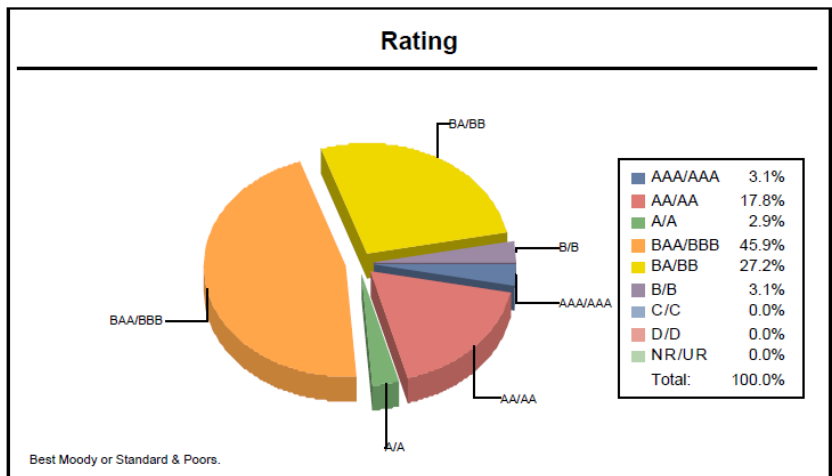
Portfolio summary values based upon priced securities.  
Averages weighted by Interactive Data Corporation (IDC) evaluation market pricing.  
Average coupon rate and market price weighted by par value.  
Quantity held reflects factored value where applicable.



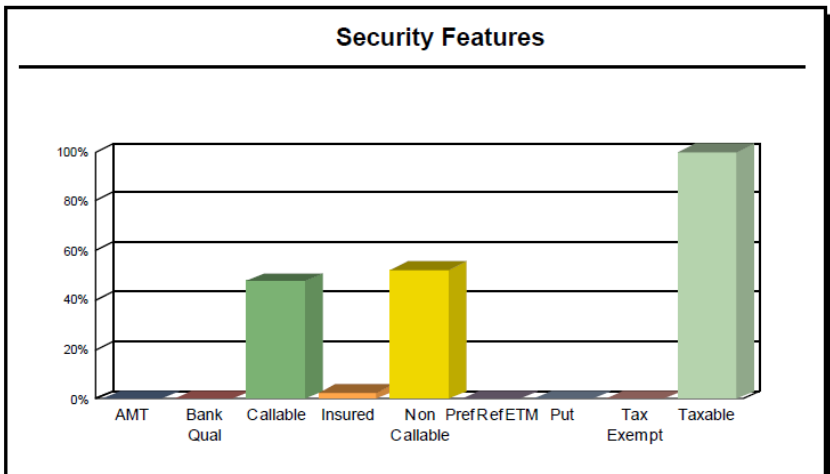
# PORTFOLIO DIVERSIFICATION

## TAXABLE SAMPLE

report as of February 25, 2014



Values weighted by market value



Please see the last page of this report for detail

# Investment Policy Statement

## Financial Wisdom

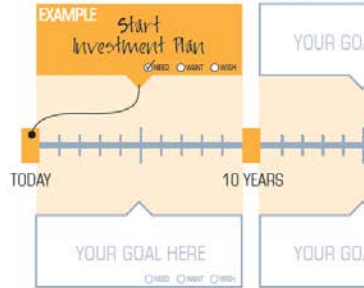




One Liberty Place  
53rd Floor  
1650 Market Street  
Philadelphia, PA 19103  
800.766.2264  
www.ccmg.com

### Visualize Your Goals over Time

Write your goals in the boxes below, then draw a line to the timeline.



### Investment Constraints

Well diversified portfolios consist of a broad range of asset or security types that provide the best access to unique asset classes. We will personalize your plan to meet your specific objectives, we will also identify any investments you would like to exclude from consideration in your portfolios.

1. Please list any types of securities or asset classes or specific securities (for example, a particular stock) that you want to exclude from consideration in building your portfolios.

---



---

Understanding your tax circumstances will help us maximize your investment profits. In the event that your portfolio suffers losses, we will help you harvest those losses to offset any taxable gains.

2. Please answer the following personal tax questions to the best of your knowledge.

My tax bracket is: \_\_\_\_\_

In the last 5 years, have you been subject to Alternative Minimum Tax (AMT)? \_\_\_\_\_

If yes, which years? \_\_\_\_\_

If possible, I would like to reduce the current level of tax I pay. \_\_\_\_\_

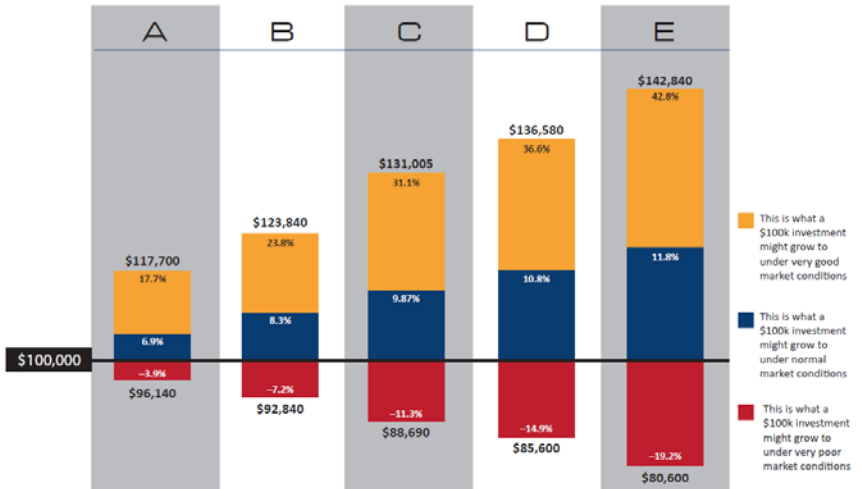
I would like to better control my future taxable distributions and income. \_\_\_\_\_

I have unused tax losses available. If yes, how much? \$ \_\_\_\_\_

Tax management of my portfolio is a concern. \_\_\_\_\_

### Risk Comfort Zone

Chart shows hypothetical performance of an investment of \$100,000 after one year under five different market gain/loss scenarios.



Note: Range of returns assumes 95% probability of likelihood.

