



Presenters: Harry Clark, Chairman/CEO  
Brendan Clark, CFA, President

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## CONFERENCE

Welcome & Introductions



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

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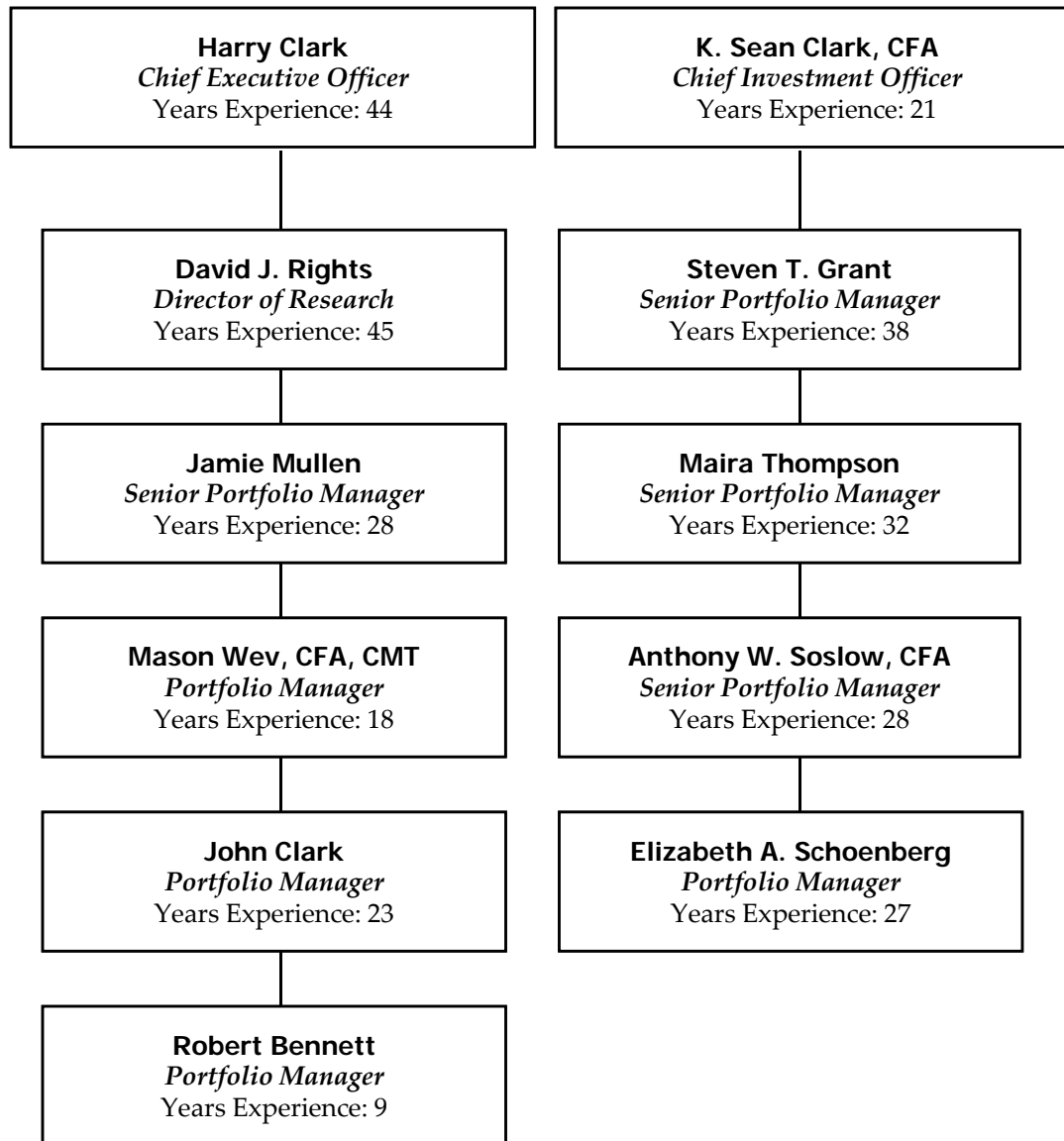
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Your Clients' Needs Are Our Focus

# Investment Professionals



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



Presenter: Maura Scherer, Executive Director  
Invesco Consulting

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The Language of Risk



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

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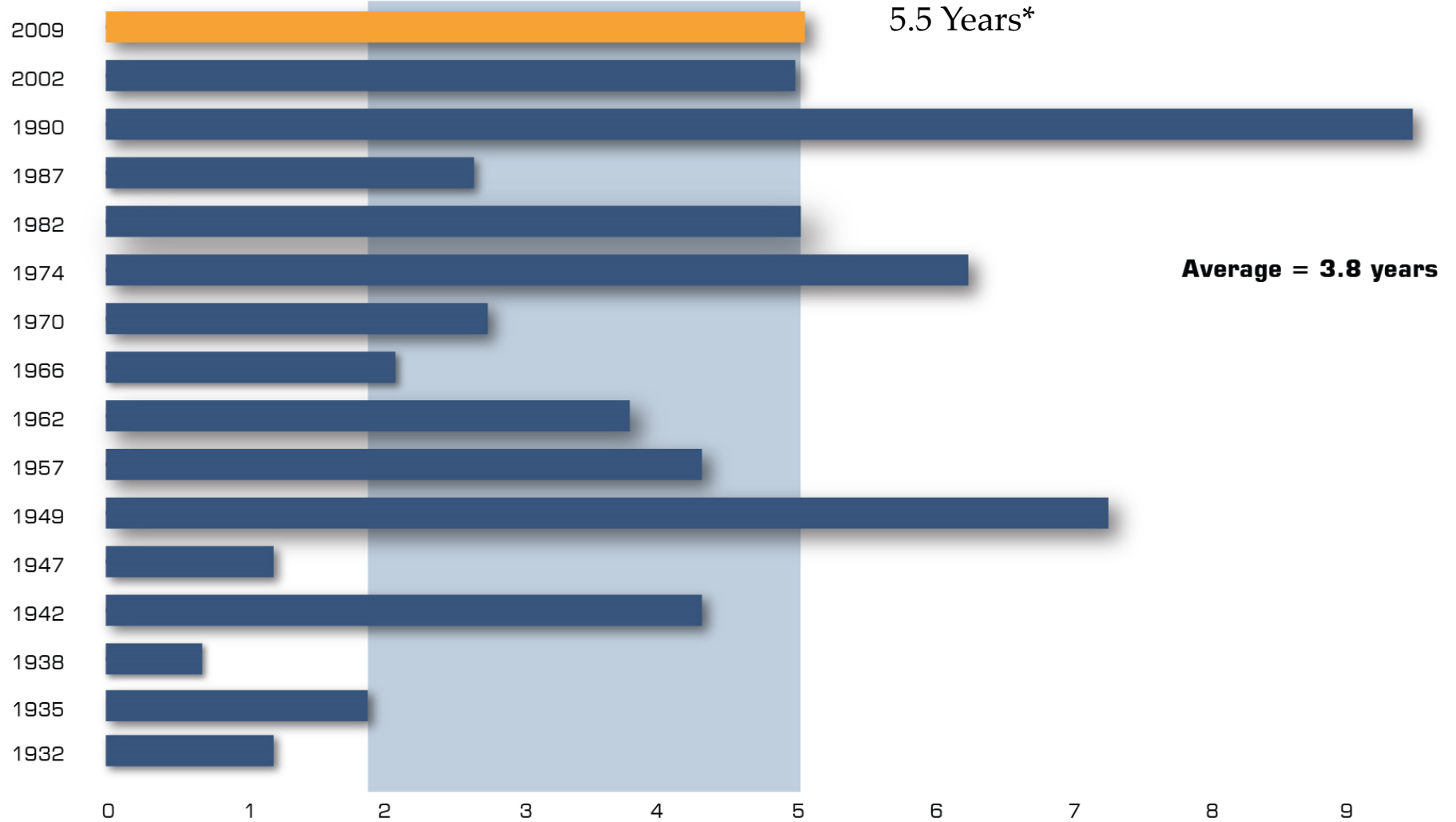
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## CONFERENCE

Market Outlook

# Bull Market Duration

## Bull Markets



\*Through 9/30/2014

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%

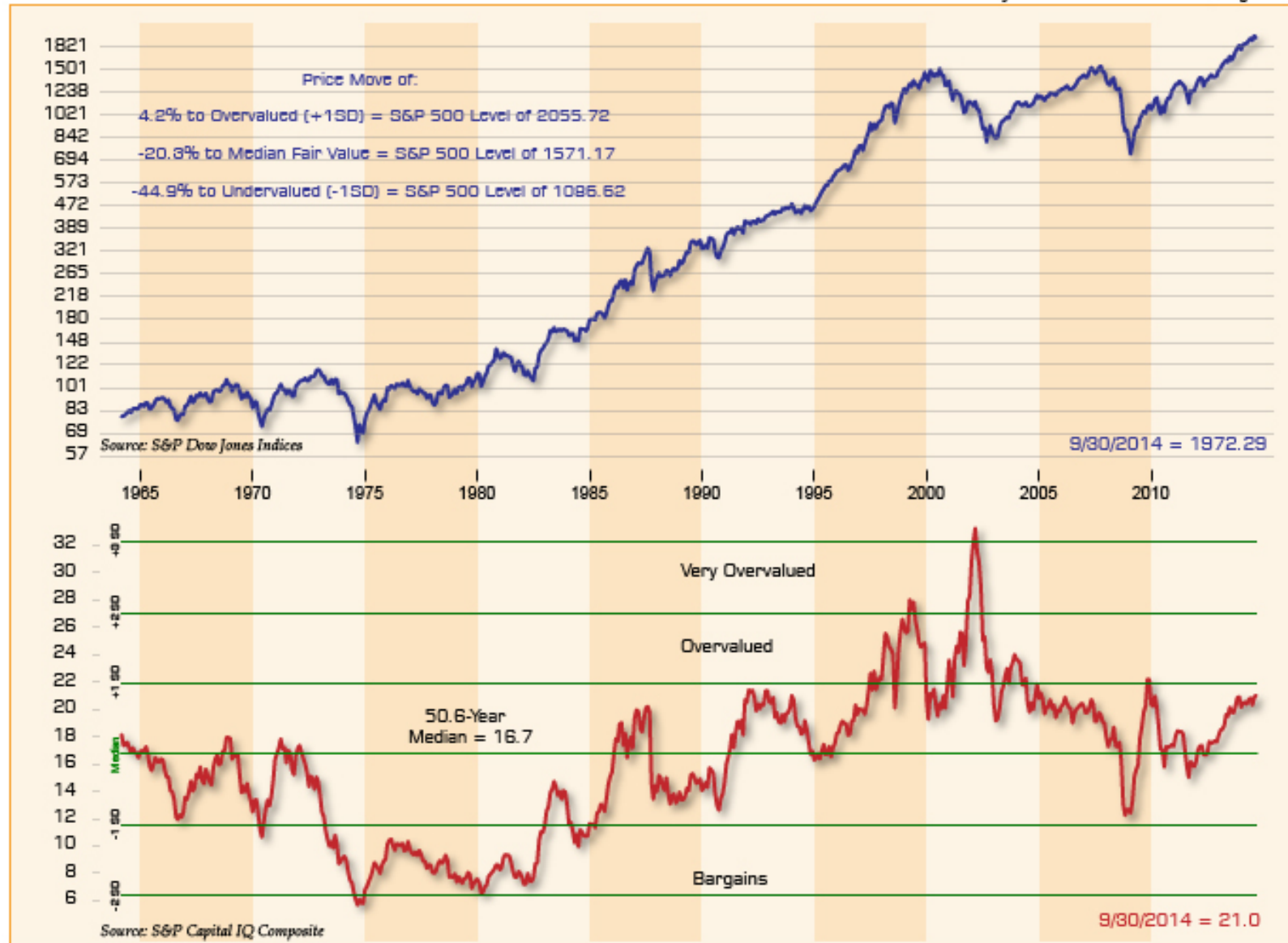
## 2009 - 2014 Bull Market Corrections S&P 500





# Standard & Poor's 500 Stock Index

Monthly Data 3/31/1964 - 9/30/2014 (Log Scale)



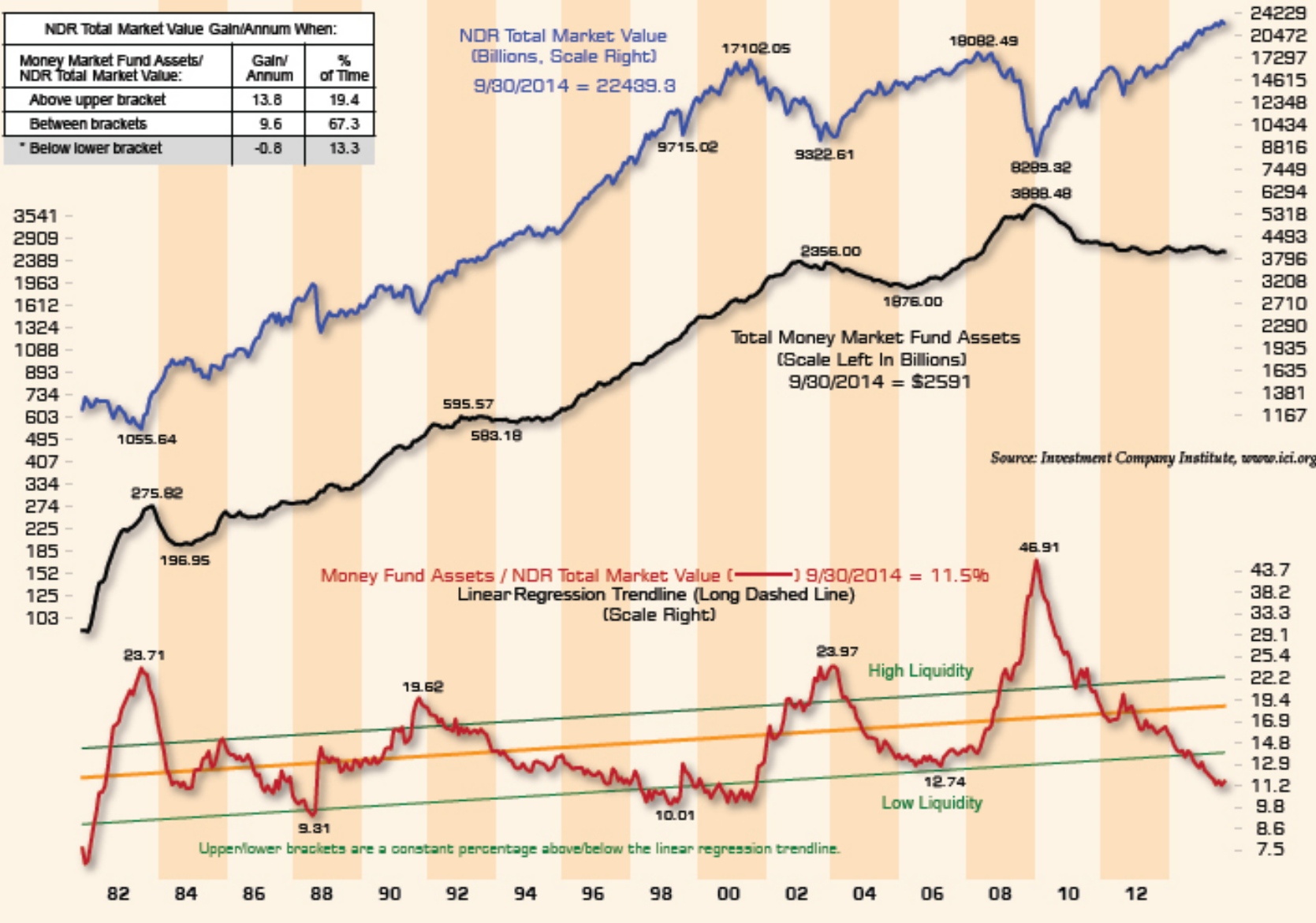
S&P 500 Median Price/Earnings Ratio (NDR Calculation) with Historical Median

Source: Ned Davis Research

# NDR Total Market Value vs Money Market Fund Assets / NDR Total Market Value

Monthly Data 10/31/1980 - 9/30/2014 (Log Scale)

NDR Total Market Value Gain/Annum When:		
Money Market Fund Assets / NDR Total Market Value:	Gain/Annum	% of Time
Above upper bracket	13.8	19.4
Between brackets	9.6	67.3
* Below lower bracket	-0.8	13.3