Source: "Creating an Investment Policy Statement" by Norman M Boone and Linda Lubitz; Publisher FPA Press, 2004

6. The chart above shows hypothetical range of values for an investment of \$100,000 after one year. Which investment would you be most comfortable owning?
  - A
  - B
  - C
  - D
  - E
7. An investment decision involves the possibility of a gain or a loss. What most influences your thinking when making a decision?
  - I am mainly influenced by the potential gain
  - I am more influenced by the potential gain than by the potential loss
  - I am more influenced by the potential loss than by the potential gain
  - I am mainly influenced by the potential loss
8. Imagine that the stock market has dropped 20% in the last year. A stock or mutual fund that you own has also dropped 20% in value. How would you react?
  - Sell all my shares
  - Sell some of my shares
  - Keep all of my shares
  - Keep all of my shares and buy more
9. Please select the answer that best describes you.
  - I would rather be out of the market when it goes down than in the market when it goes up. I find it difficult to stomach the ups and downs of the market.
  - I would rather be in the market when it goes down than out of the market when it goes up. I can live with the ups and downs of the stock market in order to earn market returns.

[CLIENT NAME]

## Investment Policy Statement

[Choose the date]

Prepared by

[Advisor's Name]  
[Advisor Company]  
[Advisor's Address]  
[Advisor's Phone]

Prepared for [Client Name]

### EXECUTIVE SUMMARY

Type of Client:	[Client Type]
Client Name:	[Client Name]
Client Sub-type:	[Client Sub-type]
Type of Investment Policy:	[Type of Investment Policy]
State of Domicile:	[State of Domicile]
Current Assets:	[Current Assets]
Time Horizon:	[Time Horizon]
Return Goals:	[Return Goals]
Downside Risk Tolerance:	[Downside Risk Tolerance]

### PURPOSE

The purpose of this Investment Policy Statement ("IPS") is to provide [Client Name] ("Investor") and [Advisor Company] ("Advisor") with the investment objectives and management policies applicable to the Investor's investment in the IPS.

- Establishes the Investor's expectations, objectives and the framework for a well-diversified stock portfolio that is expected to generate acceptable long-term returns.
- Defines the responsibility of the Investor and the Advisor, including:
  - Describes an appropriate risk posture for the Investor.
  - Specifies the target asset allocation policy for the Investor.
  - Establishes investment guidelines regarding asset selection, investment methodology, permissible securities, and other factors.
  - Specifies the criteria for evaluating the performance of the investment.
- Defines the responsibility of the Investor and the Advisor.
- Encourages effective communication between the Investor and the Advisor.

This IPS is not a contract. No legal counsel has reviewed this IPS and the procedures that provide guidance for the Investor. The Investor should be flexible and adaptive. The status and philosophy regarding the investment of the portfolio should be periodically reviewed to ensure they adequately reflect the Investor's needs and to the capital markets.

It is understood that there can be no guarantee of performance outlined herein.

Prepared for [Client Name]

[Pick the date]

- Determine the asset classes and mix appropriate (the "Asset Allocation") to maximize the likelihood of achieving the investment objectives at the lowest level of risk.
- Determine the investment strategies/methodology(ies) to be used with regards to investment (manager) selection, rebalancing, buy-sell disciplines, portfolio reviews and reporting.
- Implement the decisions.
- Document the decisions.

The net effort of the written policy is to increase the likelihood that the portfolio will meet the financial needs of the Investor.

### OVERVIEW COMMENTARY

#### Account Information

Account Title	Approximate Value
His IRA	[His IRA]
Her IRA	[Her IRA]
Joint Account	[Joint Account]
Total	[Total]
Total Annual Household Income	[Total Annual Household Income]
Last Year	[Last Year]
This Year	[This Year]
Projected Next Year	[Projected Next Year]
Total Annual Savings (Withdrawals)	[Total Annual Savings]
Last Year	[Last Year]
This Year	[This Year]
Next Year	[Next Year]

#### Investor Circumstances

[Enter Investor Circumstances]

### INVESTMENT PHILOSOPHY & BELIEFS

The basic tenets under which this portfolio will be managed include the following:

- Modern Portfolio Theory, as recognized by the 1990 Nobel Prize, will be the philosophical foundation for how the portfolio will be structured and how subsequent decisions will be made. The underlying concepts of Modern Portfolio theory include:
  - Investors are risk averse. The only acceptable risk is that which is adequately compensated by potential returns.

**Comment [NF1]:** Mr. and Mrs. Valued Client are in their mid 60s. He is a long time Microsoft employee and she is an economist for Expedia.com. Both plan to work for another four years before they consider retirement. They have one child, age 32, who is gainfully employed and is not dependent upon his parents. They would like to retire with an annual income before taxes of \$96,000 per year. In addition, in ten years they would like to purchase a second home with the objective of having a winter getaway and a place to enjoy future grandchildren. Based upon current valuations, they are budgeting \$250,000 for this purchase.

The Clients believe that inflation will rise slowly over time and understand that this factor will require them to invest a bit more aggressively to continue to grow the assets and offset the impact of inflation. They understand that they will need to accept some risk and accept moderate fluctuation in the value of their portfolio in exchange for greater income and/or growth potential.

Based upon our conversations in the discovery process, they would rather be in the market when it goes down than out of the market when it goes up. They are willing to accept the possibility of a downside in any given year of as much as 14.9% with the objective of earning 10.9% per year in normal markets. They understand that there is a 5% chance of a loss of greater than 14.9% in any given year.

In retirement the clients wish to set aside three years of income in cash or short term fixed instruments to be replenished opportunistically as market conditions provide excess returns over goal returns. In this way, the client can minimize the very real risk of sequence of returns and the impact that down years in the early years of retirement can have which may be devastating and in some cases result in unrecoverable damages to the portfolio and the income stream it can support.

They would like to be more moderate in their investment objectives with the retirement assets and more aggressive with their second home assets.