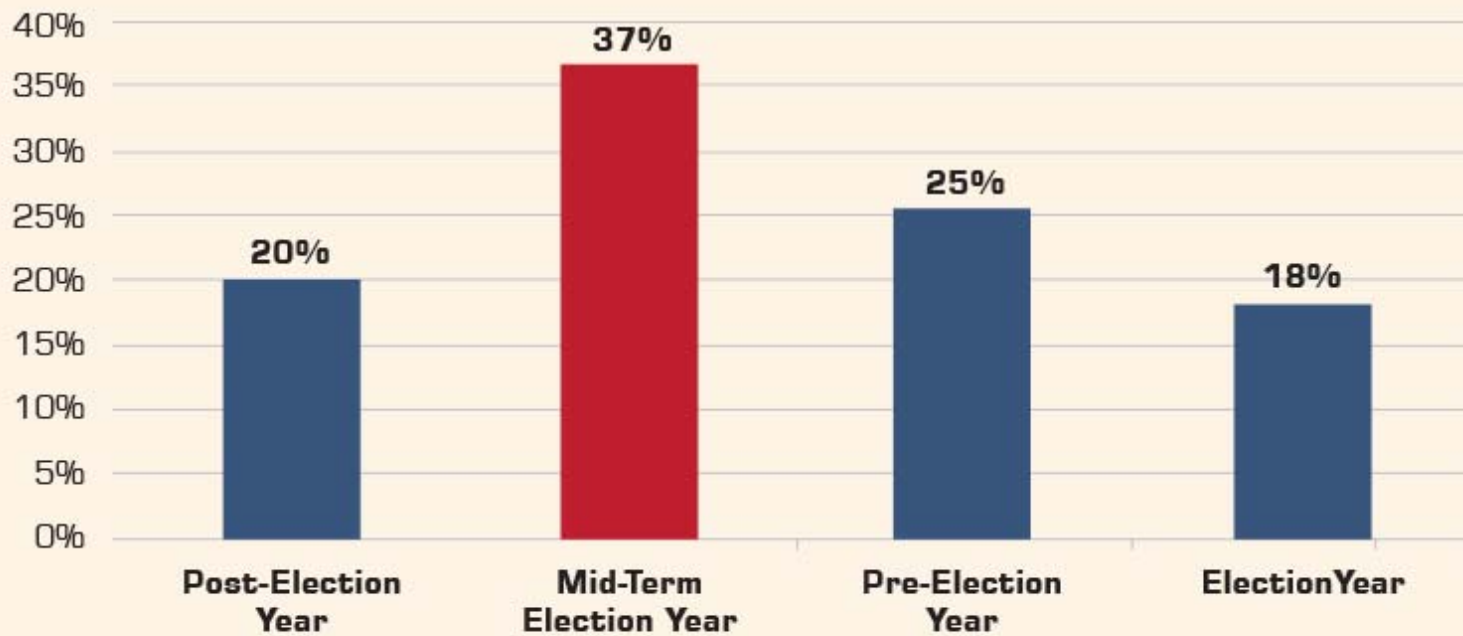
# Election Cycle

-21.7%

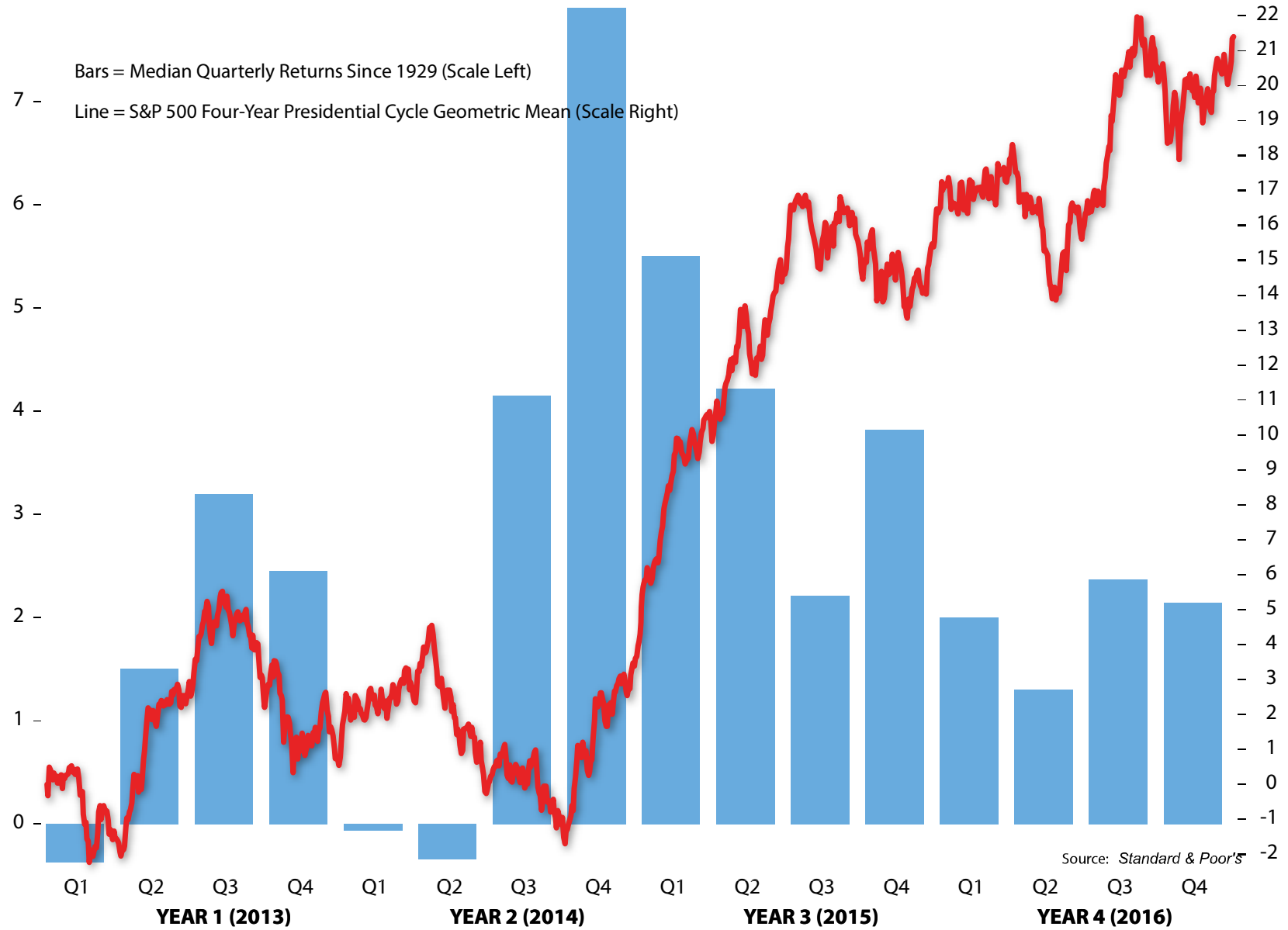
48.5%

60.0%

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



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



## Mid-Term Election Years

Year	Quarters 1 to 3	Quarter 4
1942	1.8%	10.4%
1946	-13.8%	2.3%
1950	16.1%	4.9%
1954	30.2%	11.4%
1958	25.5%	10.3%
1962	-21.4%	12.1%
1966	-17.2%	4.9%
1970	-8.5%	9.4%
1978	7.8%	-6.3%

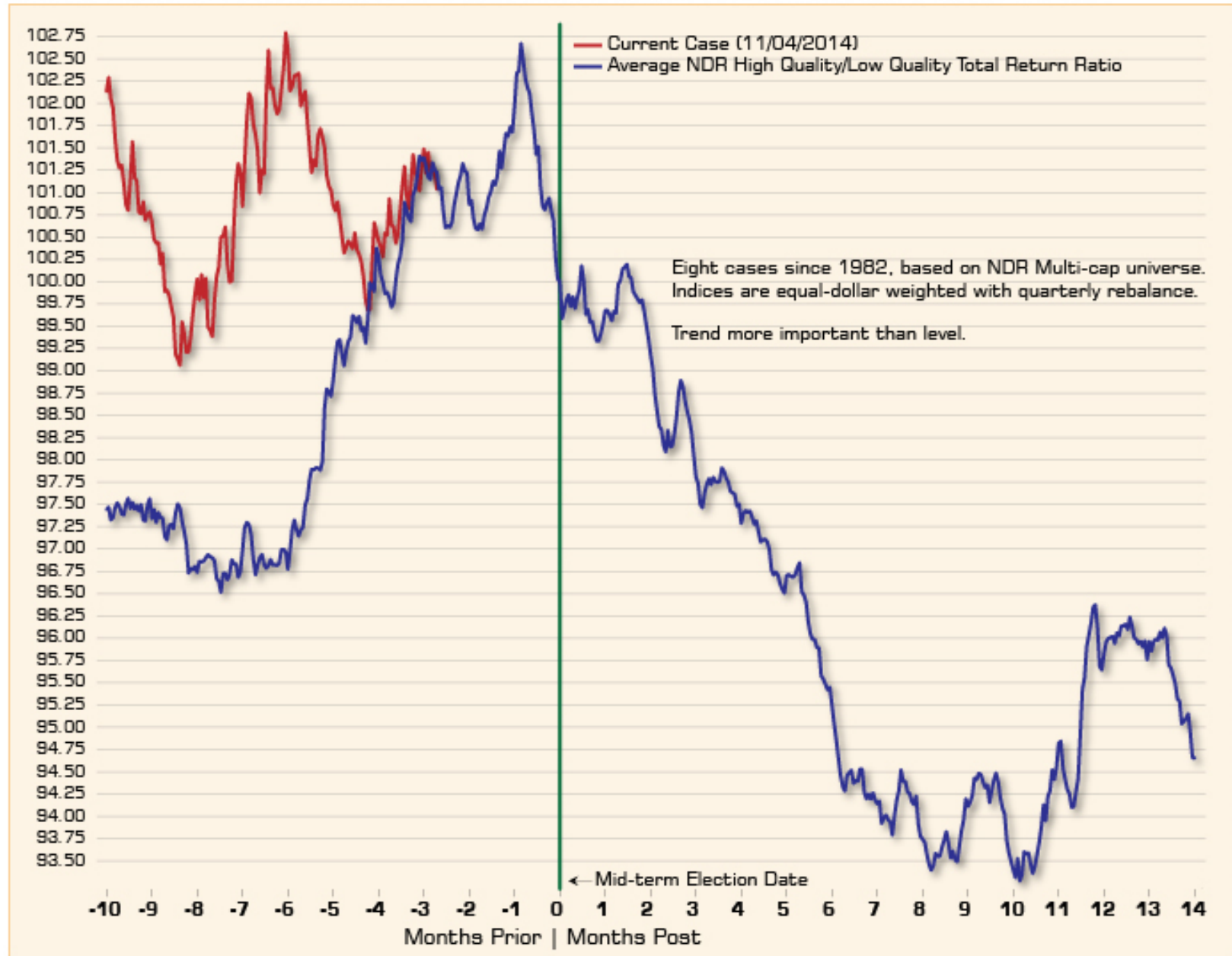
Year	Quarters 1 to 3	Quarter 4
1982	-1.7%	16.8%
1986	9.5%	4.3%
1990	-13.4%	7.9%
1994	-0.8%	-0.7%
1998	4.8%	20.9%
2001	-29.0%	7.9%
2006	7.0%	6.2%
2010	2.3%	10.2%
<b>Average:</b>	<b>-2.0%</b>	<b>7.8%</b>

■ Q1-3 gain greater than current 8.2%

**Dow Jones Industrial Average  
Gain/Annum When:**

Political Power Lies with:	Gain /Annum	% of Time
* Democratic President	7.9	47.1
Republican President	3.0	52.9
Democratic Congress	5.5	54.5
Republican Congress	7.8	31.7
* Congress Split	-0.9	13.8
Democratic President, Democratic Congress	7.3	35.1
* Democratic President, Congress Split	10.4	3.3
Democratic President, Republican Congress	9.6	8.8
Republican President, Republican Congress	7.0	22.9
Republican President, Congress Split	-4.2	10.6
Republican President, Democratic Congress	2.2	19.4

## NDR High Quality/Low Quality Total Return Ratio Around Mid-term Elections





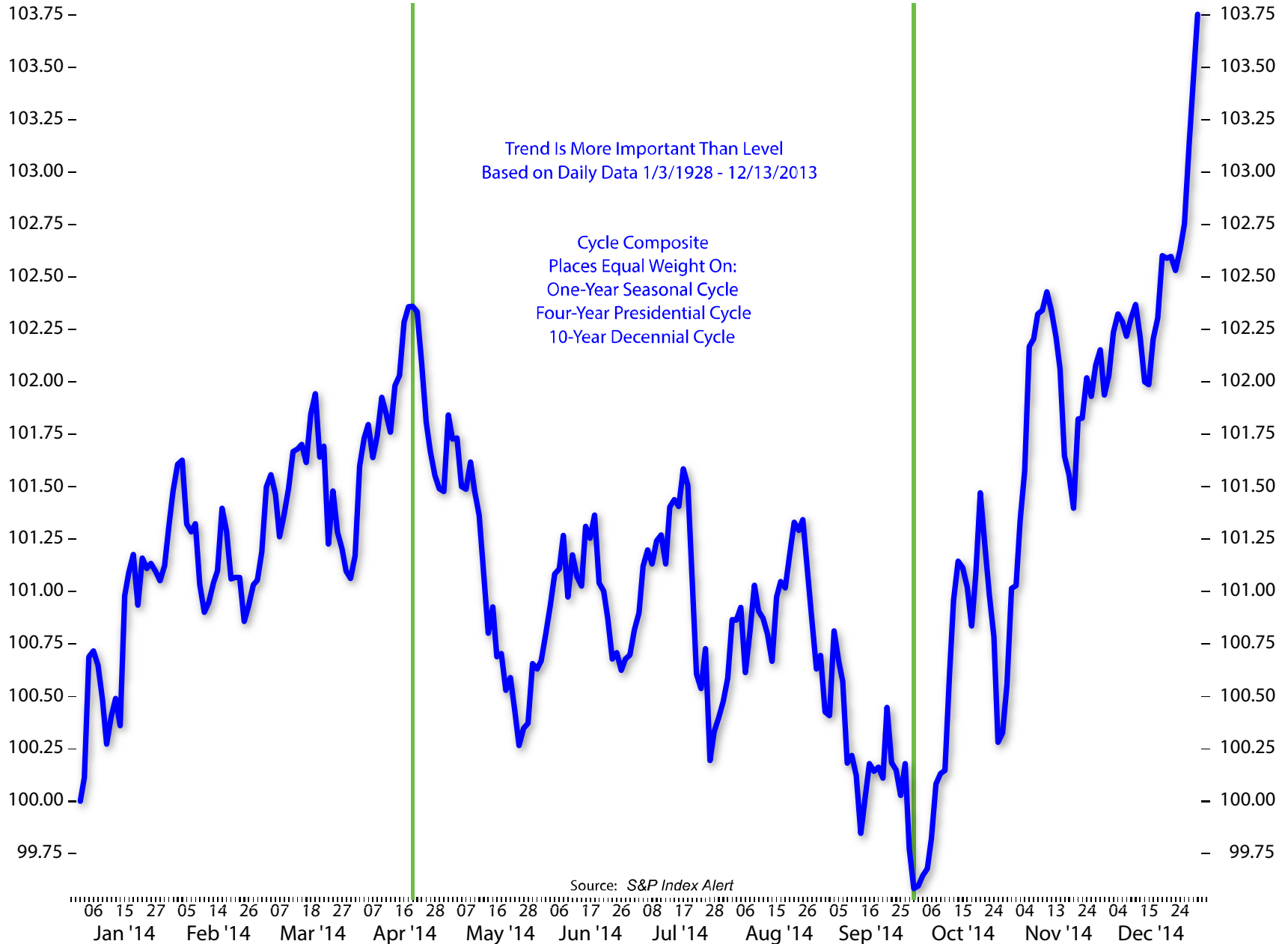
# S&P 500 Index vs. NDR Cycle Composite

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



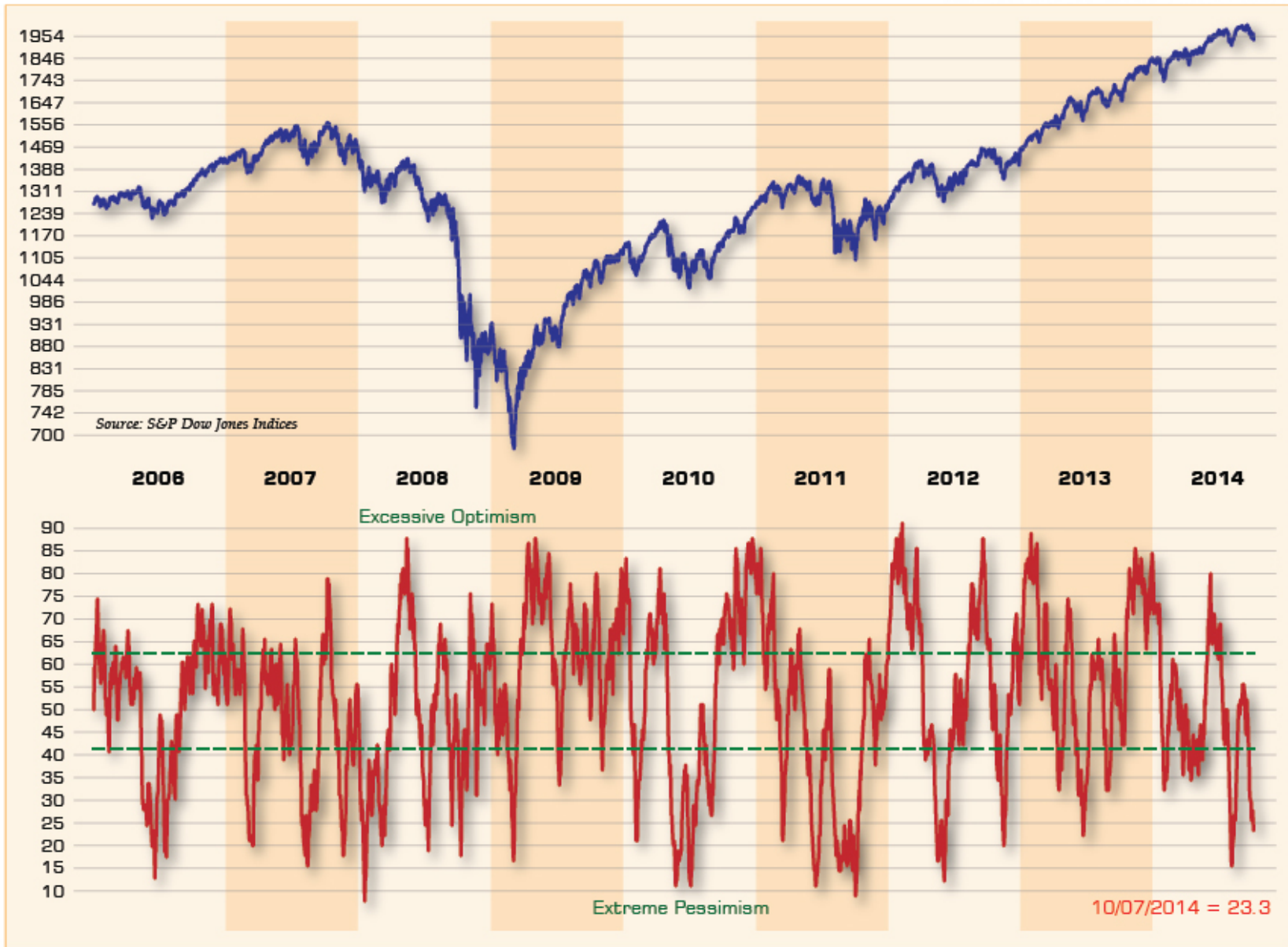
# S&P 500 Cycle Composite for 2014

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



# Standard & Poor's 500 Index

Daily Data 1/03/2006 - 10/07/2014 (Log Scale)



## NDR Daily Trading Sentiment Composite

# Changing Conditions May Call for a Broader Toolset



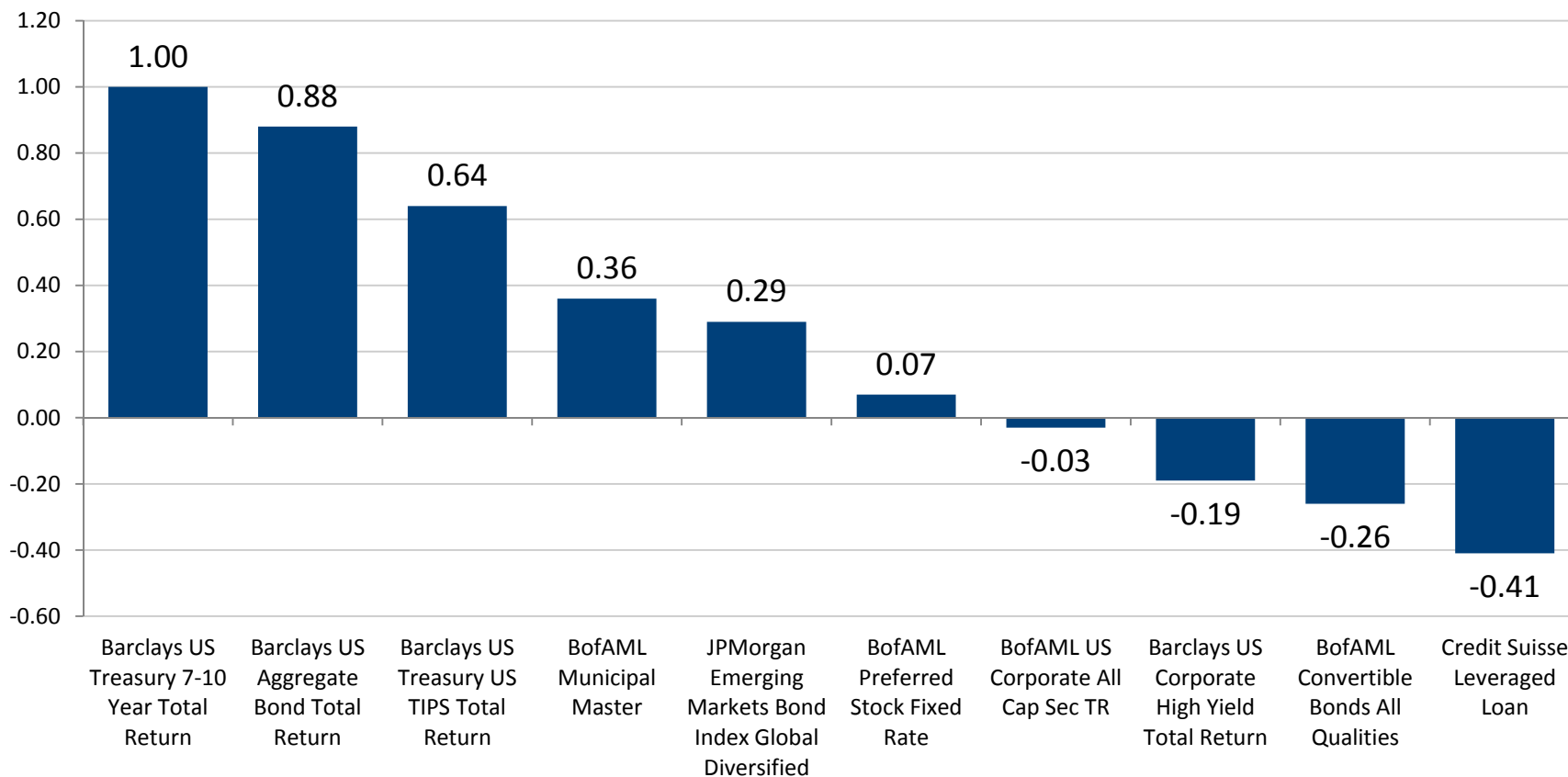
For illustrative purposes only. The information is not intended to be a recommendation to purchase or sell a security. Past performance is no guarantee of future results. Returns reflect reinvestment of capital gains and dividends, if any. Indices are unmanaged and do not incur fees. It is not possible 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)*

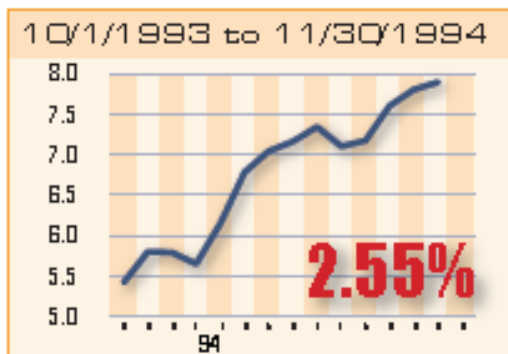


# 10-Year Treasury Yields

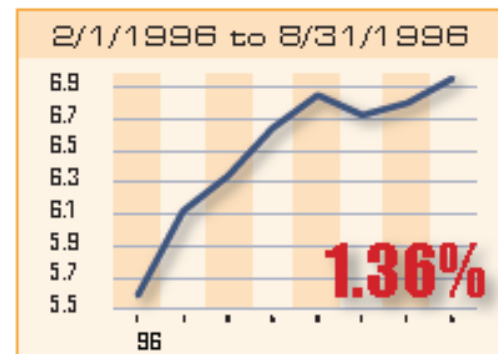


Past performance not indicative of future results. Please see attached disclosures.

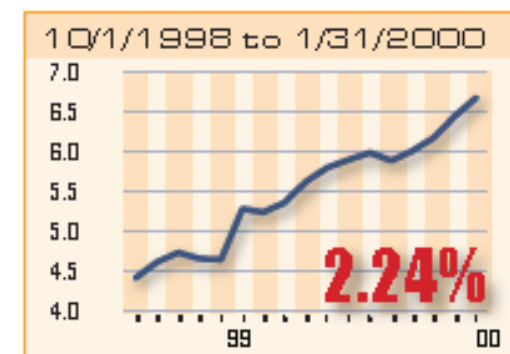
## Rising Rate Periods



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

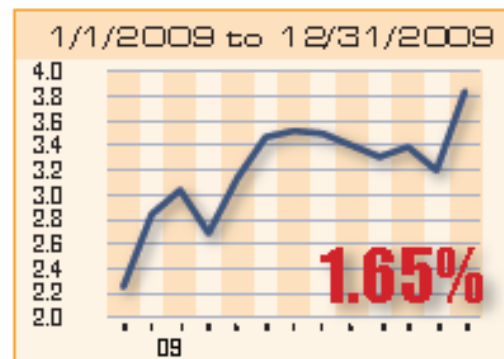
Past performance not indicative of future results. Please see attached disclosures.



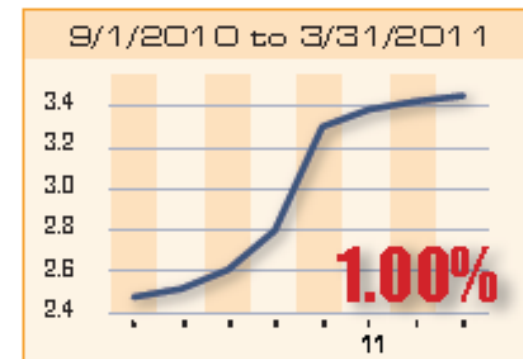
## Rising Rate Periods



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

Past performance not indicative of future results. Please see attached disclosures.

## Rising Rate - Current Period

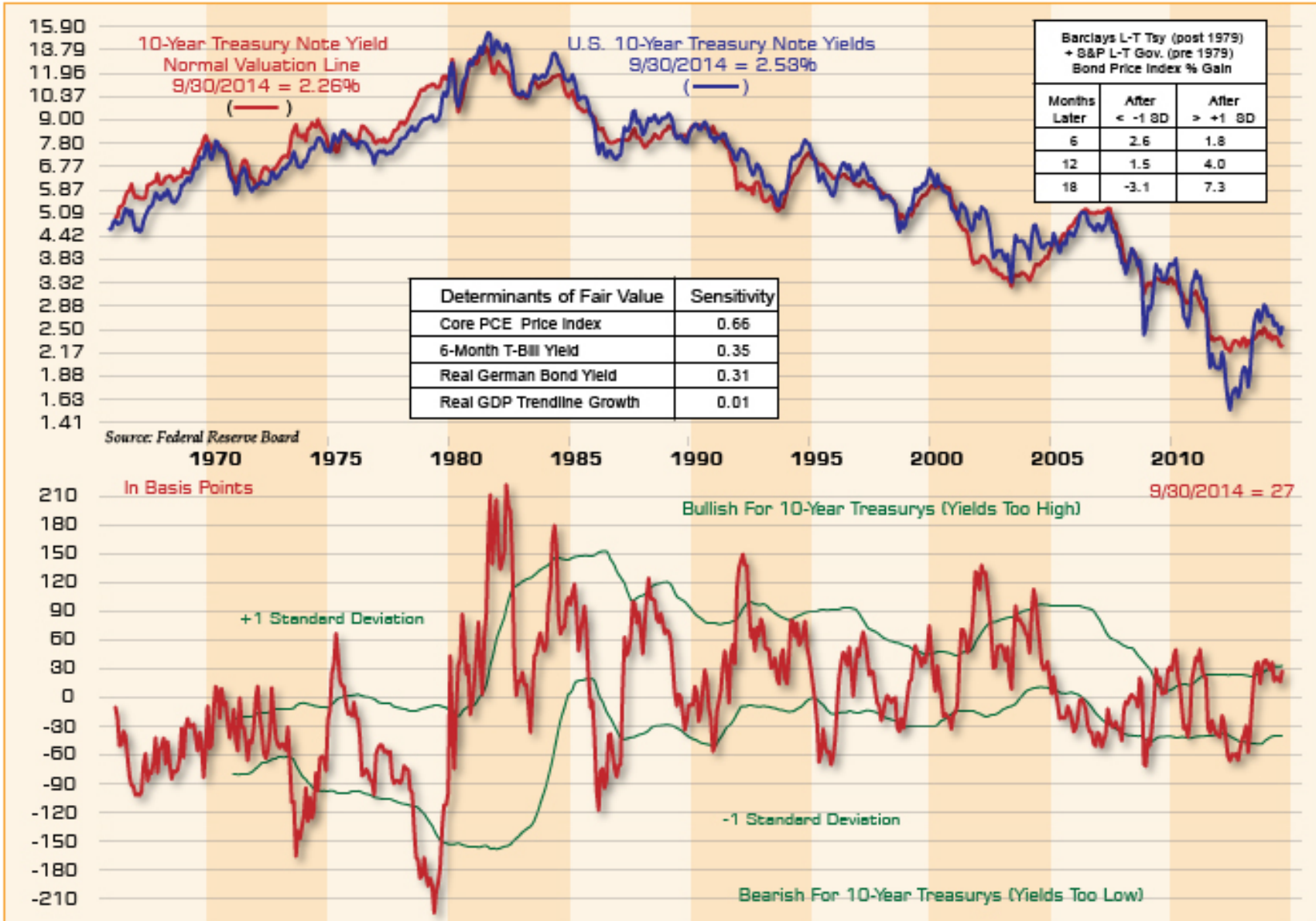


Barclays U.S. Corporate High Yield	9.58
Barclays U.S. Treasury 30 Yr	-14.31
Barclays U.S. Treasury 10 Yr	-6.21
Barclays U.S. Treasury 5 Yr	-1.70
S&P 500 TR	25.75

Past performance not indicative of future results. Please see attached disclosures.

# 10-Year Treasury Note Yield Normal Valuation Line

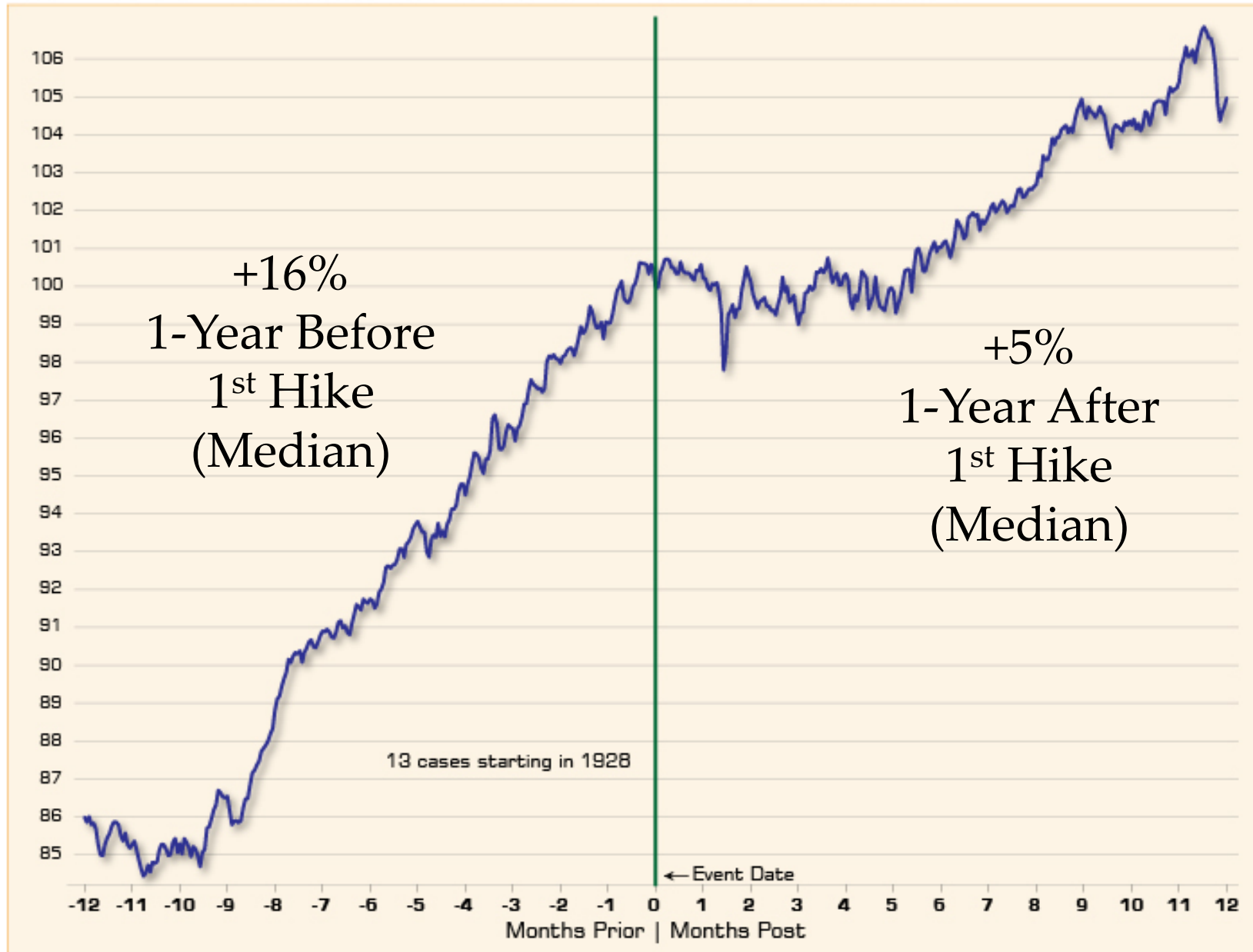
Monthly Data 12/31/1965 - 9/30/2014 (Log Scale)



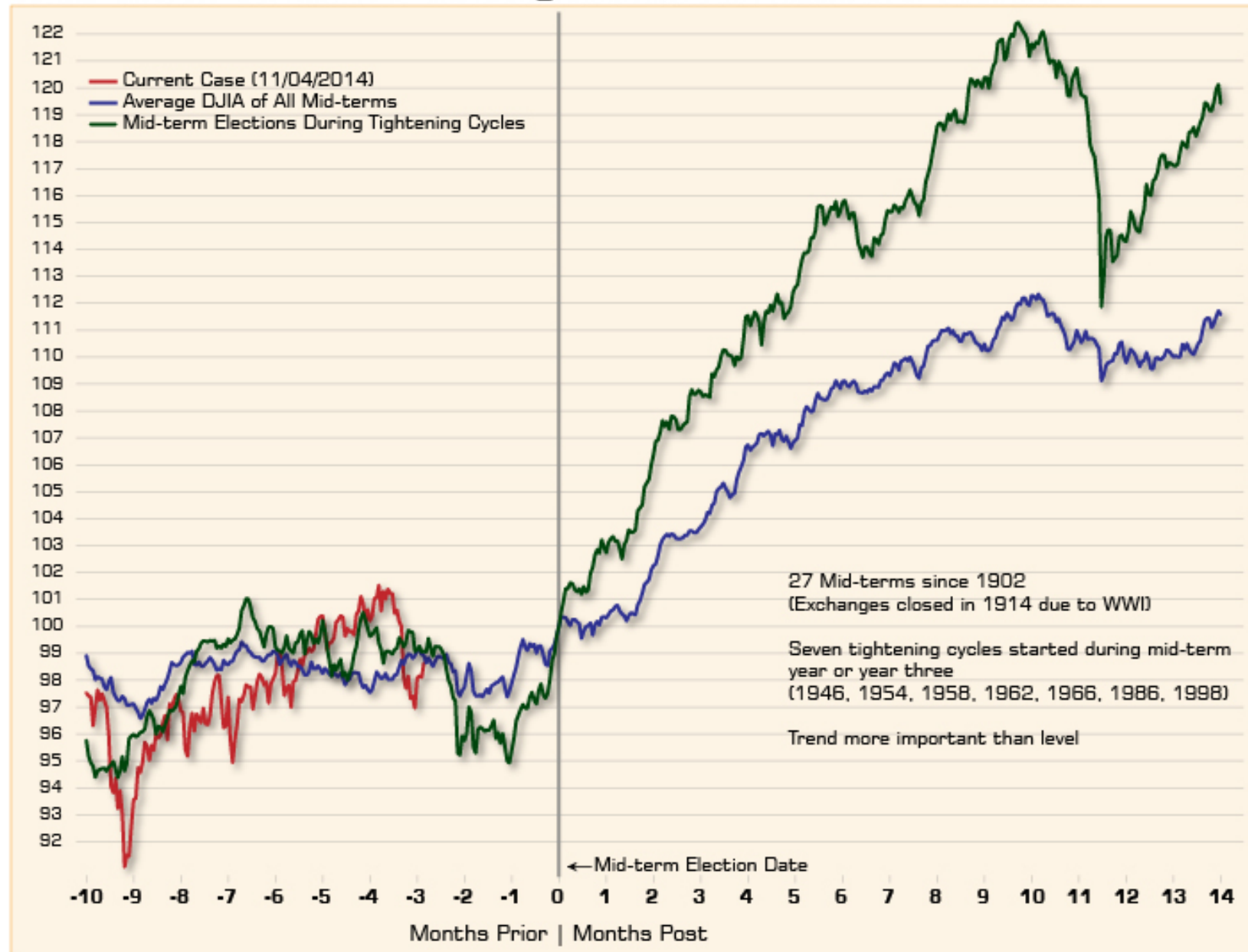
## 10-Year Note Yields Over or Under Valued