## Ready Talk and/or Income Planning Software Call

### 3

#### Ready Talk and/or Income Planning Software Call

1. Utilize if client has income needs
2. Utilize if client is planning to retire in near future (five years away)
3. Build Income Plan with assumed ROR and time horizon for each bucket
4. Construct a written plan to capture investment needs and objectives
5. Used to audit future income needs

- Utilize if client has income needs
- Utilize if client is planning to retire in near future (five years away)

- Build Income Plan with assumed ROR and time horizon for each bucket
- Construct a written plan to capture investment needs and objectives
- Used to audit future income needs

## Investment Selection and Solution Discussion

### 4 Investment Selection and Solution Discussion

1. Discuss Income Plan and possible solutions for each bucket
2. Review Income Plan and make necessary changes
3. Fill each bucket with solutions which meet ROR and time horizon objectives
4. Identify diversification needs and risk tolerance
5. Review and discuss current investment inventory

- Discuss Income Plan and possible solutions for each bucket
- Review Income Plan and make necessary changes

- Fill each bucket with solutions which meet ROR and time horizon objectives
- Identify diversification needs and risk tolerance
- Review and discuss current investment inventory

## Clark Capital Creates Investment Proposal

### 5 Clark Capital Creates Investment Proposal

1. IC consults with portfolio team to ensure appropriate investment selection
2. Investment proposal is reviewed by CIO
3. Formal Investment Proposal is generated by Advisor Support team
4. Investment Proposal and corresponding docs are emailed to advisor's team

- IC consults with portfolio team to ensure appropriate investment selection
- Investment proposal is reviewed by CIO
- Formal Investment Proposal is generated by Advisor Support team
- Investment Proposal and corresponding docs are emailed to advisor's team



*For one-on-one use between  
Client and Advisor*

# Investment Proposal



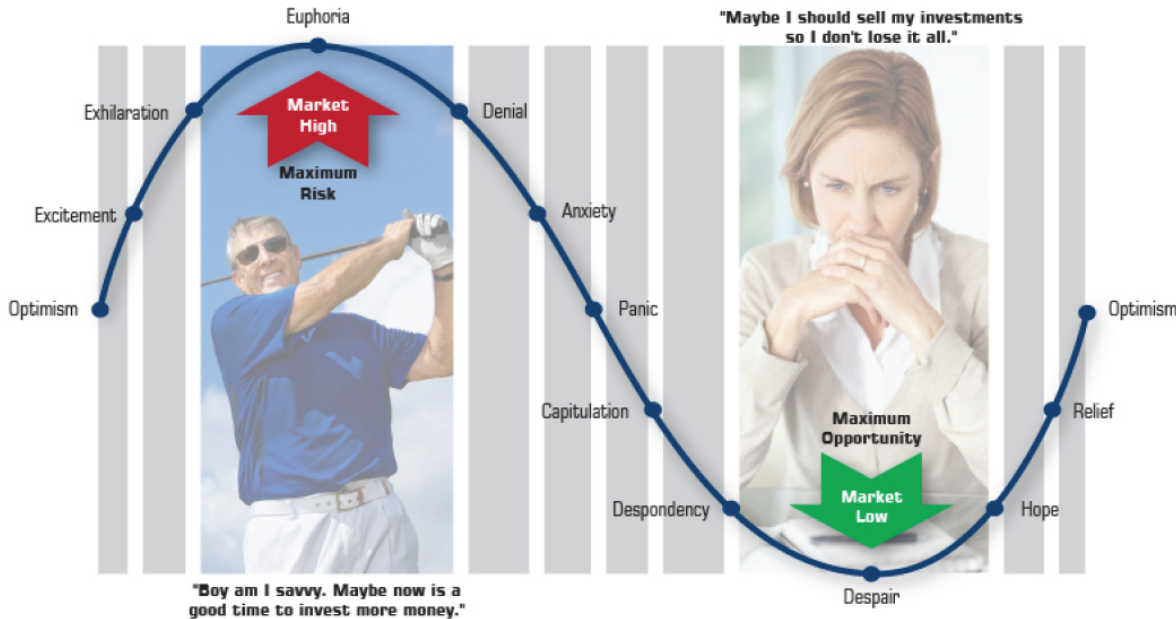
Prepared For  
**Valued Client #1**

On Behalf of  
**ABC Advisor**



*Tuesday, March 04, 2014*

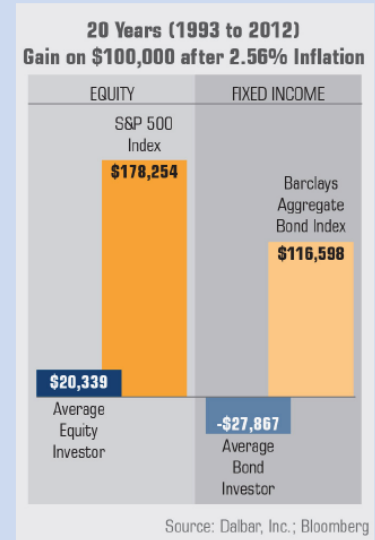
## Are Your Emotions at Odds with Your Goals?



Greed and Fear are the emotions that keep investors from meeting their goals.

Investors are most likely to invest at market peaks and "cash out" at low points, locking in losses. With the help of ABC Advisor, your financial advisor, and Clark Capital as your asset manager, you may be more likely to stay committed to your financial plan and more likely to avoid the pitfalls of unguided investors.

These visuals are shown for illustrative purposes only and do not guarantee success or a certain level of performance.

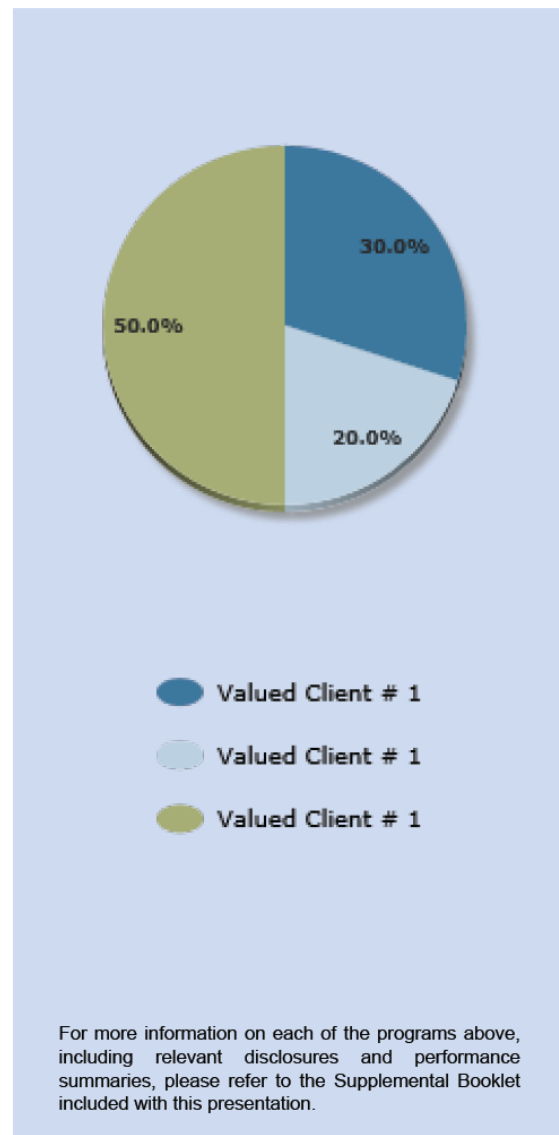


Difficult times in the market can make it tempting to take one's losses and cash out. It's a natural reaction but one that is likely to take you off the path that leads to your desired outcomes.