Source: Ned Davis Research

## S&P 500 Around Starts of Fed Tightening Cycles

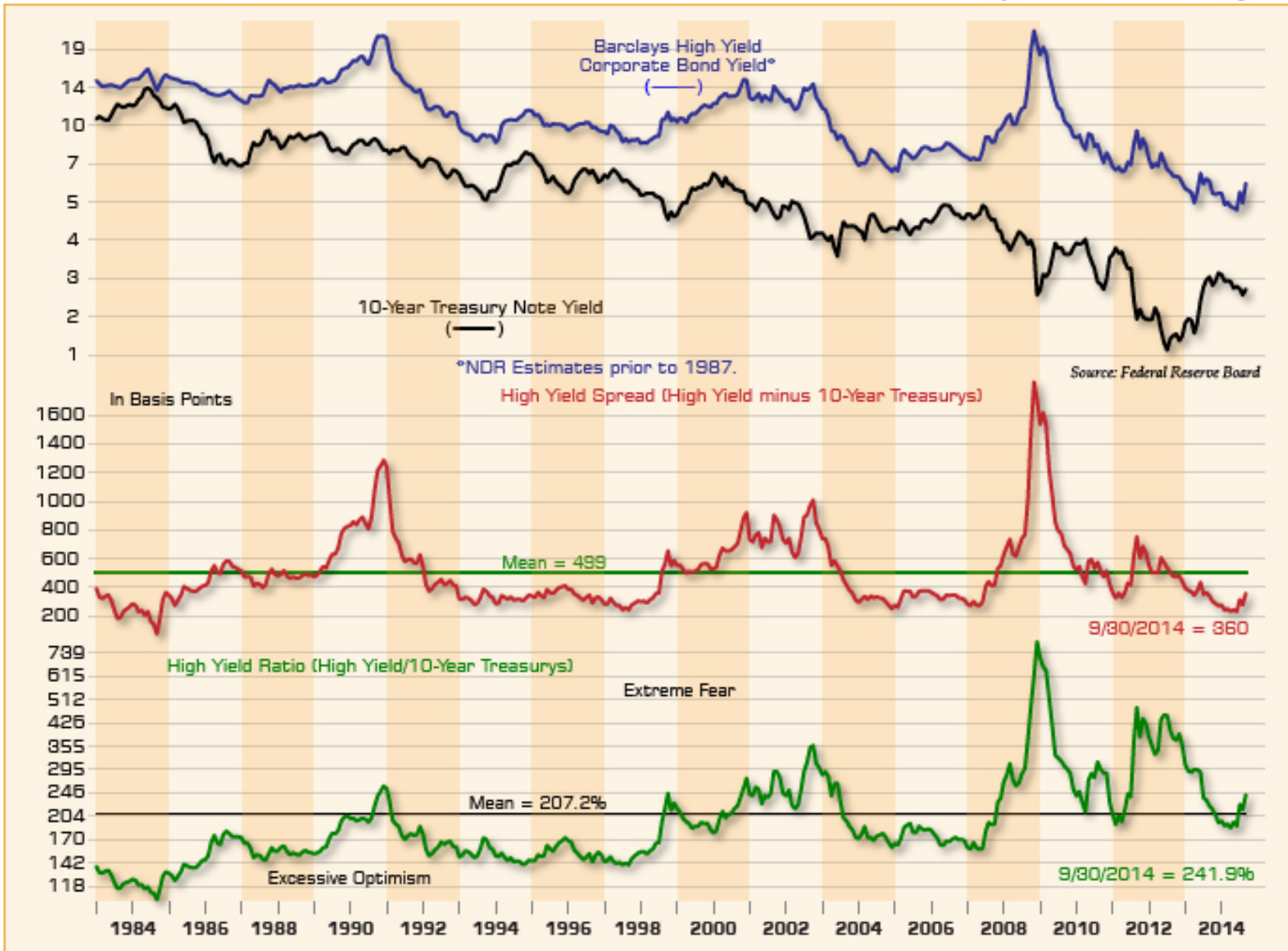


## Dow Jones Industrial Average Around Mid-term Elections

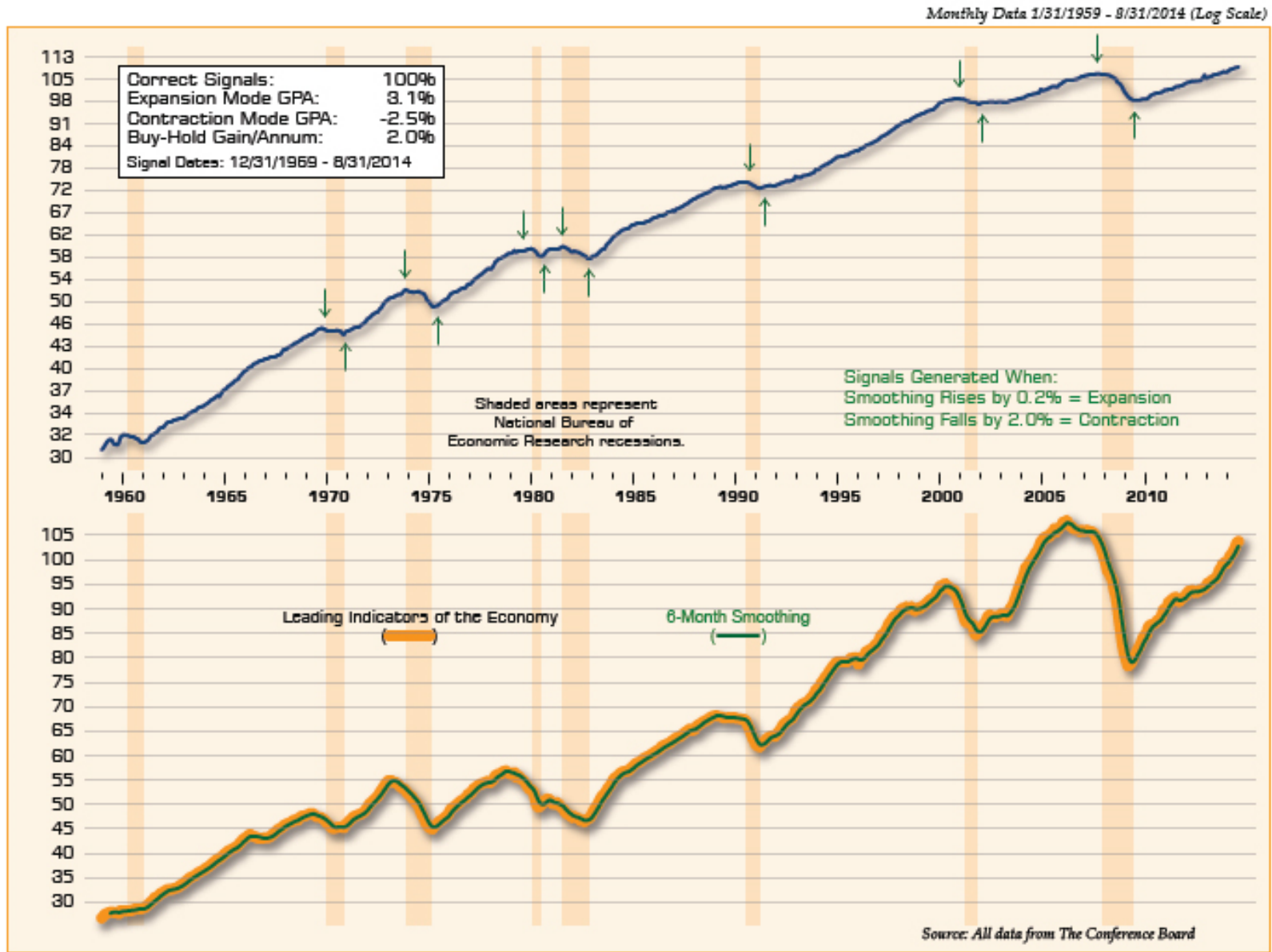


# High Yield Corporate Spreads (Relative to 10-Year Treasurys)

Monthly Data 1/31/1983 - 9/30/2014 (Log Scale)



# The Economy (The Index of Coincident Economic Indicators)



Source: Ned Davis Research

## The Index of Leading Economic Indicators

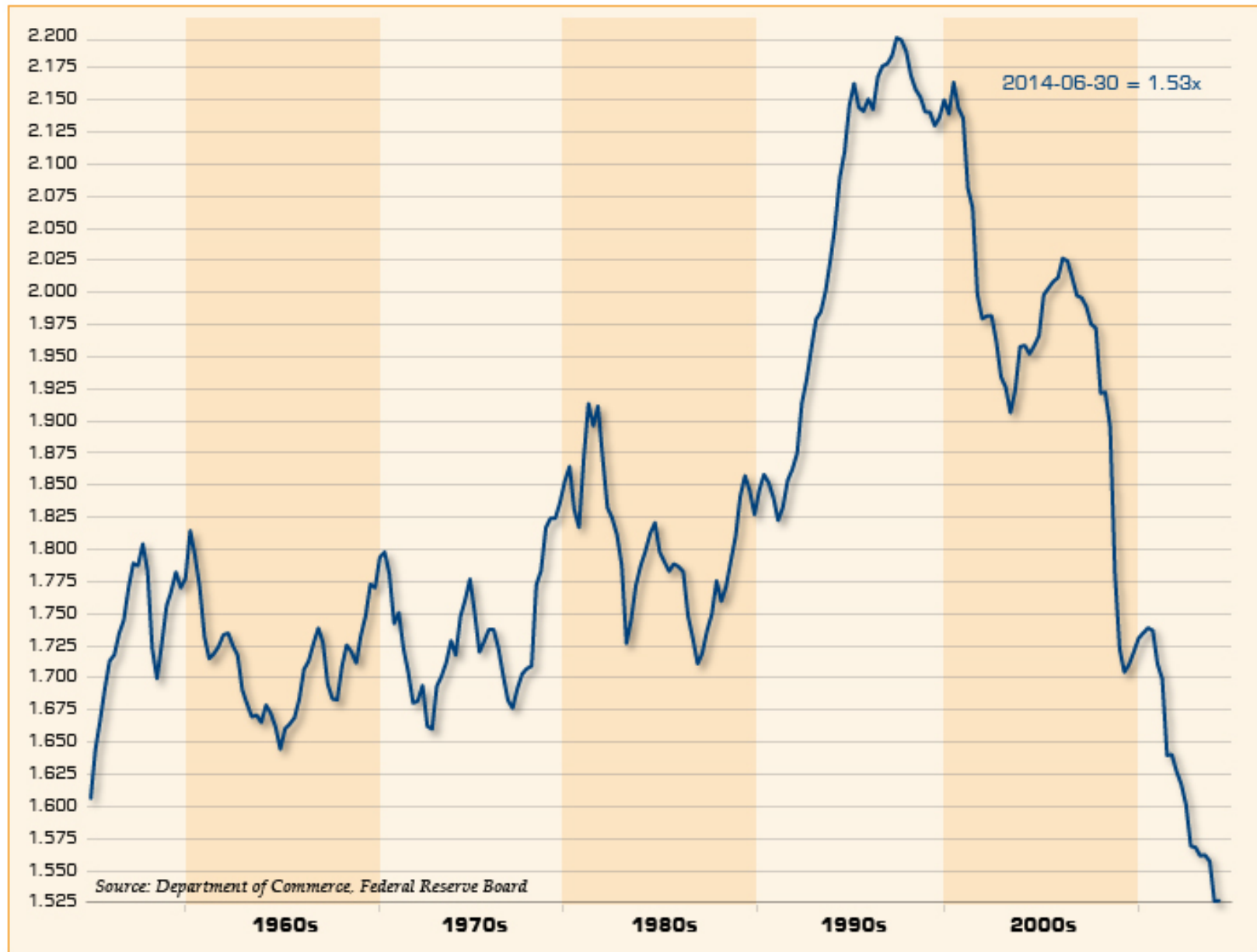
## LEI Recession Lead Times

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

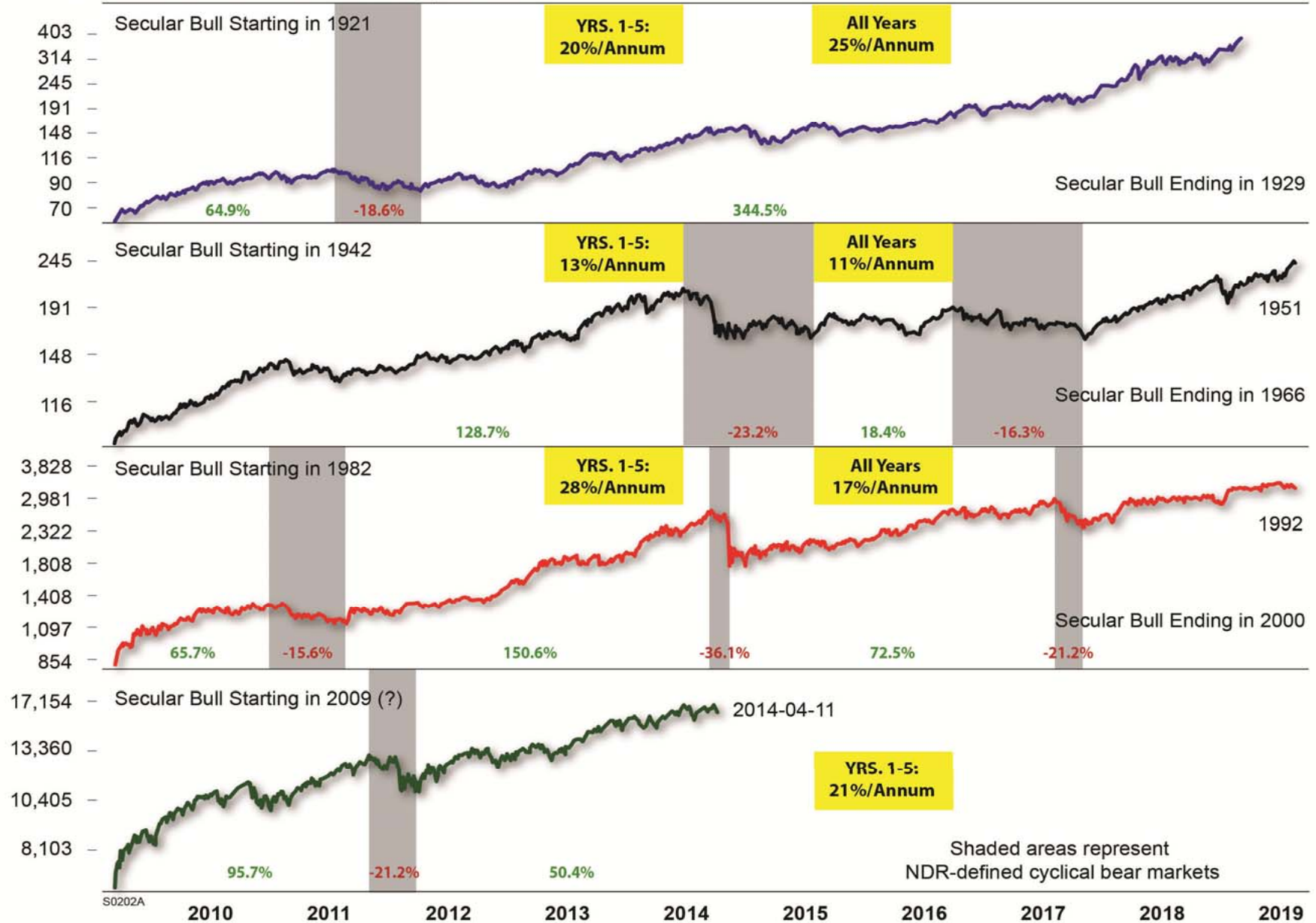


# U.S. M2 Money Supply Velocity (GDP/M2)

Quarterly Data 1954-12-31 to 2014-06-30

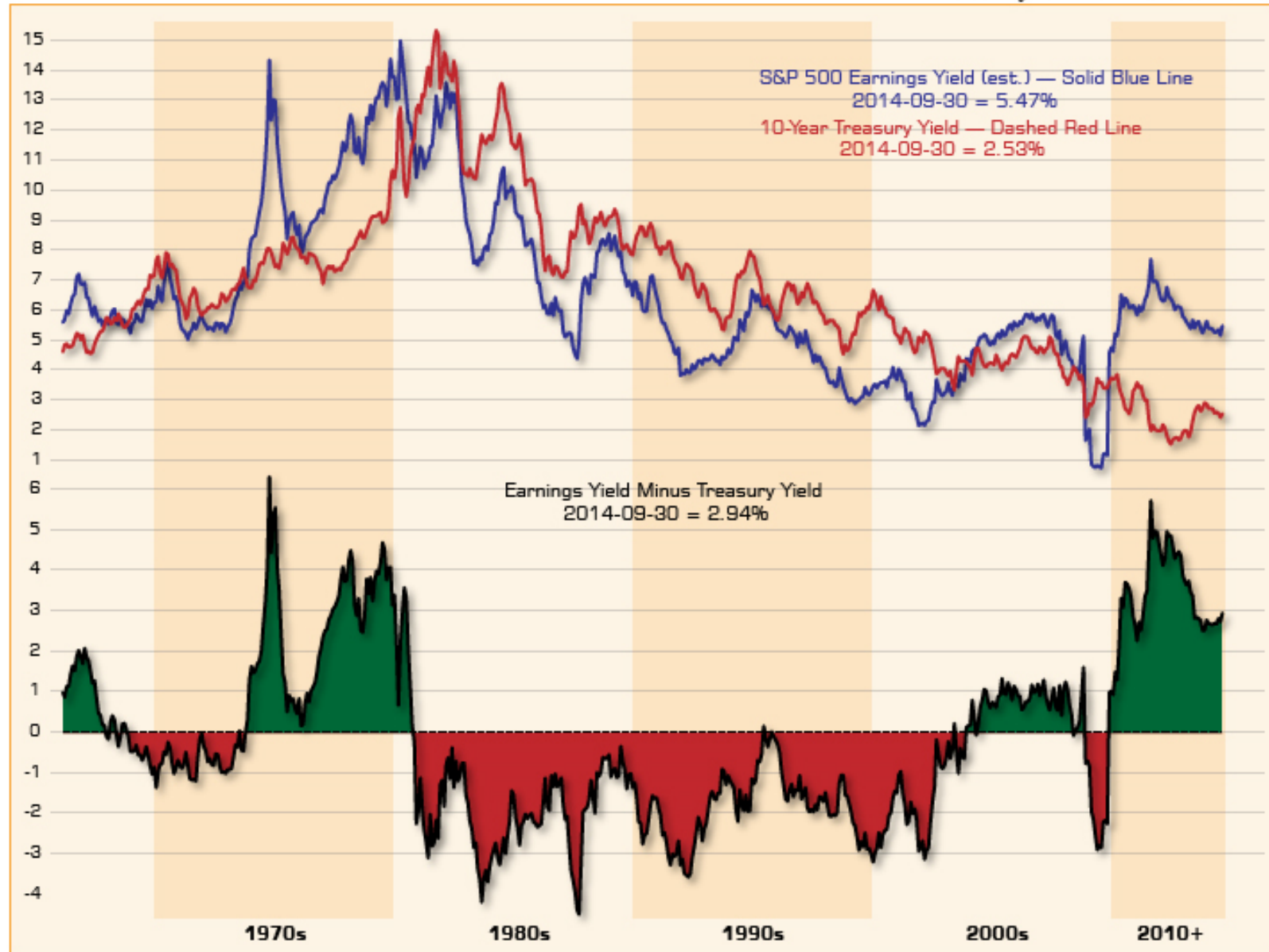


## DJIA Secular Bull Market Comparison



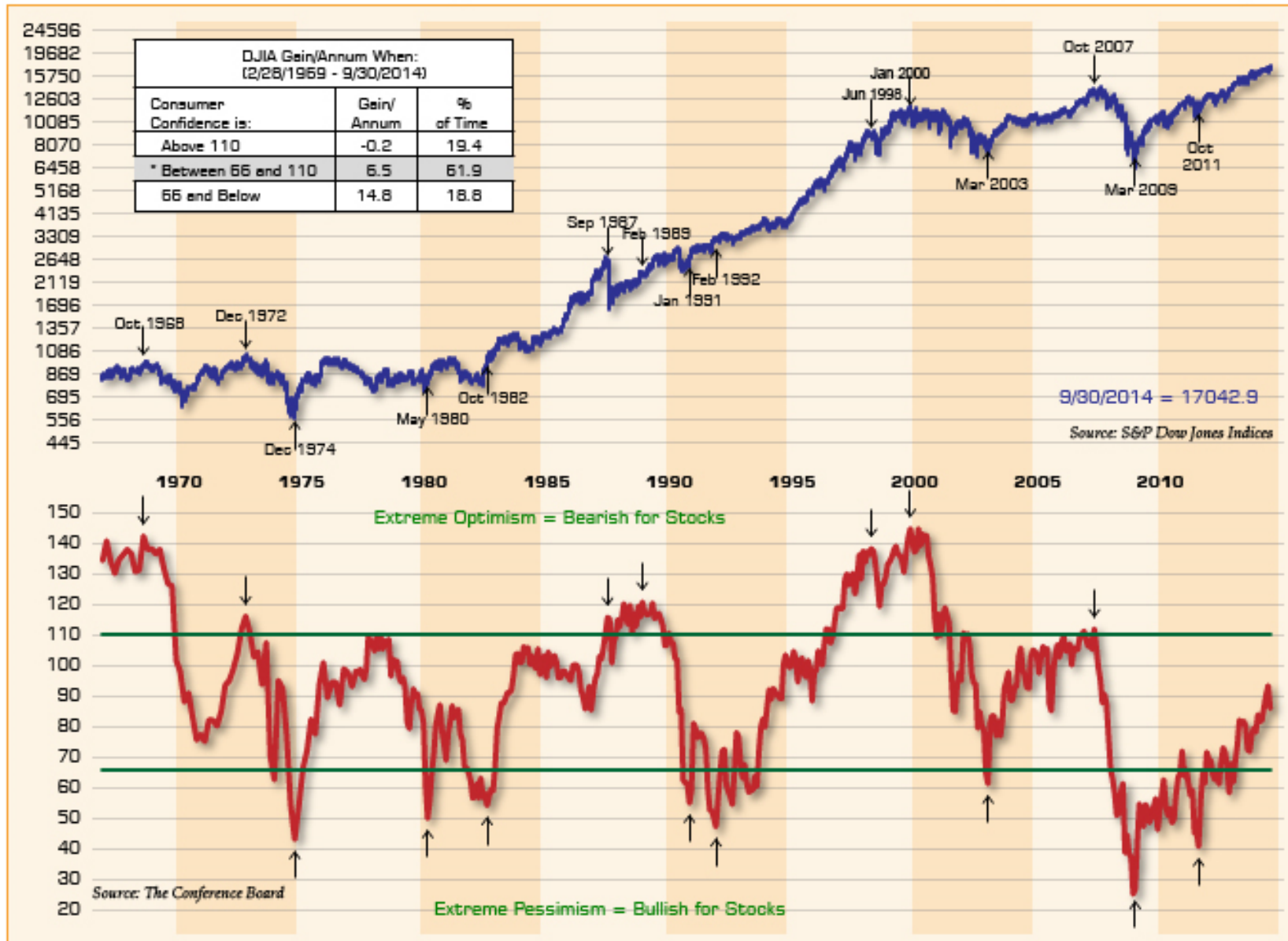
# S&P 500 Earnings Yield vs. 10-Year Treasury Yield

Monthly Data 1966-01-31 to 2014-09-30



# Dow Jones Industrial Average

Monthly Data 2/28/1967 - 9/30/2014 (Log Scale)

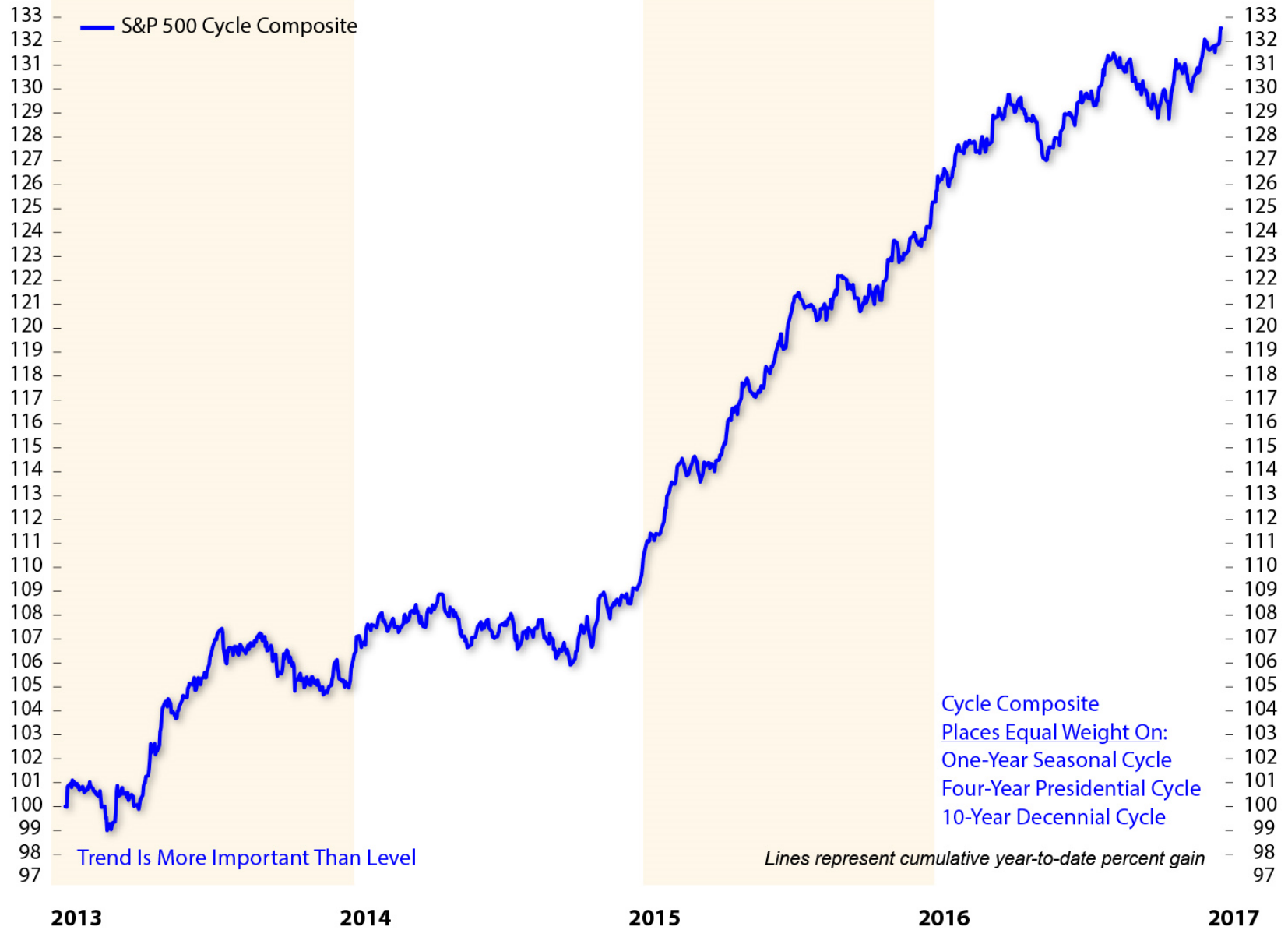


## Consumer Confidence (Conference Board)

Source: Ned Davis Research

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

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



# Q&A



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

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Investment Philosophy & Process

## Investment Philosophy

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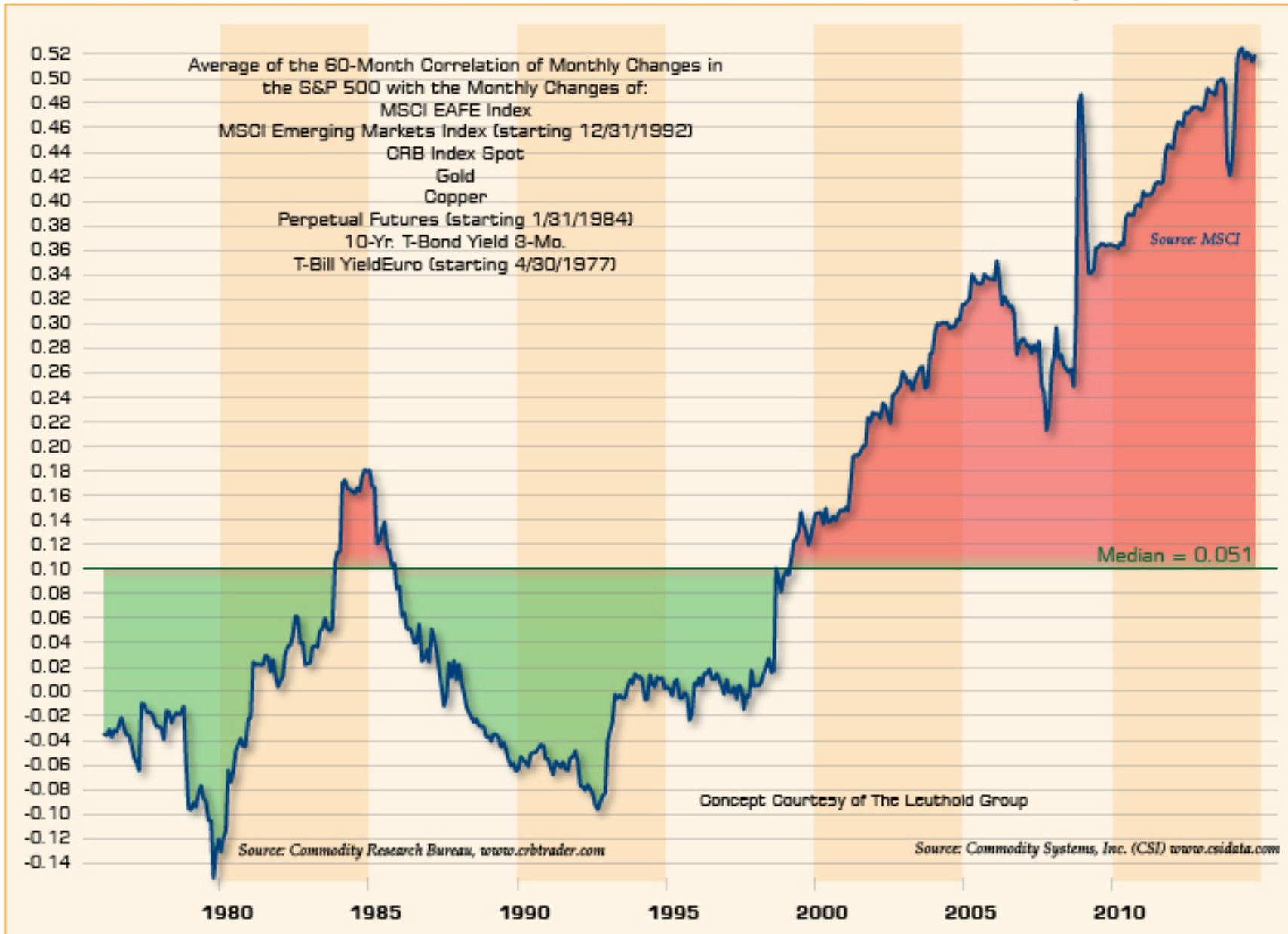
- Seek to provide superior risk adjusted returns through a disciplined process focused on
  - ❖ Meaningful diversification
  - ❖ Opportunistic asset allocation
  - ❖ Systematic risk management



# Meaningful Diversification

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

Monthly Data 1/31/1976 - 9/30/2014



## 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 US	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 US Real Estate	0.18	0.47	0.25	0.55	0.84	0.77
BC US Corporate High Yield	0.15	0.57	0.31	0.56	0.71	0.73
BC US 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. Past performance is not indicative of future results. Please see attached disclosures.

## 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%

# 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 College, 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

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

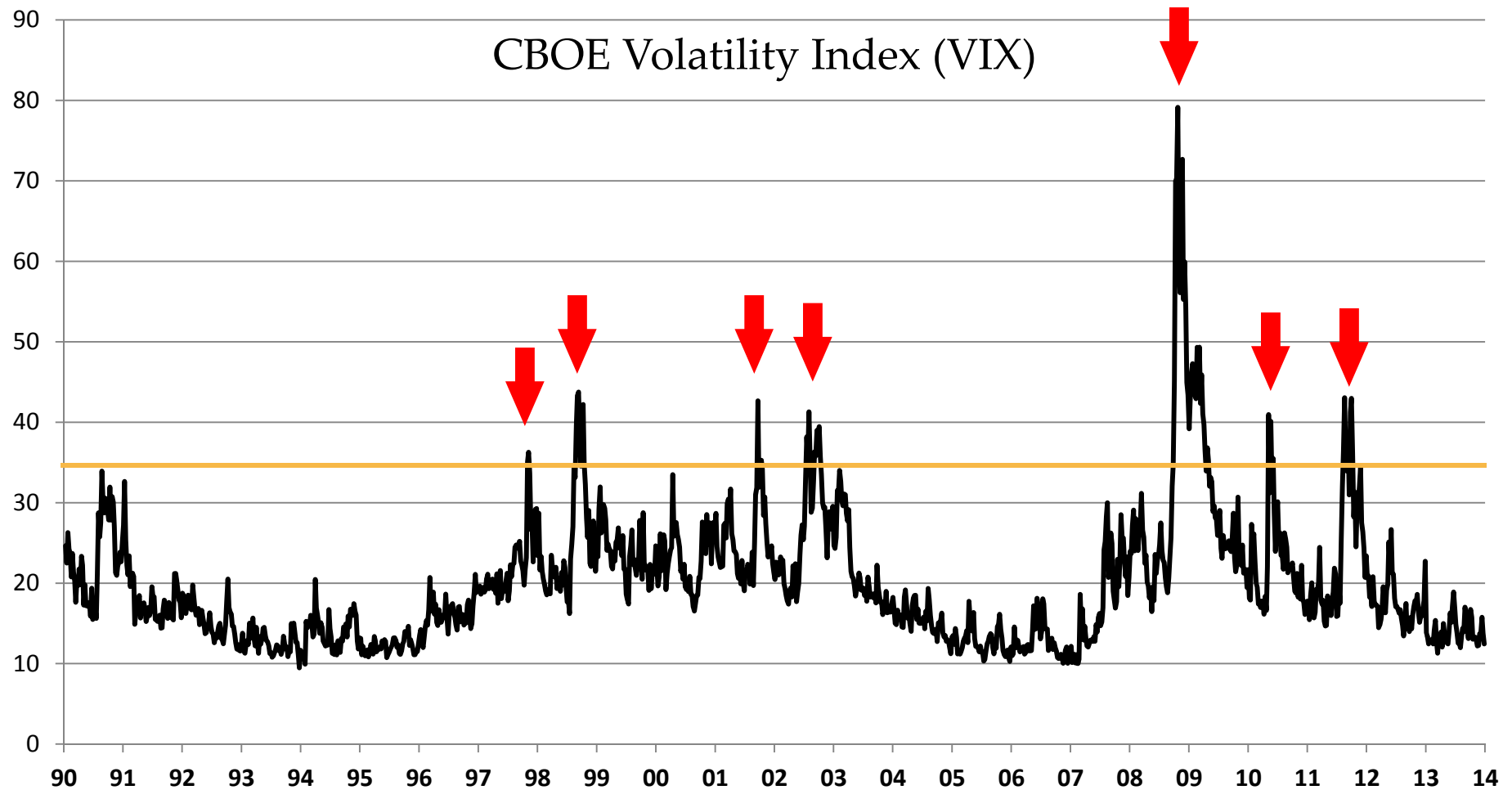
# Systematic Risk Management

# What It May Take to Break Even after a Loss

If investment is down	Saving	Withdrawing Income
	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

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- 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

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



## Potential Partner Benefits of the Sentry Strategy

- Promotes better client outcomes
- Reduces client anxiety during times of market stress
- Assists advisors with retention
- 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

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Premier Portfolio Solutions

## Premier Equity Team



**Maira Thompson**  
Senior Portfolio Manager



**Tony Soslow**  
Senior Portfolio Manager



**Jamie Mullen**  
Senior Portfolio Manager

## Premier Fixed Income Team



**Jamie Mullen**  
Senior Portfolio Manager



**Robert Bennett**  
Portfolio Manager



**Jonathan Fiebach**  
Chief Investment Officer

**Main Point**  
ADVISORS, INC.

### Navigator Taxable Fixed Income

Peer Group: All Managed Investments - U.S. - Intermediate-Term Bond

	5 Years	Peer group percentile
Taxable Fixed Income (Pure Gross*)	8.02	6
Taxable Fixed Income (Net 1.00%**)	6.95	13
Barclays US Govt/Credit Interm TR USD	4.09	72
Count	6,408	

### Navigator Taxfree Fixed Income

Peer Group: All Managed Investments - U.S. - Muni National Interm

	5 Years	Peer group percentile
Tax Free Bond (Pure Gross*)	5.54	29
Tax Free Bond (Net 1.00%**)	4.49	48
Barclays Municipal 5 Yr	4.14	54
Count	847	

### Navigator Taxable Fixed Income

Peer Group: Universe - U.S. Taxable Fixed Income (SMA & MF)

	5 Years	Peer group percentile
Fixed Income Total Return (Pure Gross*)	12.79	6
Fixed Income Total Return (Net 3.00%**)	9.48	17
Barclays US Corporate High Yield TR USD	13.98	4
Barclays US Agg Bond TR USD	4.85	59
Count	2,236	

Past performance is not indicative of future results. Pure gross returns do include the deduction of transaction costs and are shown as supplementation information. Please see attached disclosures.

Data shown is as of 9/30/2014.

### Navigator High Dividend Equity

Peer Group: All Managed Investments - U.S. - Large Value

	5 Years	Peer group percentile
High Dividend Equity (Pure Gross*)	17.62	29
High Dividend Equity (Net 3.00%**)	14.18	95
S&P 500	18.83	10
Count	10,147	

### Navigator International ADR

Peer Group: All Managed Investments - U.S. - Foreign Large Blend

	5 Years	Peer group percentile
International ADR (Pure Gross*)	16.00	3
International ADR (Net 3.00%**)	12.61	10
MSCI ACWI Ex USA	11.11	35
Count	4,684	

### Navigator All Cap Core U.S. Equity

Peer Group: All Managed Investments - U.S. - Large Blend

	5 Years	Peer group percentile
All Cap Core (Pure Gross*)	19.93	4
All Cap Core (Net 3.00%**)	16.43	52
Russell 3000	19.33	5
Count	11,186	

### Navigator Small Cap Core U.S. Equity

Peer Group: All Managed Investments - U.S. - Small Blend

	5 Years	Peer group percentile
Navigator Small Cap (Pure Gross*)	19.32	51
Navigator Small Cap (Net 3.00%**)	15.84	96
Russell 2000	20.21	32
Count	4,457	

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Presenters:

Paul Binnion, Director of Strategic Development

Jim Agasar, Relationship Manager

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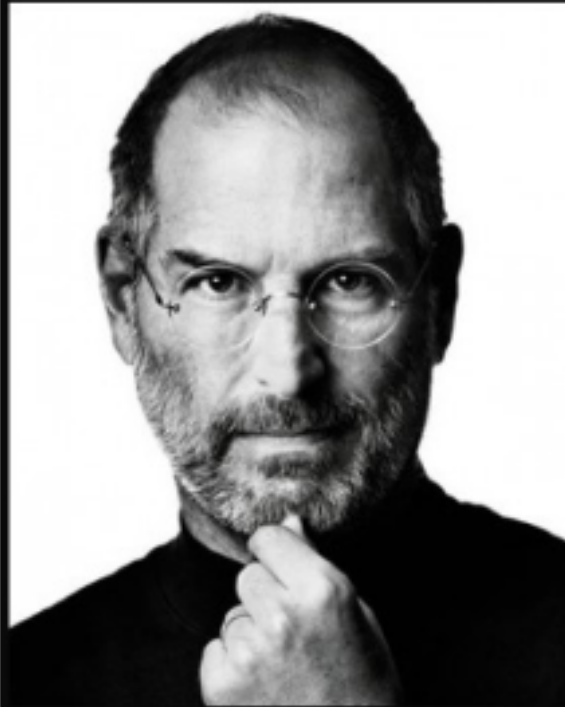
**The Client Comes First**

Personalized Portfolio Construction Defined

## Overview

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- Better Understanding of the Process
- Real World Example
- Benefits to Your Practice and to Your Clients



My favorite things in life don't cost any money. It's really clear that the most precious resource we all have is time.