## Our Recommendations

Account Weight	Program	Registration Name	Amount	Contributions/ Withdrawals
30.00%	<b>Navigator All Cap Core U.S. Equity</b> Benchmark: Russell 3000 This strategy invests in a broad range of U.S. equities and seeks capital appreciation by focusing on high quality, undervalued companies with improving business prospects.	Valued Client # 1	\$150,000.00	
20.00%	<b>Navigator International Equity/ADR</b> Benchmark: MSCI ACWI ex U.S. This strategy invests in a broad range of international equities and seeks capital appreciation by focusing on high quality, undervalued companies with improving business prospects.	Valued Client # 1	\$100,000.00	
50.00%	<b>Navigator Fixed Income Total Return</b> Benchmark: Barclays U.S. Corporate High Yield Bond This strategy provides tactical exposure to the fixed income markets and seeks to deliver total return with a secondary goal of income.	Valued Client # 1	\$250,000.00	
<b>TOTAL INVESTMENT</b>			<b>\$500,000.00</b>	



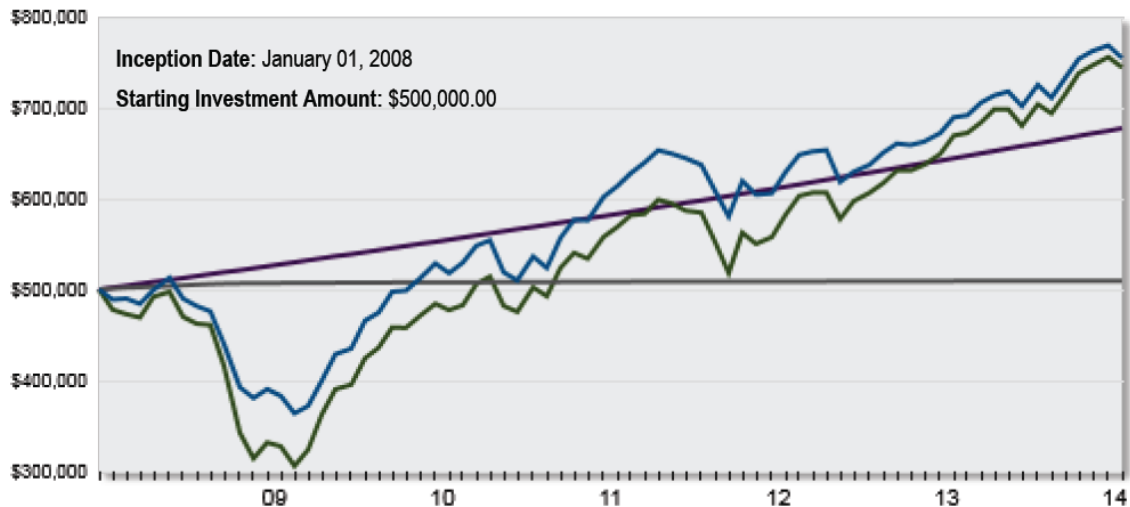
See the Supplemental Booklet included with this presentation for performance summaries of the products listed above.

For more information on each of the programs above, including relevant disclosures and performance summaries, please refer to the Supplemental Booklet included with this presentation.



## Model Performance *(as of 1/31/2014)*

The performance shown in this report is a blend between the performance of one or more account models.



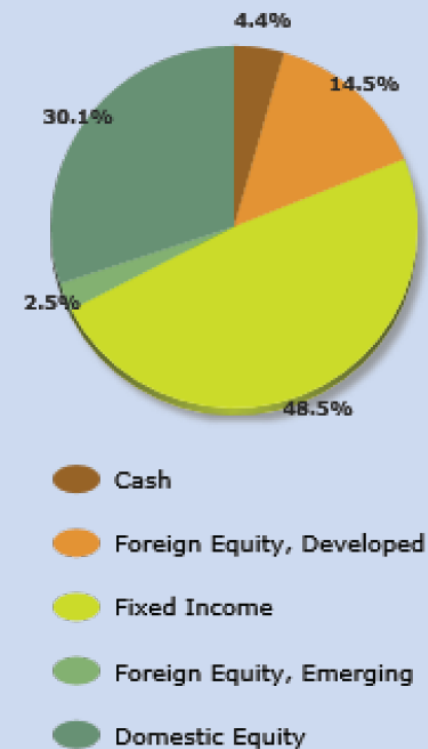
Account Name	Ending Amount
Valued Client # 1 (Net of 2.225%)	\$754,676.62
Blended Benchmark*	\$744,314.16
Personal Benchmark - 5% Annually	\$677,319.30
T-Bills	\$509,499.41

Account Name	Standard Deviation	Beta	R2	Alpha
Valued Client # 1 (Net of 2.225%)	11.92	0.74	92.10	1.66
Blended Benchmark*	15.44	1.00	100.00	0.00
Personal Benchmark - 5% Annually			0.00	

\*See disclosures for Benchmark description.

Model results are hypothetical and do not reflect trading in actual accounts and are prepared with the benefit of hindsight. The model performance is a blend of actual Clark Capital portfolio performance. Please see attached disclosures.

## Asset Allocation



## Your Personal Investment Partnership

A Shared Commitment to Ensuring You Achieve Your Desired Outcomes.

Valued Client #1



ABC Advisor

## Partnership Roles and Responsibilities

### Valued Client #1

As an investor, it is your responsibility to provide accurate information to your financial advisor about your financial status, investment goals, and risk tolerance, so that we may provide you with appropriate recommendations. Please notify your investment advisor of any changes in your goals or life circumstances so that your investments may be modified to reflect those changes.

- Provide your advisor with all relevant information about your finances
- Define your financial objectives and goals
- Determine your risk comfort level with the help of your advisor
- Communicate any investment constraints
- Notify your financial advisor of any changes to your goals or life circumstances



ABC Advisor of will help you become more knowledgeable by providing research, advice and guidance regarding planning and portfolio management. He will provide you with a process for building, managing and protecting your assets.