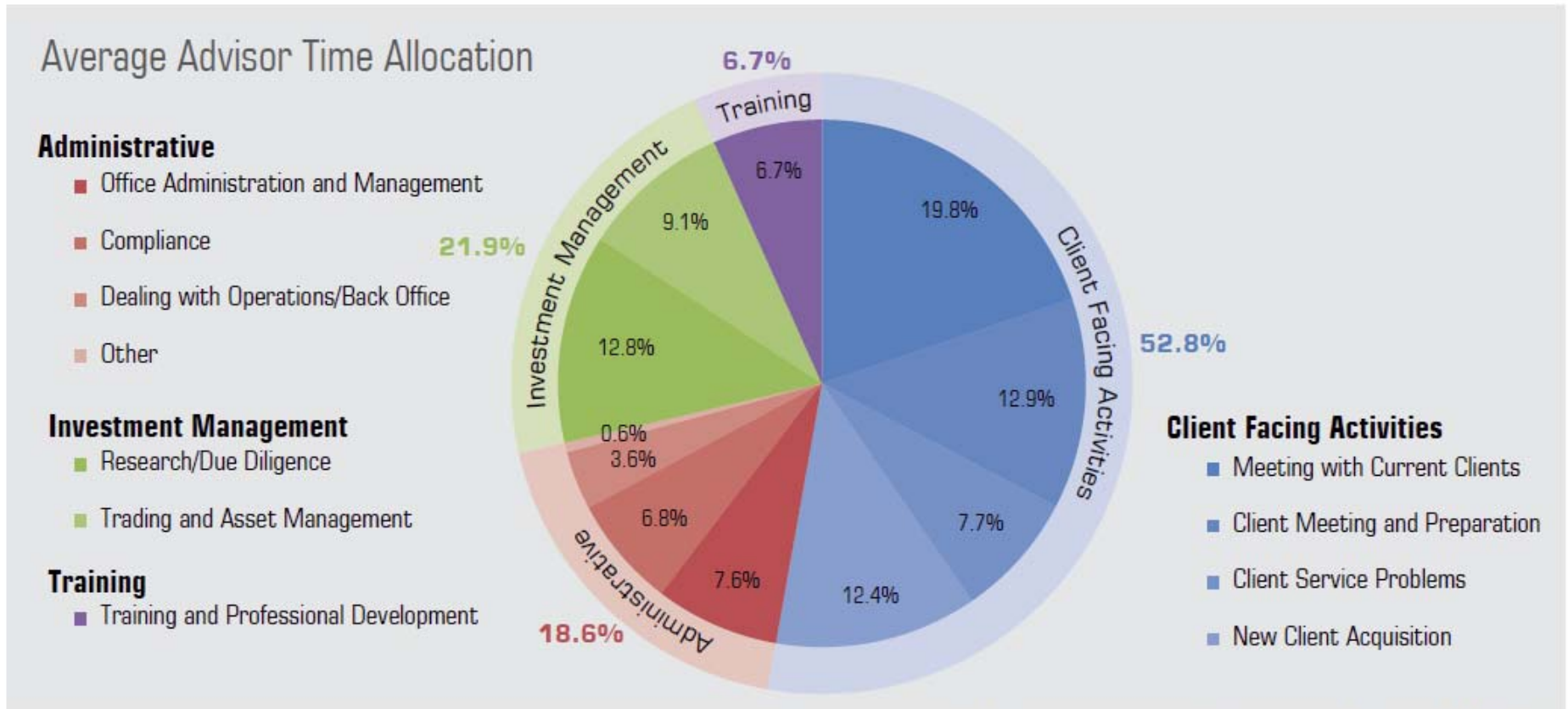
(Steve Jobs)

izquotes.com



# Time Management

What Is Your Most Productive Time?

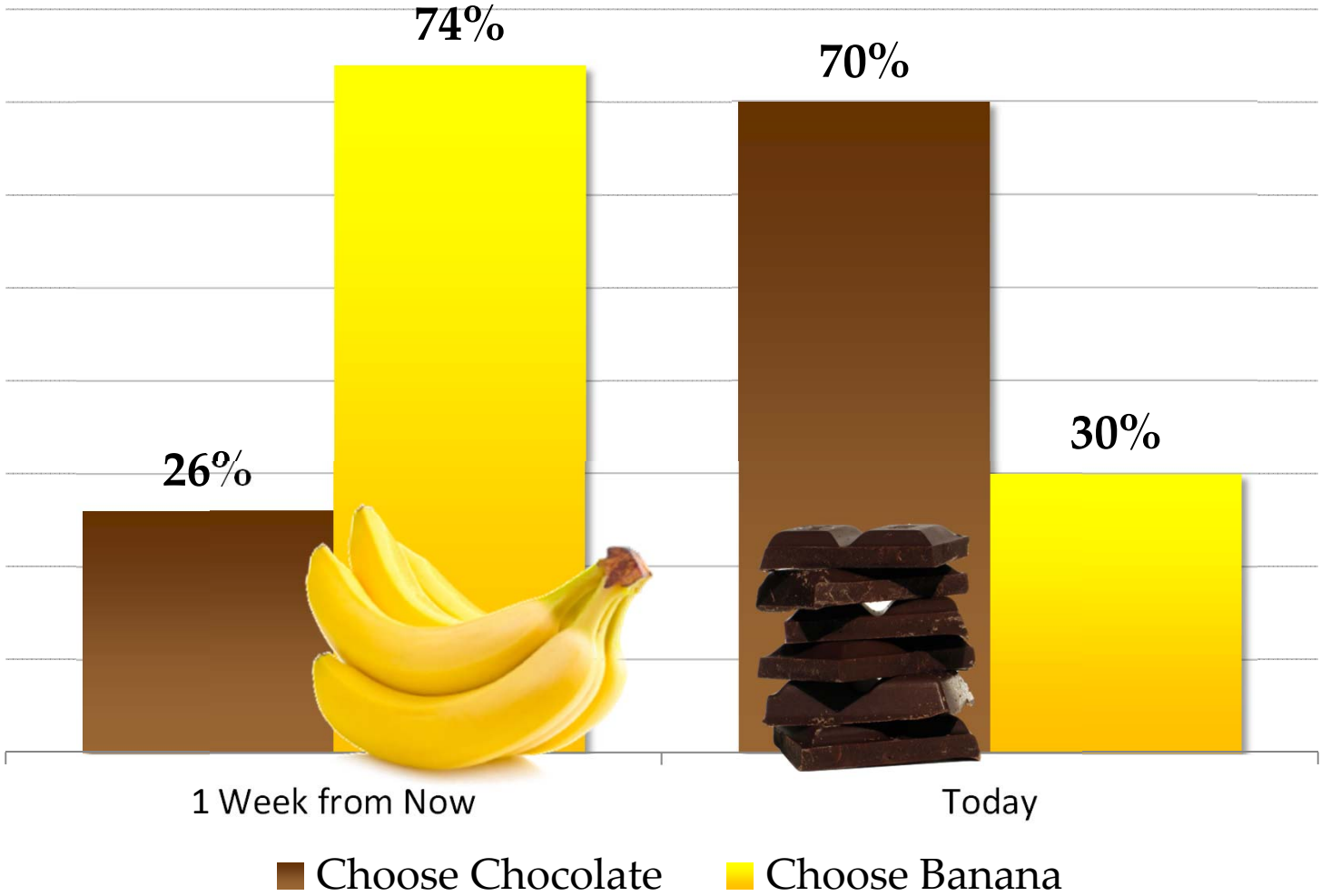


Source: Cerulli Associates 2012; Chart denotes RIA firms with AUM under \$100 Million

## What Is the Opportunity?

- Nearly 60% of Investors Have No Set Financial Goals
- Almost 70% Have No Financial Plan
- 80% Are Making Decisions on Gut Instinct
  - ❖ Only 22% of survey respondents had confidence in their long-term investment strategy

# Client Behavior



## Why Plan?

---

1. Make Smart Decisions with Their Money
2. Mitigate Taxes
3. Take Care of Heirs
4. Make Sure Assets Are Not Unjustly Taken
5. Make a Difference (Charity, Philanthropic Efforts)



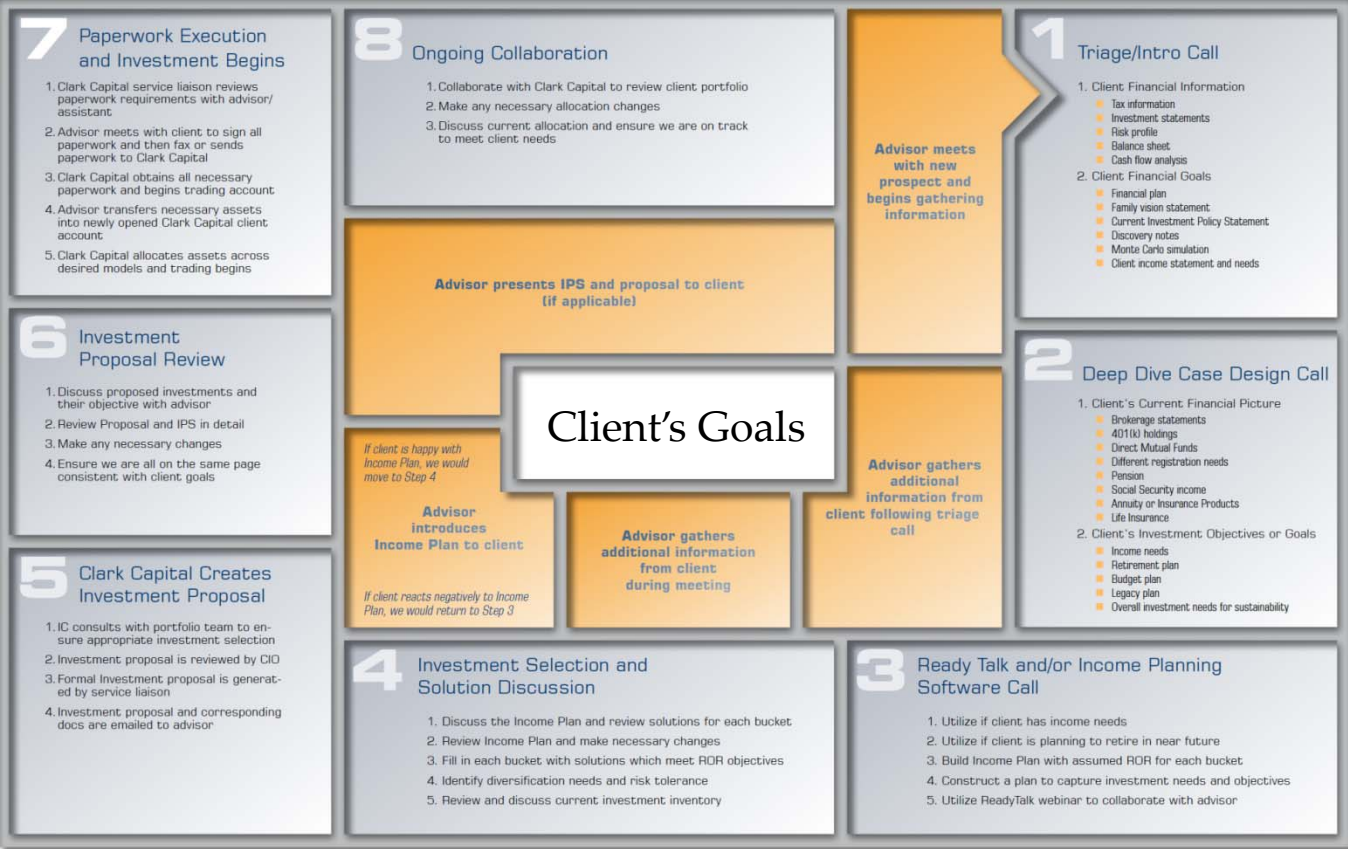
## Tools at Your Disposal

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- Case Design Process
- Income Planning Tool Box & Reporting
- Bond Diagnostic
- Morningstar Direct
- Overlap Analysis
- Investment Allocation Concerns, Observations & Recommendations (Current vs Proposed Convo)
- Personalized UMA
- Personal Benchmarking
- Investment Policy Statement

# Case Design Process

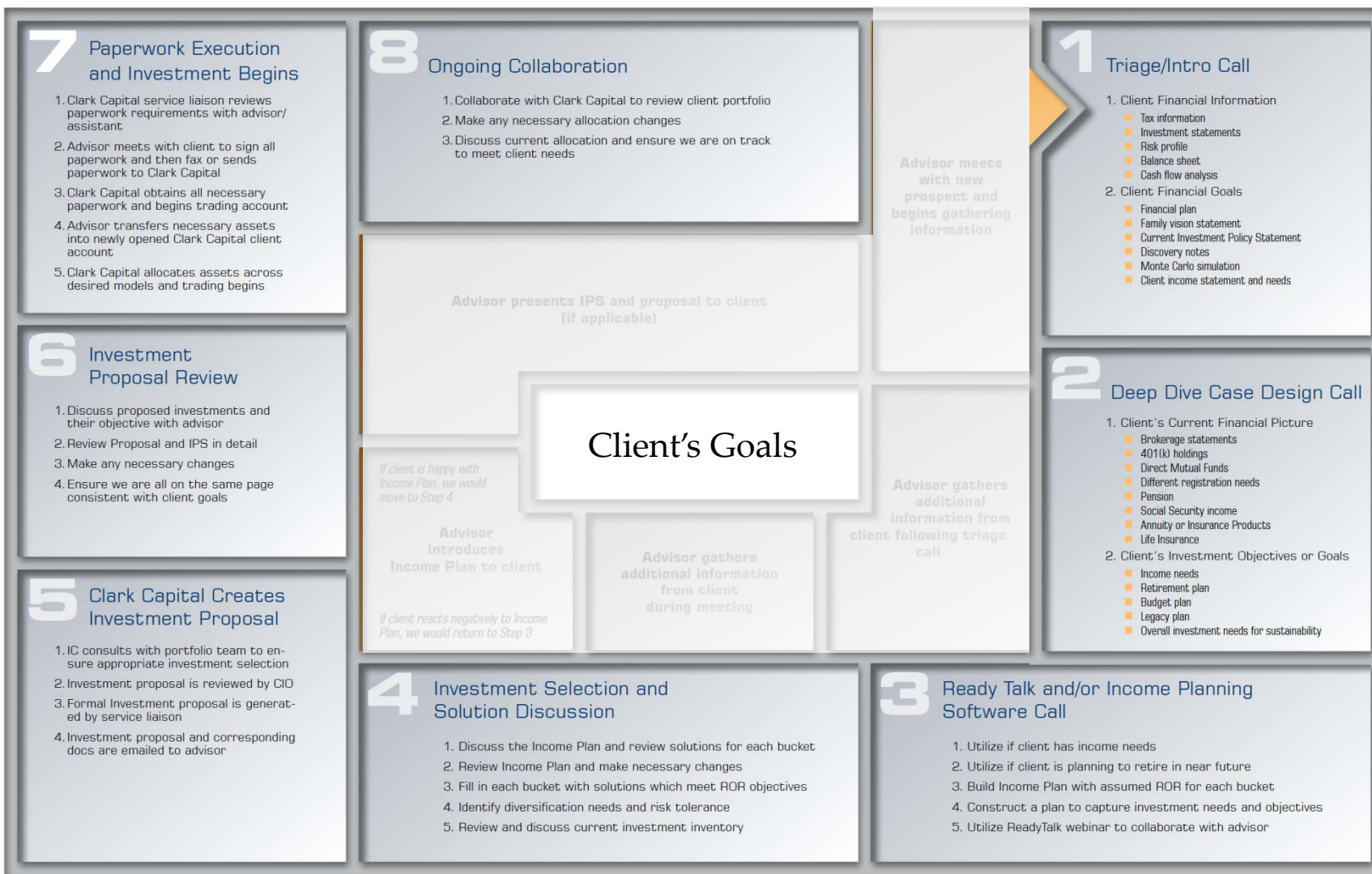
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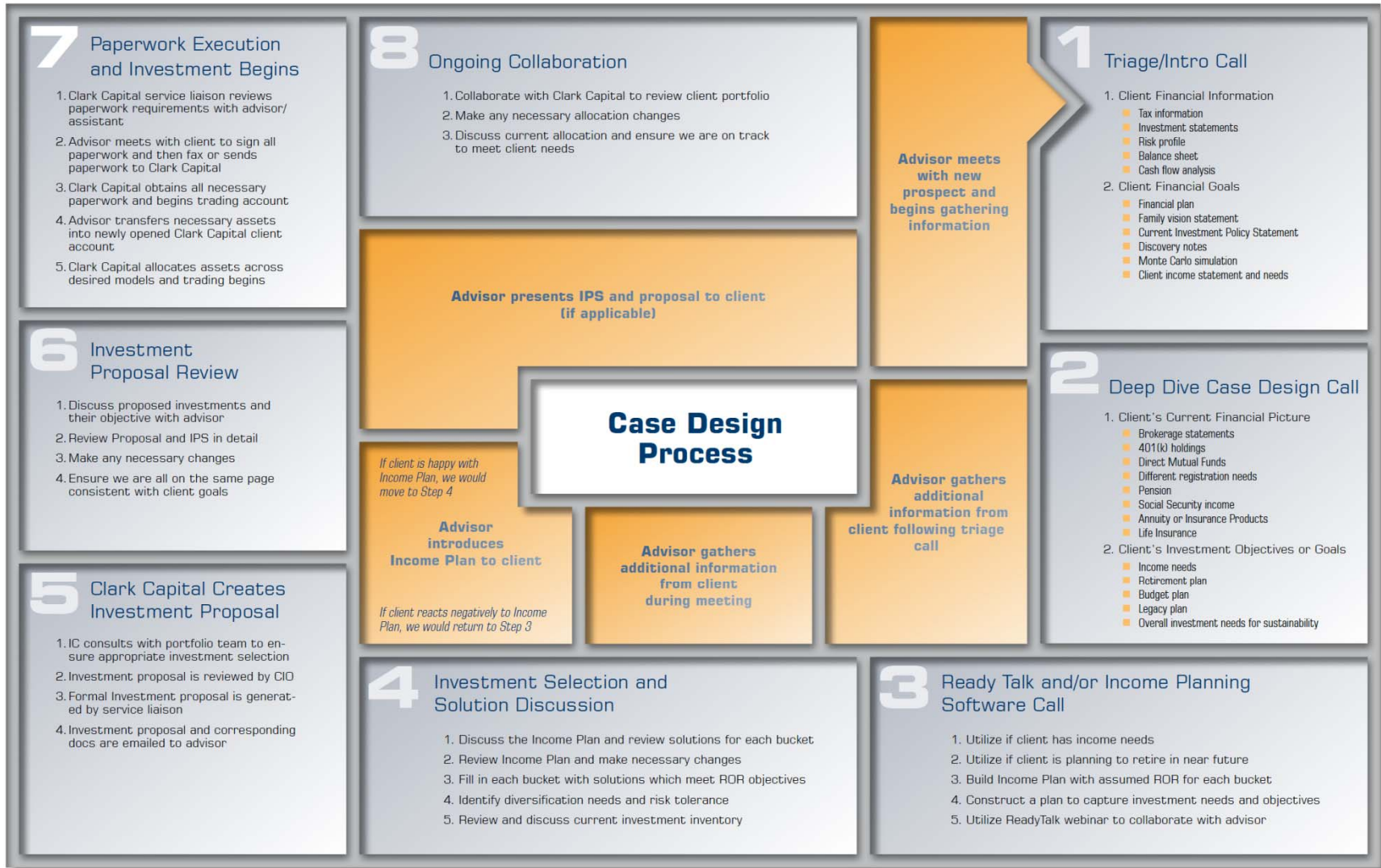
## NAVIGATE

# Case Design Process





# Case Design Process



## Case Study - Nancy L.

---

- Widow
- Husband was the main financial provider
- Died at a young age due to massive heart attack
  
- Client Goals:
  1. Stabilize income to ensure she can meet her budget needs
  2. Plan for next 30+ years of income needs
  3. Cover the college tuition for son and daughter
  4. Maintain current lifestyle

This case study and the data examples following this slide are for illustrative purposes only..

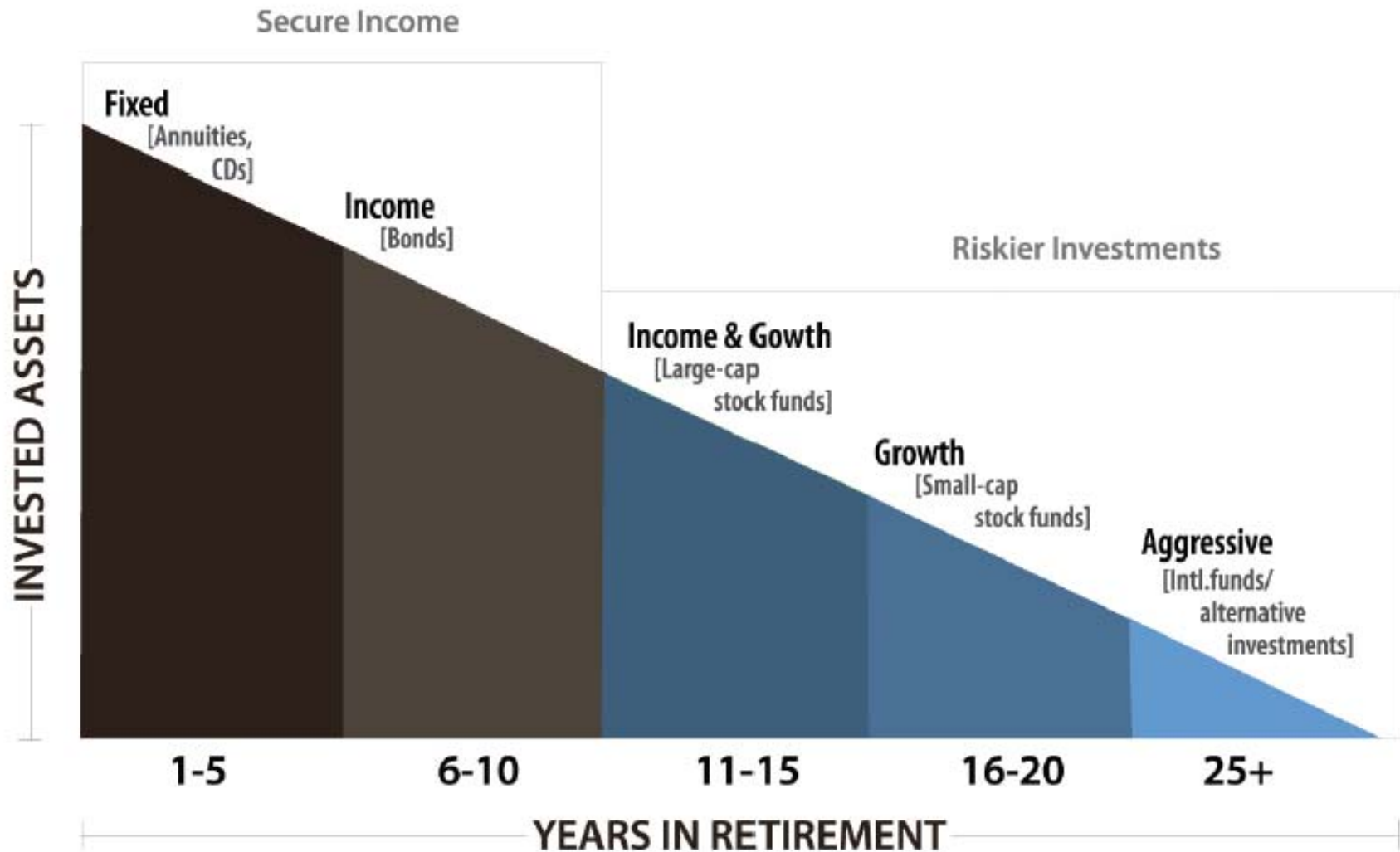
## Case Study: Nancy L.

---

- Concerns

1. Can I afford my house or will I need to downsize?
2. Can I continue to pay for my daughter's college tuition?
3. Will I be able to pay for my son's college since he is graduating from high school this year?
4. Where will my income come from?

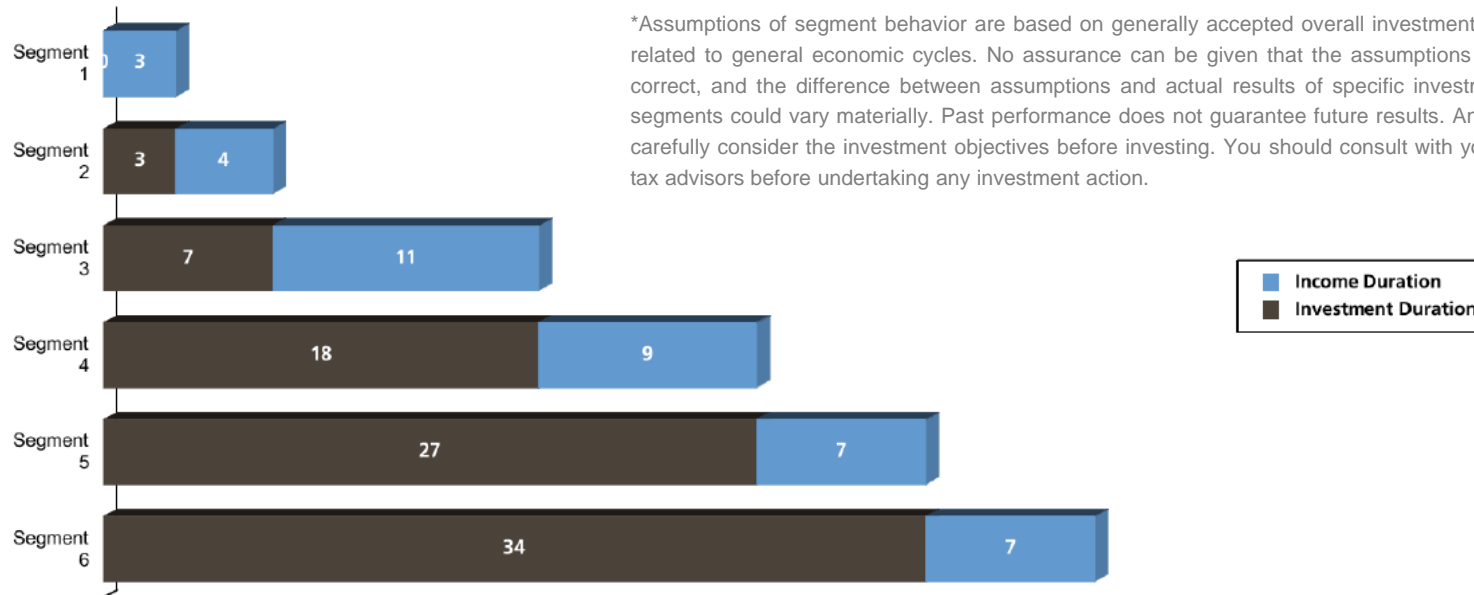
# Income Management



## YOUR PERSONALIZED SEGMENT ALLOCATION

The following table illustrates the allocation of \$1,069,039.00 into distinct segments. Each segment will provide income for a specific period. A segment may consist of a period in which it grows at an assumed rate of return and also a period in which it is liquidated to produce income.

	PERCENTAGE OF ALLOCATION	ROR ASSUMPTION*	TOTAL DURATION
<b>Segment 1</b>	<b>14.31%</b>	<b>4.00%</b>	<b>3 Years</b>
<b>Segment 2</b>	<b>19.31%</b>	<b>4.00%</b>	<b>7 Years</b>
<b>Segment 3</b>	<b>28.58%</b>	<b>6.00%</b>	<b>18 Years</b>
<b>Segment 4</b>	<b>18.96%</b>	<b>6.50%</b>	<b>27 Years</b>
<b>Segment 5</b>	<b>11.67%</b>	<b>7.00%</b>	<b>34 Years</b>
<b>Segment 6</b>	<b>7.17%</b>	<b>8.00%</b>	<b>41 Years</b>



# SEGMENT ALLOCATION

One goal of the model is to place smaller amounts of money in more aggressive assets. The more aggressive an investment, the more risk it is subject to. Risky investments will be held for the longest period of time in order to achieve the best possible chance of attaining rate-of-return objectives.

## RISK



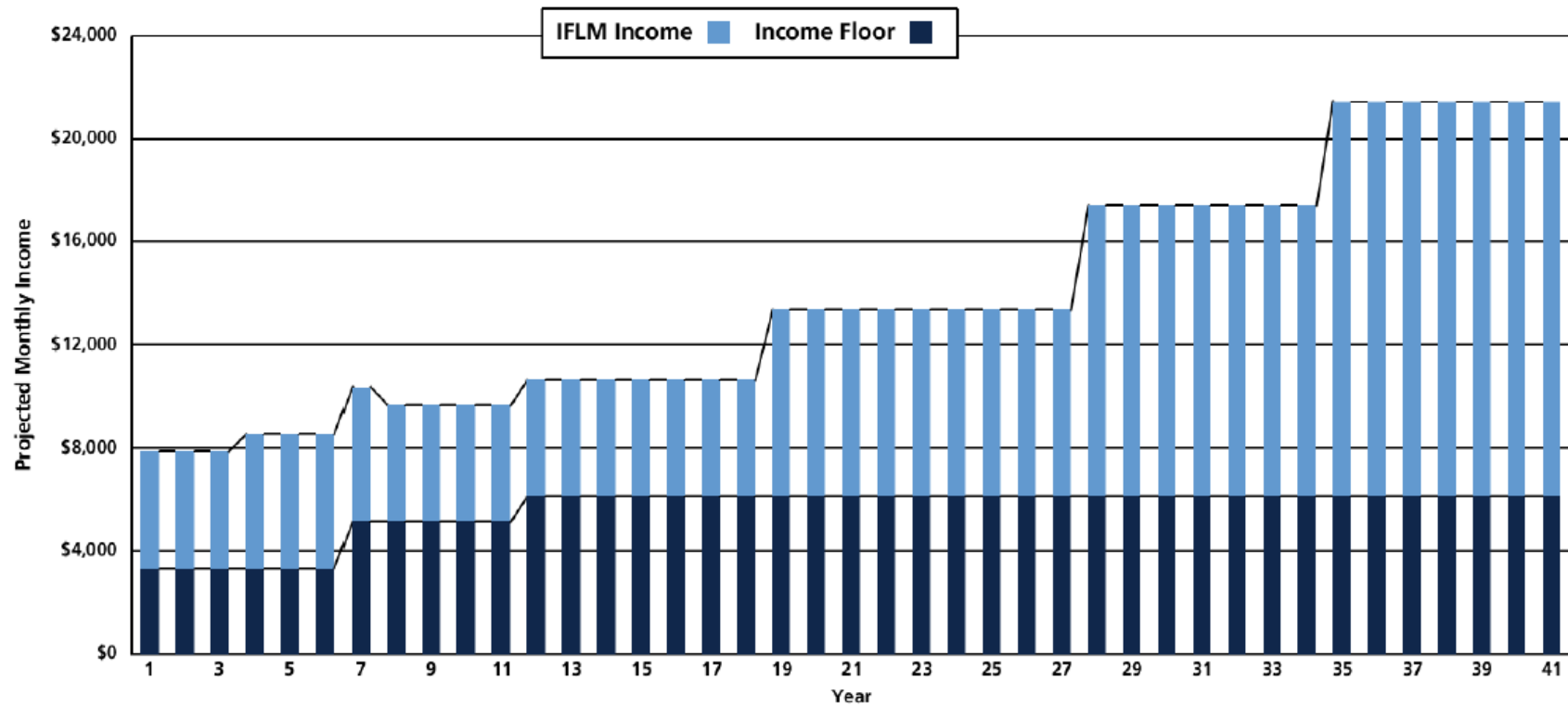
Assumptions of segment behavior are based on generally accepted overall investment sector behavior related to general economic cycles. No assurance can be given that the assumptions will prove to be correct, and the difference between assumptions and actual results of specific investments within the segments could vary materially. Past performance does not guarantee future results. An investor should carefully consider the investment objectives before investing. You should consult with your financial and tax advisors before undertaking any investment action.

## TARGETED INCOME BY SEGMENT

	IFLM MONTHLY INCOME	INCOME FLOOR**	TOTAL*
<b>Segment 1</b>	<b>\$4,516</b>	<b>\$3,334</b>	<b>\$7,850</b>
<b>Segment 2</b>	<b>\$5,244</b>	<b>\$3,334</b>	<b>\$8,578</b>
<b>Segment 3</b>	<b>\$4,532</b>	<b>\$5,123</b>	<b>\$9,655</b>
<b>Segment 4</b>	<b>\$7,251</b>	<b>\$6,113</b>	<b>\$13,364</b>
<b>Segment 5</b>	<b>\$11,324</b>	<b>\$6,113</b>	<b>\$17,437</b>
<b>Segment 6</b>	<b>\$15,332</b>	<b>\$6,113</b>	<b>\$21,445</b>

\* Total income represents the income available in the first year of a segment. Please refer to tracking reports for yearly totals.

Assumptions of segment behavior are based on generally accepted overall investment sector behavior related to general economic cycles. No assurance can be given that the assumptions will prove to be correct, and the difference between assumptions and actual results of specific investments within the segments could vary materially. Past performance does not guarantee future results. An investor should carefully consider the investment objectives before investing. You should consult with your financial and tax advisors before undertaking any investment action.



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# INCOME ANALYSIS

## INCOME FLOOR

Below is a listing of your sources of income floors. These income sources are presumed to be generated from assets apart from those used to fund The Income for Life Model®.

SOURCE OF INCOME	MONTHLY INCOME	ANNUAL ADJUSTMENT	INCOME START YEAR	INCOME END YEAR
Pension Plan	\$3,334	0%	1	Lifetime
Social Security	\$1,789	0%	7	Lifetime
Variable annuity cash flow	\$990	0%	12	Lifetime

Assumptions of segment behavior are based on generally accepted overall investment sector behavior related to general economic cycles. No assurance can be given that the assumptions will prove to be correct, and the difference between assumptions and actual results of specific investments within the segments could vary materially. Past performance does not guarantee future results. An investor should carefully consider the investment objectives before investing. You should consult with your financial and tax advisors before undertaking any investment action.



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

**SAMPLE**

# Investment Proposal



TEN EYCK FINANCIAL SERVICES GROUP, LLC

Prepared For  
Nancy L.

On Behalf of  
**Robert G. TenEyck**  
Ten Eyck Financial Services Group, LLC



*Tuesday, October 07, 2014*

# Your Goals

You



Navigate Your Future!

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

Goal

Bucket:	Goal	Investment Amount	Risk Comfort Zone	Time Horizon
Bucket: Taxa	<b>Bucket # 2 - Individual</b> Global Balanced 40/60 Unhedged	\$159,000.00	Moderate	4 to 7 years
Bucket: All C	<b>Bucket # 3a - IRA</b> Taxable Fixed Income	\$200,000.00	Moderate	8 to 18 years
Bucket: High	<b>Bucket # 3b - Individual</b> All Cap	\$100,000.00	Moderate	8 to 18 years
These	<b>Bucket # 5 &amp; 6 - Roth IRA</b> High Dividend Equity	\$220,000.00	Moderate	28 to 41 years

# Our Recommendations

SAMPLE

Account Weight	Account Name	Recommendation	Amount
23.42%	<b>Navigator Global Balanced</b> Benchmark: 40% MSCI World Net Index - 60% Barclays U.S. Aggregate Bond	Nancy L Individual	\$159,000.00
<p>This balanced strategy allocates 40% to a broad range of global equities while allocating 60% to tactical exposure to the fixed income markets. The strategy is designed to adapt to changing market themes in order to pursue investment opportunity.</p>			
29.46%	<b>Navigator Taxable Fixed Income</b> Benchmark: Barclays U.S. Govt/Credit Bond	Nancy L IRA	\$200,000.00
<p>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.</p>			
14.73%	<b>Navigator All Cap Core U.S. Equity</b> Benchmark: Russell 3000	Nancy L Individual	\$100,000.00
<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>			
32.40%	<b>Navigator High Dividend Equity</b> Benchmark: S&P 500	Nancy L Roth IRA	\$220,000.00
<p>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.</p>			

See abc

This is not a recommendation to buy or sell a particular security. Please see attached disclosures.