- Analyze and evaluate your financial status
- Recommend and implement a personalized wealth management strategy
- Meet with you periodically to review the suitability of your investments and performance relative to your goals and objectives
- Educate and guide you if changes to the investment strategy need to be made as a result of changes to your financial circumstances
- Notify Clark Capital of any changes to your investment objective(s) or any information relative to your accounts or suitability of Clark Capital's services



As investment manager, Clark Capital seeks to provide our clients with a disciplined, unemotional, flexible and responsive approach to money management. Our goal is to ensure that you achieve your goals. We support your financial advisor by prudently watching over your assets every day and making adjustments as warranted by your financial plan and the markets.

- Invest your assets in an investment strategy reflective of the investment objectives identified by you and your advisor
- Manage, evaluate, and monitor your investment strategies
- Proactively reallocate your portfolio as market conditions warrant
- Provide you with daily on-line account access and quarterly performance reports/statements
- Suggest changes to investment strategy when and if your financial circumstances change
- Protect your assets by employing a custodian to hold your assets



*For one-on-one use between  
Client and Advisor*

# Investment Proposal



Prepared For  
**Sample Client**

On Behalf of  
Financial Advisor



*Monday, March 17, 2014*

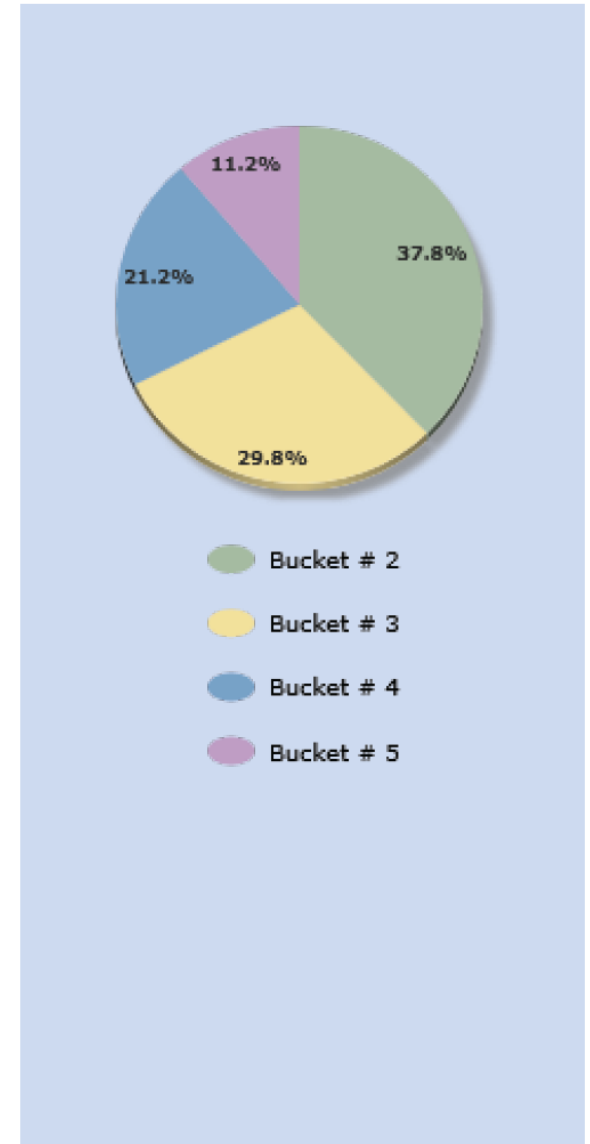
## Your Goals



### Navigate Your Future!

Clark Capital Can Help  
You Stay on Course to  
Reach Your Goals.

Goal	Investment Amount	Risk Comfort Zone	Time Horizon
Bucket # 2	\$2,066,786.00	Moderate	3 to 12 years
Bucket # 3	\$1,633,089.00	Moderate	13 to 22 years
This bucket will consist of 2 separate registrations: R/O IRA & Joint			
Bucket # 4	\$1,157,931.00	Moderate	23 to 32 years
Bucket # 5	\$614,189.00	Moderate	33 to 42 years



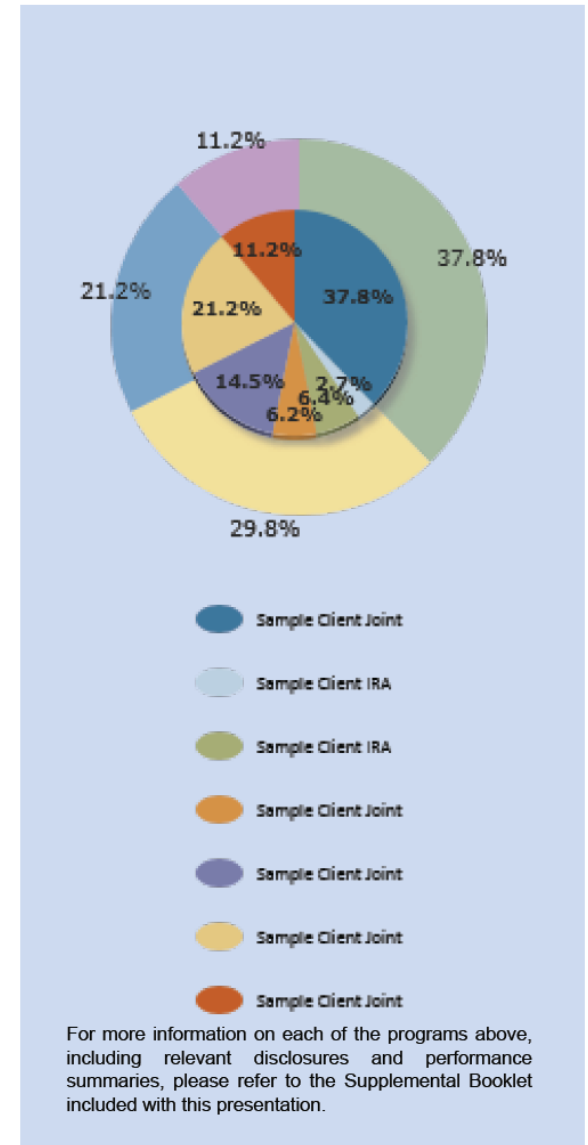
These visuals are shown for illustrative purposes only and do not guarantee success or a certain level of performance.



## Our Recommendations

Account Weight	Program	Registration Name	Amount
37.77%	<b>Navigator Fixed Income Total Return</b> Benchmark: Barclays U.S. Corporate High Yield Bond	Sample Client Joint	\$2,066,786.00
This strategy provides tactical exposure to the fixed income markets and seeks to deliver total return with a secondary goal of income.			
2.74%	<b>Navigator High Dividend Equity</b> Benchmark: S&P 500	Sample Client IRA	\$150,000.00
This strategy seeks to provide favorable risk-adjusted returns through a carefully constructed portfolio of high-quality domestic and international equities, REITs, and preferred stocks.			
6.40%	<b>Navigator Taxable Fixed Income</b> Benchmark: Barclays U.S. Govt/Credit Bond	Sample Client IRA	\$350,000.00
This strategy provides strategic exposure to a broad range of taxable bonds. The strategy seeks to deliver total return with a secondary goal of income through a carefully constructed portfolio of bonds.			
6.21%	<b>Navigator High Dividend Equity</b> Benchmark: S&P 500	Sample Client Joint	\$339,926.00
This strategy seeks to provide favorable risk-adjusted returns through a carefully constructed portfolio of high-quality domestic and international equities, REITs, and preferred stocks.			
14.49%	<b>Navigator Taxable Fixed Income</b> Benchmark: Barclays U.S. Govt/Credit Bond	Sample Client Joint	\$793,162.00
This strategy provides strategic exposure to a broad range of taxable bonds. The strategy seeks to deliver total return with a secondary goal of income through a carefully constructed portfolio of bonds.			

See the Supplemental Booklet included with this presentation for performance summaries of the products listed above.





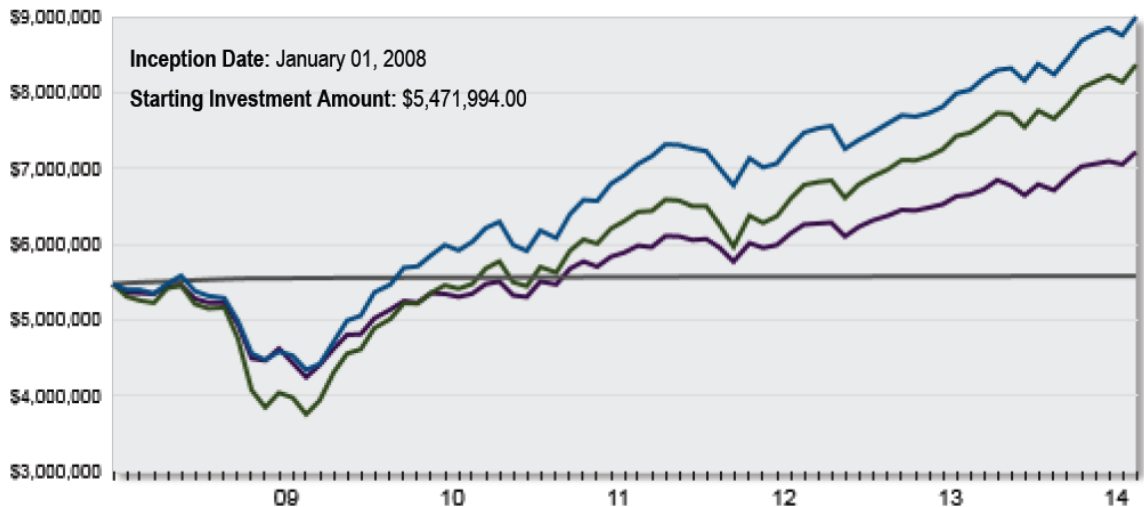
## Our Recommendations (continued)

Account Weight	Program	Registration Name	Amount
21.16%	<b>Navigator All Cap Core U.S. Equity</b> Benchmark: Russell 3000	Sample Client Joint	\$1,157,931.00
<p>This strategy invests in a broad range of U.S. equities and seeks capital appreciation by focusing on high quality, undervalued companies with improving business prospects.</p>			
11.22%	<b>Navigator International Equity/ADR</b> Benchmark: MSCI ACWI ex U.S.	Sample Client Joint	\$614,189.00
<p>This strategy invests in a broad range of international equities and seeks capital appreciation by focusing on high quality, undervalued companies with improving business prospects.</p>			
<b>TOTAL INVESTMENT</b>			<b>\$5,471,994.00</b>

See the Supplemental Booklet included with this presentation for performance summaries of the products listed above.

## Model Performance *(as of 2/28/2014)*

The performance shown in this report is a blend between the performance of one or more account models.



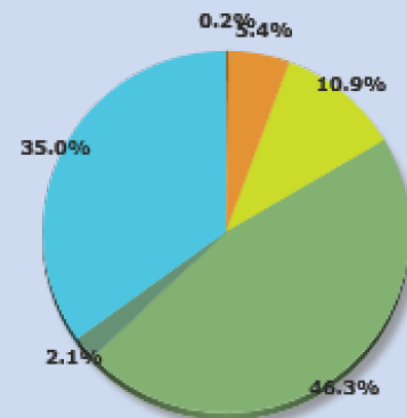
Account Name	Ending Amount
Sample Client (Net of 0.996%)	\$8,996,778.43
Blended Benchmark*	\$8,366,561.99
40% MSCI World Net Index - 60% Barclays U.S. Aggregate Bond	\$7,214,813.38
T-Bills	\$5,576,187.26

Account Name	Standard Deviation	Beta	R2	Alpha
Sample Client (Net of 0.996%)	9.51	0.75	92.34	2.72
Blended Benchmark*	12.17	1.00	100.00	0.00
40% MSCI World Net Index - 60% Barclays U.S. Aggregate Bond	8.31	0.66	92.23	-0.29

\*See disclosures for Benchmark description.

Model results are hypothetical and do not reflect trading in actual accounts and are prepared with the benefit of hindsight. The model performance is a blend of actual Clark Capital portfolio performance. Please see attached disclosures.