**TOTAL INVESTMENT** **\$679,000.00**

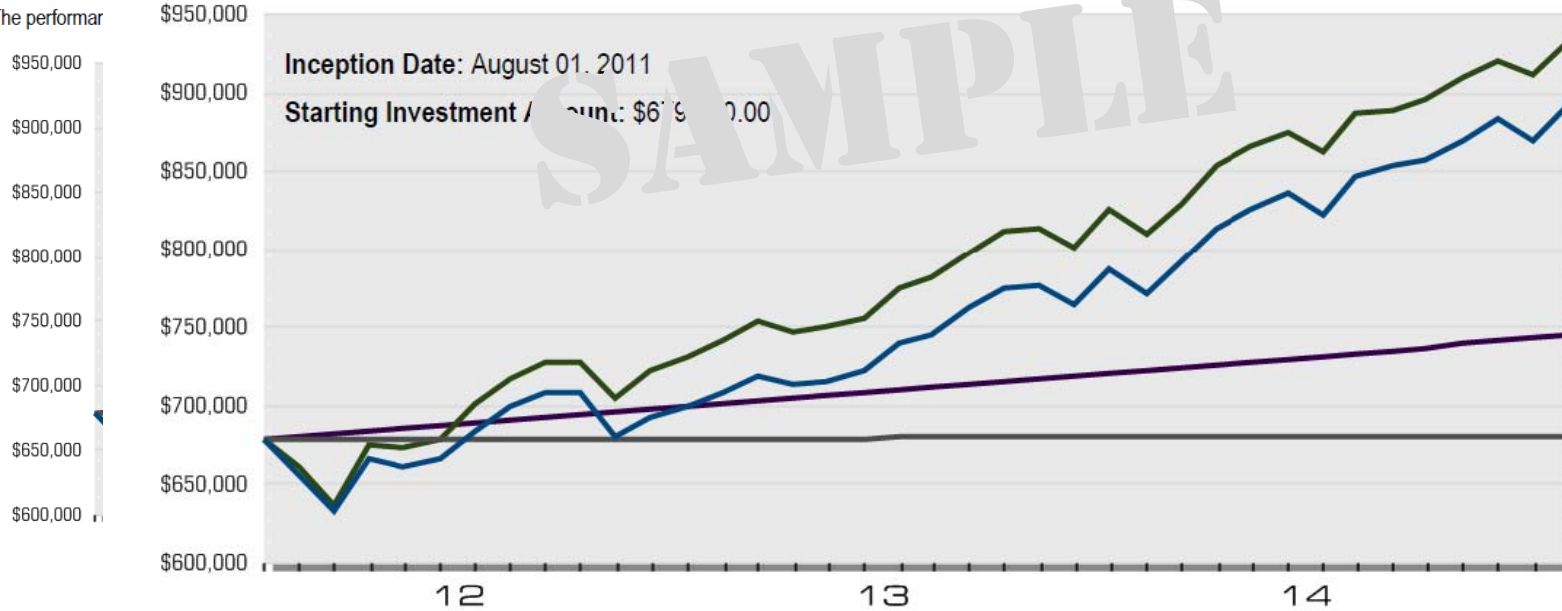


## Model Performance *(as of 8/31/2014)*

### Model

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

The performar



Account Name	Ending Amount
Nancy L (Net of 1.566%)	\$894,831.84
Blended Benchmark*	\$934,166.06
Personal Benchmark - 3% Annually	\$744,718.03
T-Bills	\$680,154.84

Account Name	Standard Deviation	Beta	R2	Alpha
Nancy L (Net of 1.566%)	7.05	1.01	97.27	-1.50
Blended Benchmark*	6.88	1.00	100.00	0.00

\*See di

## Why Case Design & Income Management?

- 84 Million Baby Boomers
- 10,000/Day Retiring
- \$40 Trillion Dollars at Risk



Presenter:

Michael Fillmore, 401(k) Investment Consultant

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# **PARTNER**

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## CONFERENCE

Maximizing Opportunities  
with Business Owners

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

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### Points of Differentiation

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



## Participant Needs

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- Help & Guidance
- Professional Management
- Education
- The Clark Approach

## The “F” Word

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- **It seems counter intuitive but simply as a result of establishing a retirement plan, you or someone at your company is a plan fiduciary.**
- If your retirement plan is typical, then key employees or members of the board of directors are fiduciaries.
- **As fiduciaries, you are responsible for:**
  - Selecting and maintaining the menu of investment choices,
  - Ensuring that the fees (including investment expenses) paid from participant accounts are reasonable and
  - Ensuring that the plan is properly administered in accordance with the plan document.



## Recent Litigation Highlights Fiduciary Risk

- **\$36.9 Million Award Against Plan Sponsor**
  - ❖ “Fidelity Trust had no responsibility to prevent the addition of the Fidelity Freedom Funds to the Plan’s investment line-up. For these reasons, the Court finds that Fidelity Trust cannot be held liable for ABB’s breaches under ERISA Section 405(a)(2).”
    - Tussey v. ABB, Inc., Case 2:06-CV-04305, 2010 Document 103
- **Nationwide Argues Sponsor Was Negligent in Selecting Nationwide**
  - ❖ “If Nationwide Life is found to have violated ERISA by arranging for, receiving, or retaining payments from funds...then the Trustees are reckless and also at fault to the extent the Plans suffered any harm..., because the Trustees had the ultimate responsibility for managing the Plan, and investing Plan assets.”
    - Haddock v Nationwide Life and Financial Services, Case 3:01-cv-01552-SRU Document 290 Filed 10/12/2007

# You ~~Can~~ Should Seek The Assistance of an Outside Expert

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It is well settled that “where a [...fiduciary...] does not possess the education, experience and skill required to make a decision concerning the investment of a plan’s assets, *he has an affirmative duty to seek independent counsel in making the decision.*”

- Katsaros v. Cody, 744 F.2d 279 (2d Cir.), (1984)



**All 3(38) Investment Managers Are Not Created Equal**

**Limited/Lite 3(38):**

- Limited to a preselected menu of funds being promoted by a recordkeeper.
- Will charge nothing as long as the plan invests a portion of their assets in the managed accounts they offer.

Most

Fiduciary Relief

No Fiduciary Delegation

Fiduciary

Delegation

Least

Least

Fiduciary Delegation

Most

# The Fiduciary Spectrum

The Correlation of Fiduciary Relief with Fiduciary Delegation

Most Plans Are Here

Most

Fiduciary Relief



**Trustee Directed 401k**  
This is a single account managed by Trustee for all participants. Not participant directed.



**Proprietary Insurance or Fund Platform**  
Sponsor choses from a menu of proprietary and non-proprietary funds offered by a provider who is prohibited from taking a co-fiduciary role on the plan. Large insurance companies and Mutual Fund Complexes. May be assisted by a non-fiduciary Advisor giving education but not "recommendations".



**Participant Directed**  
Subject to a 404c election, shifts some of the investment decision making to participants but Sponsor retains fiduciary discretion over what's offered.



"Open Architecture"

No Fiduciary Delegation

Least

3(21)



**Co-Fiduciary Advisor: ERISA section 3(21)**  
ERISA section 3(21) describes the co-fiduciary role where an Advisor assists in a fiduciary capacity in giving the Plan advice for a [level compensation] fee. Plan Sponsor still exercises fiduciary discretion and functions as a prudent investment expert by approving funds menu along with the correlative liability of that role well.

Independent Fiduciary

3(38) Lite



**Discretionary Asset Manager: Full ERISA 3(38)**  
Unfettered access to all investment options and be free from constraining outside influences to select whatever options it deemed to be prudent. Real value in retaining an investment manager pursuant to ERISA section 3(38) lies in having a truly independent firm make the same types of decisions as a well-informed plan sponsor .

**LIMITED ERISA 3(38)**  
Plan Sponsor delegates authority IN WRITING to a qualified fiduciary to provide required discretionary asset management decisions for investments in the plan.

Delegation

Full 3(38)



3(16)



**Discretionary Trustee**  
Sponsor delegates discretionary authority to a single source for the entire array of required services providers. The Discretionary Trustee has authority to hire and/or replace service providers as needed.

**Administrative Fiduciary: ERISA 3(16)**  
Plan Sponsor delegates discretion for critical administrative functions to a named fiduciary who accepts that authority in writing and assumes a correlative liability, being legally bound to perform the primary Administrative Functions and various decisions that directly impact plan compliance . These services typically include ...

Administrative Fiduciary Delegation

Most

Fiduciary Delegation

Most

## A true fiduciary platform must be independent and conflict free



### Truly open platform

The Clark Capital investment team has unfettered access to all investment options and is free from constraining outside influences to select whatever options it deems to be prudent.

- Real value in retaining an investment manager pursuant to ERISA section 3(38) lies in having a truly independent firm make the same types of decisions that a well-informed plan sponsor would.

Fiduciary Relief

No Fiduciary Delegation

Fiduciary

Delegation

Least

Least

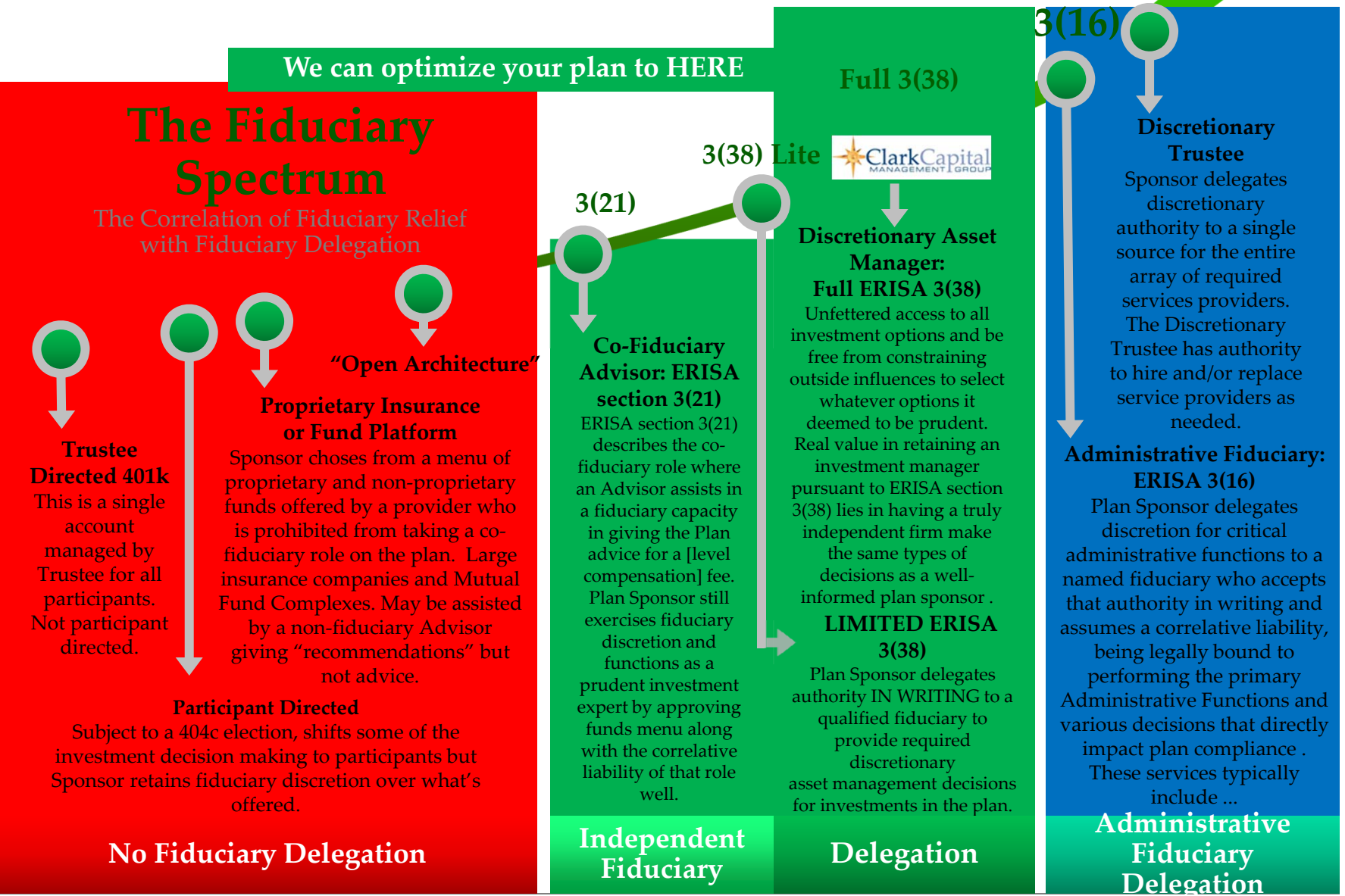
Fiduciary Delegation

Most

Most

Fiduciary Relief

Least



We can optimize your plan to HERE

# The Fiduciary Spectrum

The Correlation of Fiduciary Relief with Fiduciary Delegation

**Trustee Directed 401k**  
This is a single account managed by Trustee for all participants. Not participant directed.

**Proprietary Insurance or Fund Platform**  
Sponsor choses from a menu of proprietary and non-proprietary funds offered by a provider who is prohibited from taking a co-fiduciary role on the plan. Large insurance companies and Mutual Fund Complexes. May be assisted by a non-fiduciary Advisor giving "recommendations" but not advice.

**Participant Directed**  
Subject to a 404c election, shifts some of the investment decision making to participants but Sponsor retains fiduciary discretion over what's offered.

**No Fiduciary Delegation**

"Open Architecture"

**3(21)**  
**Co-Fiduciary Advisor: ERISA section 3(21)**  
ERISA section 3(21) describes the co-fiduciary role where an Advisor assists in a fiduciary capacity in giving the Plan advice for a [level compensation] fee. Plan Sponsor still exercises fiduciary discretion and functions as a prudent investment expert by approving funds menu along with the correlative liability of that role well.

3(38) Lite

**Full 3(38)**  
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Full 3(38)



3(16)

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**Administrative Fiduciary Delegation**

Least

## Fiduciary Delegation

Most



## **The Goal: The simplicity of a bundled solution in a true independent platform**

### **A Simplified Unbundled, Open Architecture Program**

- Advantages of the Bundled product but without the pay-to-play funds list
- Seamless integration of your plan's investment management, advisory, recordkeeping, compliance & trust/custody service providers
- Unlimited access to over 10,000 non-proprietary mutual funds & hundreds of ETFs

# A Team of Experts Supports Your Retirement Plan



- **Investment Manager/  
Financial Advisor**
  - Investment selection & monitoring
  - Participant, Sponsor education, Enrollment Meetings
- **Third Party Administrator**
  - Plan design, compliance, administration
  - Preparation & filing of IRS Form 5500
- **Recordkeeper**
  - Daily valuation of participant balances, transactions
  - Web interface, trading, operations
- **Custodian/Trust – Advisor/Trust**
  - Asset custody & safekeeping, trust statements, annual reports
  - Distribution services including, federal/state tax withholding & reporting

## Introducing PCS

- **Certifications**

- ❖ Centre for Fiduciary Excellence (CEFEX) certification by the American Society of Pension Professionals & Actuaries (ASPPA)

- [www.cefex.org](http://www.cefex.org)

- ❖ Roland | Criss rating of “AAA – Superior” - Best rating possible

- [www.rolandcriss.com](http://www.rolandcriss.com)

- **Accolades**

- ❖ PlanAdvisor Magazine 2014 Best in Class Awards for

- Participant Call Center
- Service Team Responsiveness
- Staff Consistency / Lack of Staff Turnover

- ❖ Inc. 5000 - One of the 5000 fastest growing companies in America from 2008 to 2013

- ❖ Hall of Fame induction into the Philadelphia 100 – Top 100 fastest growing companies in the Philadelphia region for 5 years straight (2007 to 2011)

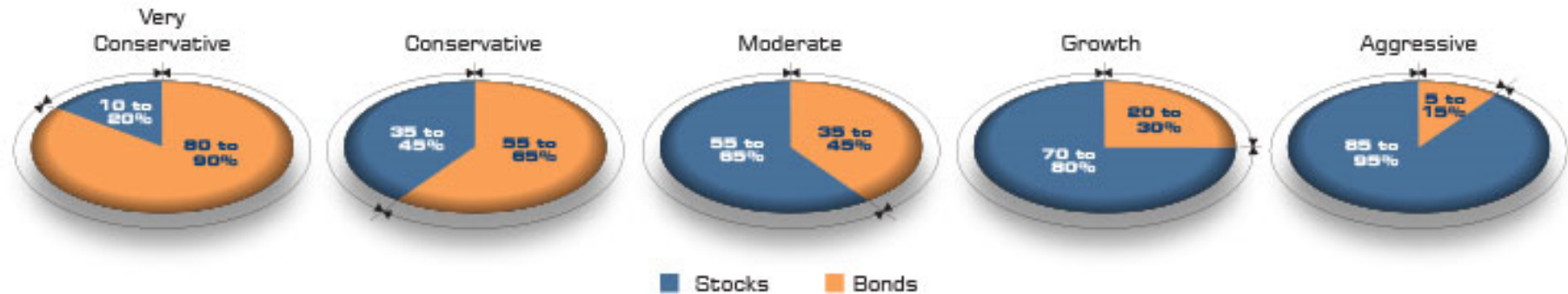


# PCS Models Sidebar Lineup



Required Category Name	ETF / Mutual Fund Name	Ticker	Expense Ratio
Intermediate Term Government	Vanguard Intermediate Term Treasury	VFITX	0.20%
Intermediate-Term Bond / Corporate Bond	iShares Intermediate Credit Bond ETF	CIU	0.20%
Large Cap Value	Vanguard Value Index	VIVAX	0.24%
Large Cap Blend	Vanguard Dividend Growth	VDIGX	0.29%
Large Cap Growth	American Funds New Economy	RNGFX	0.53%
Mid Cap Blend	iShares Russell Mid-Cap	IWR	0.22%
Small Cap Blend	iShares Core S&P Small Cap	IJR	0.17%
Foreign Large Cap Value	iShares MSCI EAFE Value	EFV	0.40%
Foreign Large Cap Blend	Vanguard FTSE All World ex-US Index	VFWIX	0.30%
Foreign Large Cap Growth	iShares MSCI EAFE Growth	EFG	0.40%
Total Average Expense Ratio			0.30%

# Clark Capital Models



**Very Conservative Model.** The objective of this option is to seek a high level of income and relatively low price volatility by investing in ETFs and mutual funds that collectively have a target allocation of 85% bonds and 15% stocks. The fund's asset allocation ranges may be 80-90% bonds and 10-20% stocks. The portfolio invests in very low cost index ETFs for equity exposure, and actively allocates to bond mutual funds and ETFs for fixed income exposure.

**Conservative Model.** The objective of this option is to seek a moderately high level of income and moderately conservative price volatility by investing in ETFs and mutual funds that collectively have a target allocation of 60% bonds and 40% stocks. The fund's asset allocation ranges may be 55-65% bonds and 35-45% stocks. The portfolio invests in very low cost index ETFs for equity exposure, and actively allocates to bond mutual funds and ETFs for fixed income exposure.

**Moderate Model.** The objective of this option is to seek a moderate level of income and relatively moderate price volatility by investing in other ETFs and mutual funds that collectively have a target allocation of 40% bonds and 60% stocks. The fund's asset allocation ranges may be 35-45% bonds and 55-65% stocks. The fund invests in very low cost index ETFs for equity exposure, and actively allocates to bond mutual funds and ETFs for fixed income exposure.

**Growth Model.** The objective of this option is to seek a moderately low level of income and moderately high price volatility by investing in other ETFs and mutual funds that collectively have a target allocation of 25% bonds and 75% stocks. The fund's asset allocation ranges may be 20-30% bonds and 70-80% stocks. The fund invests in very low cost index ETFs for equity exposure, and actively allocates to bond mutual funds and ETFs for fixed income exposure.

**Aggressive Model.** The objective of this option is to seek a low level of income and relatively higher price volatility by investing in other ETFs and mutual funds that collectively have a target allocation of 10% bonds and 90% stocks. The fund's asset allocation ranges may be 5-15% bonds and 85-95% stocks. The fund invests in very low cost index ETFs for equity exposure, and actively allocates to bond mutual funds and ETFs for fixed income exposure.

## Thank You

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**Our goal at Clark Capital is to provide our partners with solid investment solutions and a high 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: Brendan Clark, President

Follow Us on Twitter: @ClarkCapital 

# **PARTNER**

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## CONFERENCE

Closing Remarks

Q&A



# Compliant Presentation

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**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

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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.