## Asset Allocation



- Alternative
- Cash
- Foreign Equity, Developed
- Fixed Income
- Foreign Equity, Emerging
- Domestic Equity



## Investment Proposal Review

### 6

#### Investment Proposal Review

1. Discuss proposed investments and their objective with advisor
2. Review Proposal in detail and make any necessary changes
3. Ensure everyone is on the same page consistent with client goals
4. Review and discuss the team's role and responsibilities

- Discuss proposed investments and their objective with advisor
- Review Proposal in detail and make any necessary changes
- Ensure everyone is on the same page consistent with client goals
- Review and discuss the team's role and responsibilities

## Paperwork Execution and Investment Begins

### 7 Paperwork Execution and Investment Begins

1. Clark Capital service liaison reviews paperwork requirements with advisor/assistant
2. Advisor meets with client to sign all paperwork and then fax or sends paperwork to Clark Capital
3. Clark Capital obtains all necessary paperwork and establishes account(s)
4. Transfer necessary assets into newly opened Clark Capital client account(s)
5. Clark Capital allocates assets across desired models and management begins

- Clark Capital service liaison reviews paperwork requirements with advisor/assistant
- Advisor meets with client to sign all paperwork and then faxes or sends paperwork to Clark Capital
- Clark Capital obtains all necessary paperwork and establishes account(s)
- Transfer necessary assets into newly opened Clark Capital client account(s)
- Clark Capital allocates assets across desired models and management begins

## Ongoing Collaboration

### 8

#### Ongoing Collaboration

1. Collaborate with Clark Capital to review client portfolio
2. Make any necessary allocation changes
3. Discuss current allocation and ensure we are on track to meet client needs
4. Audit income plan to “harvest” investment gains

- Collaborate with Clark Capital to review client portfolio
- Make any necessary allocation changes
- Discuss current allocation and ensure we are on track to meet client needs
- Audit income plan to “harvest” investment gains

## 7 Paperwork Execution and Investment Begins

1. Clark Capital service liaison reviews paperwork requirements with advisor/assistant
2. Advisor meets with client to sign all paperwork and then fax or sends paperwork to Clark Capital
3. Clark Capital obtains all necessary paperwork and establishes account(s)
4. Transfer necessary assets into newly opened Clark Capital client account(s)
5. Clark Capital allocates assets across desired models and management begins

## 6 Investment Proposal Review

1. Discuss proposed investments and their objective with advisor
2. Review Proposal in detail and make any necessary changes
3. Ensure everyone is on the same page consistent with client goals
4. Review and discuss the team's role and responsibilities

## 5 Clark Capital Creates Investment Proposal

1. IC consults with portfolio team to ensure appropriate investment selection
2. Investment proposal is reviewed by CIO
3. Formal Investment Proposal is generated by Advisor Support team
4. Investment Proposal and corresponding docs are emailed to advisor's team

## 8 Ongoing Collaboration

1. Collaborate with Clark Capital to review client portfolio
2. Make any necessary allocation changes
3. Discuss current allocation and ensure we are on track to meet client needs
4. Audit income plan to "harvest" investment gains

Advisor introduces Investment Proposal to client (if applicable)

### Case Design Process

*If client is happy with Income Plan, we would move to Step 4*

Advisor introduces Income Plan to client and edits plan if necessary

*If client reacts negatively to Income Plan, we would return to Step 3*

## 4 Investment Selection and Solution Discussion

1. Discuss Income Plan and possible solutions for each bucket
2. Review Income Plan and make necessary changes
3. Fill each bucket with solutions which meet ROR and time horizon objectives
4. Identify diversification needs and risk tolerance
5. Review and discuss current investment inventory

Advisor meets with client and begins gathering information

Advisor gathers additional information from client following triage call

Advisor gathers additional information from client during meeting

## 3 Ready Talk and/or Income Planning Software Call

1. Utilize if client has income needs
2. Utilize if client is planning to retire in near future (five years away)
3. Build Income Plan with assumed ROR and time horizon for each bucket
4. Construct a written plan to capture investment needs and objectives
5. Used to audit future income needs

## 1 Triage/Intro Call

1. Provide Client Financial Information
  - Tax information
  - Investment statements
  - Risk profile
  - Balance sheet
  - Cash flow analysis
2. Provide Client Financial Goals
  - Financial plan
  - Family vision statement
  - Current Investment Policy Statement
  - Discovery notes
  - Monte Carlo simulation
  - Client income statement and needs

## 2 Deep Dive Case Design Call

1. Discuss Client's Current Financial Picture
  - Brokerage statements
  - 401(k) holdings
  - Direct Mutual Funds
  - Different registration needs
  - Pension
  - Social Security income
  - Annuity or Insurance Products
  - Life Insurance
  - Other income sources
2. Discuss Client's Investment Objectives/Goals
  - Income needs
  - Retirement plan
  - Budget plan
  - Legacy plan
  - Overall investment needs for sustainability



Moderator: Ryan Kenney, Investment Consultant

Future  
**PARTNER**  
CONFERENCE

Partner Panel  
Incorporating Clark Capital into Your Business



Presenter:

Michael Fillmore, 401(k) Investment Consultant

Future  
**PARTNER**  
CONFERENCE

Maximizing Opportunities  
with Business Owners

## The Navigator<sup>®</sup> 401(k) Solutions

---

### Points of Differentiation

- Unique Investment Solutions
- Co-Fiduciary Services
- QDIA Capabilities

## Participant Needs

---

- Help & Guidance
- Professional Management
- Target Date vs. Risk-Based
- The Clark Approach
  - ❖ 6 Risk-Based Asset Allocation Models
  - ❖ 3 Strategist Portfolios
  - ❖ 3 Models with Sentry Strategy
  - ❖ 2 QDIA portfolios



## Plan Sponsor Needs

---

- Fiduciary Awareness
  - ❖ LaRue vs. DeWolff
  - ❖ Litigation is on the rise
- Education
  - ❖ Many still don't acknowledge
- Protection
  - ❖ Fiduciary mitigation tools

## How Clark Can Help...

---

- “True” QDIA portfolios
  - ❖ Pension Protection Act of 2006
  - ❖ Fidelity Freedom Funds
  - ❖ Legal Opinion
- 3(38) Co-Fiduciary Services
  - ❖ Full responsibility in terms of plan’s investment line-up
  - ❖ Beware of “Fiduciary Warranties”

## Co-fiduciary Service

---

- Clark will construct the investment line-up, compare our line-up to the plan's current line-up, provide analysis and on-going monitoring and make investment changes as deemed necessary.
- Clark provides this service at no additional cost when our Risk-Based collective funds are used by the plan.

## Thank You

---

**Our goal at Clark Capital is to provide our partners with superior investment solutions and the highest level of service in the 401(k) industry. We look forward to helping you.**

\*For any questions related to this presentation or Clark Capital's 401(k) Investment Solutions, please contact us @ (800) 766-2264 or email [401k@ccmg.com](mailto:401k@ccmg.com).



Presenter: Kim Guimond Dellarocca

Future  
**PARTNER**  
CONFERENCE

Investor of the Future:  
The New Modern Family



Presenter: Brendan Clark, President

Future  
**PARTNER**  
CONFERENCE

Closing Remarks

A stylized logo for 'Q&A'. The letters 'Q' and 'A' are rendered in a dark grey, serif font. The ampersand '&' is rendered in a light blue, cursive script font. The ampersand is positioned between the 'Q' and 'A', overlapping them. The 'Q' has a small tail that curves under the ampersand. The 'A' has a horizontal bar that overlaps the ampersand.

# Compliant Presentation

---

Past performance is not indicative of future results. This material is not financial advice or an offer to sell any product. The relative strength measure is based on historical information and should not be considered a guaranteed prediction of market activity. It is one of many indicators that may be used to analyze market data for investing purposes. The relative strength measure has certain limitations such as the calculation results being impacted by an extreme change in a security price. Not every client's account will have these exact characteristics. The actual characteristics with respect to any particular client account will vary based on a number of factors including but not limited to: (i) the size of the account; (ii) investment restrictions applicable to the account, if any; and (iii) market exigencies at the time of investment. Clark Capital Management Group, Inc. reserves the right to modify its current investment strategies and techniques based on changing market dynamics or client needs. The information provided in this report should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in an account's portfolio at the time you receive this report or that securities sold have not been repurchased. The securities discussed may not represent an account's entire portfolio and in the aggregate may represent only a small percentage of an account's portfolio holdings. It should not be assumed that any of the securities transactions, holdings or sectors discussed were or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein.

**Firm Information:** Clark Capital Management Group, Inc. (Clark Capital) is an investment advisor registered with the United States Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended. Registration does not imply a certain level of skill or training. Clark Capital is a closely held, mostly employee owned C Corporation with all significant owners currently employed by the firm in key management capacities. The firm specializes in managing equity and fixed income portfolios for individuals and institutions. More information about Clark Capital's advisory services and fees can be found in its Form ADV which is available upon request.

**Calculation Methodology:** Composite returns assume reinvestment of income and other earnings, are gross of withholding taxes, if any, and are reported in US dollars. Returns prior to 1/1/07 were calculated using the Modified Dietz method. Beginning 1/1/07 returns are calculated daily. Internal dispersion is calculated using the equal-weighted standard deviation of annual account returns for those accounts included in the composite for the entire year. Trade date accounting is used. Leverage is not used in the composite. The composites are comprised of all fully discretionary accounts managed in the strategy for one full month, including those accounts no longer with the firm. Closed accounts are included through the completion of the last full month of eligibility. A copy of the complete list and description of Clark Capital's composites, verification and performance examination reports, and policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.



# Disclosure

The opinions expressed are those of the Clark Capital Management Group Investment Team. The opinions referenced are as of the date of publication and are subject to change due to changes in the market or economic conditions and may not necessarily come to pass. There is no guarantee of the future performance of any Clark Capital investment portfolio. Material presented has been derived from sources considered to be reliable, but the accuracy and completeness cannot be guaranteed. Nothing herein should be construed as a solicitation, recommendation or an offer to buy, sell or hold any securities, other investments or to adopt any investment strategy or strategies. For educational use only. This information is not intended to serve as investment advice. This material is not intended to be relied upon as a forecast or research. The investment or strategy discussed may not be suitable for all investors. Investors must make their own decisions based on their specific investment objectives and financial circumstances. Past performance does not guarantee future results.

Clark Capital Management Group, Inc. reserves the right to modify its current investment strategies and techniques based on changing market dynamics or client needs. The information provided in this report should not be considered a recommendation to purchase or sell any particular security, sector or industry. There is no assurance that any securities, sectors or industries discussed herein will be included in or excluded from an account's portfolio. It should not be assumed that any of the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein.

Clark Capital Management Group, Inc. is an investment adviser registered with the U.S. Securities and Exchange. Registration does not imply a certain level of skill or training. More information about Clark Capital's advisory services can be found in its Form ADV which is available upon request.

The S&P 500 measures the performance of the 500 leading companies in leading industries of the U.S. economy, capturing 75% of U.S. equities.

The MSCI EAFE Index is a free float-adjusted market capitalization index that is designed to measure the equity market performers of developed markets outside the U.S. and Canada.

The MSCI World Index is a freefloat-adjusted market capitalization index that is designed to measure global developed market equity performance.

The MSCI World Index ex. U.S. is a freefloat-adjusted market capitalization index that is designed to measure global developed market equity performance excluding the U.S.

The MSCI Asia ex. Japan is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of Asia, excluding Japan. The MSCI AC Asia ex Japan Index consists of the following 10 developed and emerging market country indices: China, Hong Kong, India, Indonesia, Korea, Malaysia, Philippines, Singapore, Taiwan, and Thailand.

The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets.

The Russell 3000® Index measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market.

The VIX Index is a forward looking index of market risk which shows expectation of volatility over the coming 30 days.

Barclays U.S. Government/Credit Bond Index measures the performance of U.S. dollar denominated U.S. Treasuries and government-related & investment grade U.S. corporate securities that have a remaining maturity of greater than one year.

The Barclays U.S. Aggregate Bond Index covers the U.S. investment-grade fixed-rate bond market, including government and credit securities, agency mortgage pass-through securities, asset-backed securities and commercial mortgage-based securities. To qualify for inclusion, a bond or security must have at least one year to final maturity, and be rated investment grade Baa3 or better, dollar denominated, non-convertible, fixed rate and publicly issued.

The Barclays U.S. Corporate High-Yield Index covers the USD-denominated, non-investment grade, fixed-rate, taxable corporate bond market. Securities are classified as high-yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below.

The iPath® S&P 500 Dynamic VIX ETN is designed to provide investors with exposure to the S&P 500® Dynamic VIX Futures™ Total Return Index.

The S&P 500® Dynamic VIX Futures™ Total Return Index (the "Index") is designed to dynamically allocate between the S&P 500® VIX Short-Term Futures™ Index Excess Return and the S&P 500® VIX Mid-Term Futures™ Index Excess Return by monitoring the steepness of the implied volatility curve. The Index seeks to react positively to overall increases in market volatility and aims to lower the roll cost of investments linked to future implied volatility.

Index returns include the reinvestment of income and dividends. The returns for these unmanaged indexes do not include any transaction costs, management fees or other costs. It is not possible to make an investment directly in any index.