



Presenter:

K. Sean Clark, CFA[®], Chief Investment Officer

PARTNER

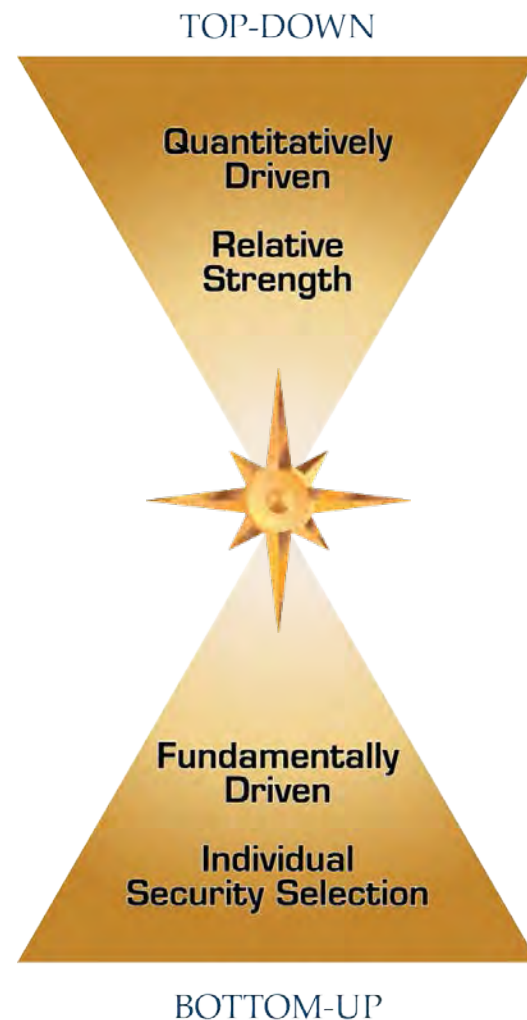
CONFERENCE

Investment Philosophy & Process

Active Management Methodologies



- Top-Down
 - ❖ Relative Strength
- Bottom-Up
 - ❖ Fundamental Analysis





Investment Philosophy

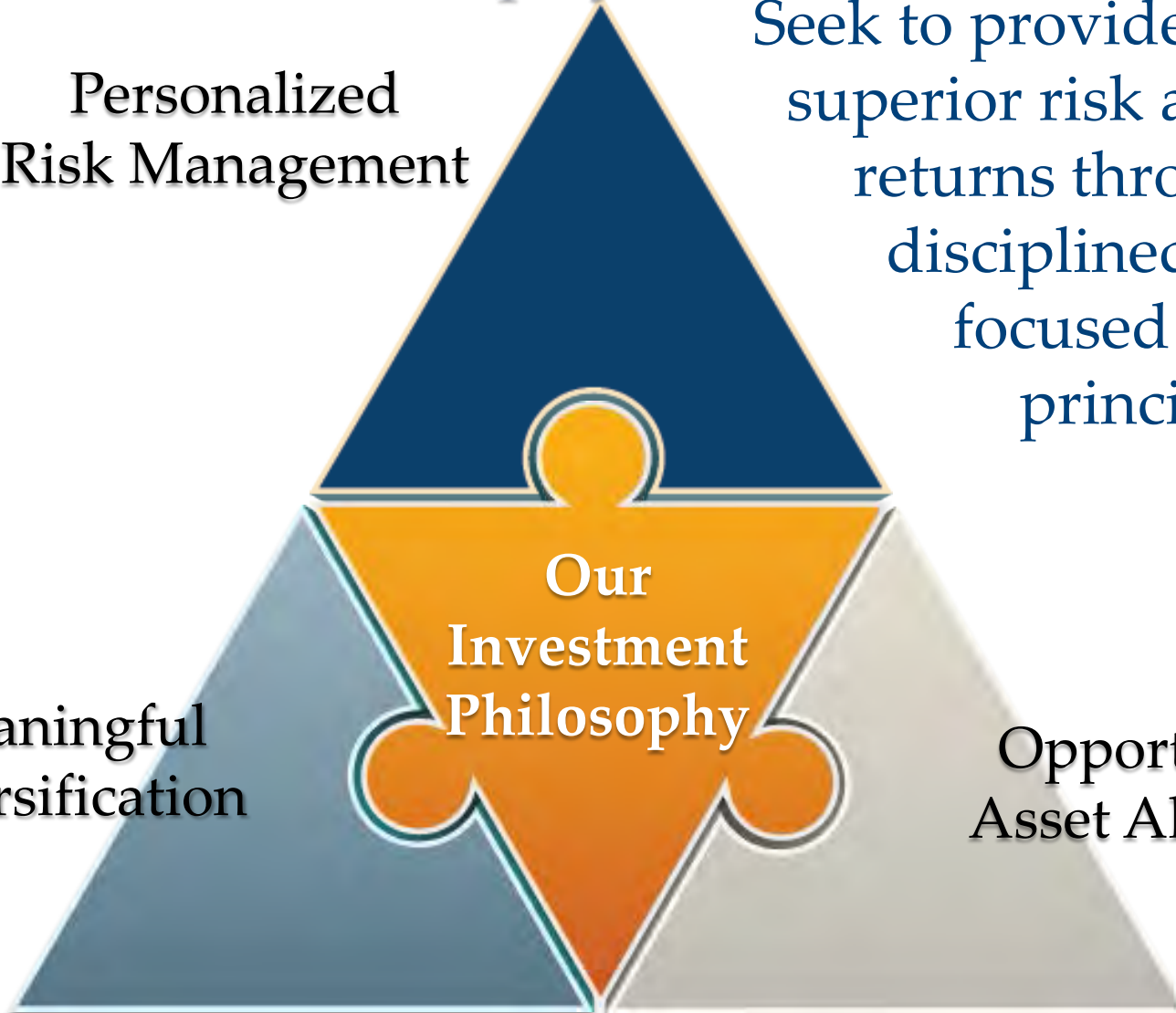
Personalized
Risk Management

Seek to provide
superior risk adjusted
returns through a
disciplined process
focused on 3
principles

Meaningful
Diversification

Our
Investment
Philosophy

Opportunistic
Asset Allocation

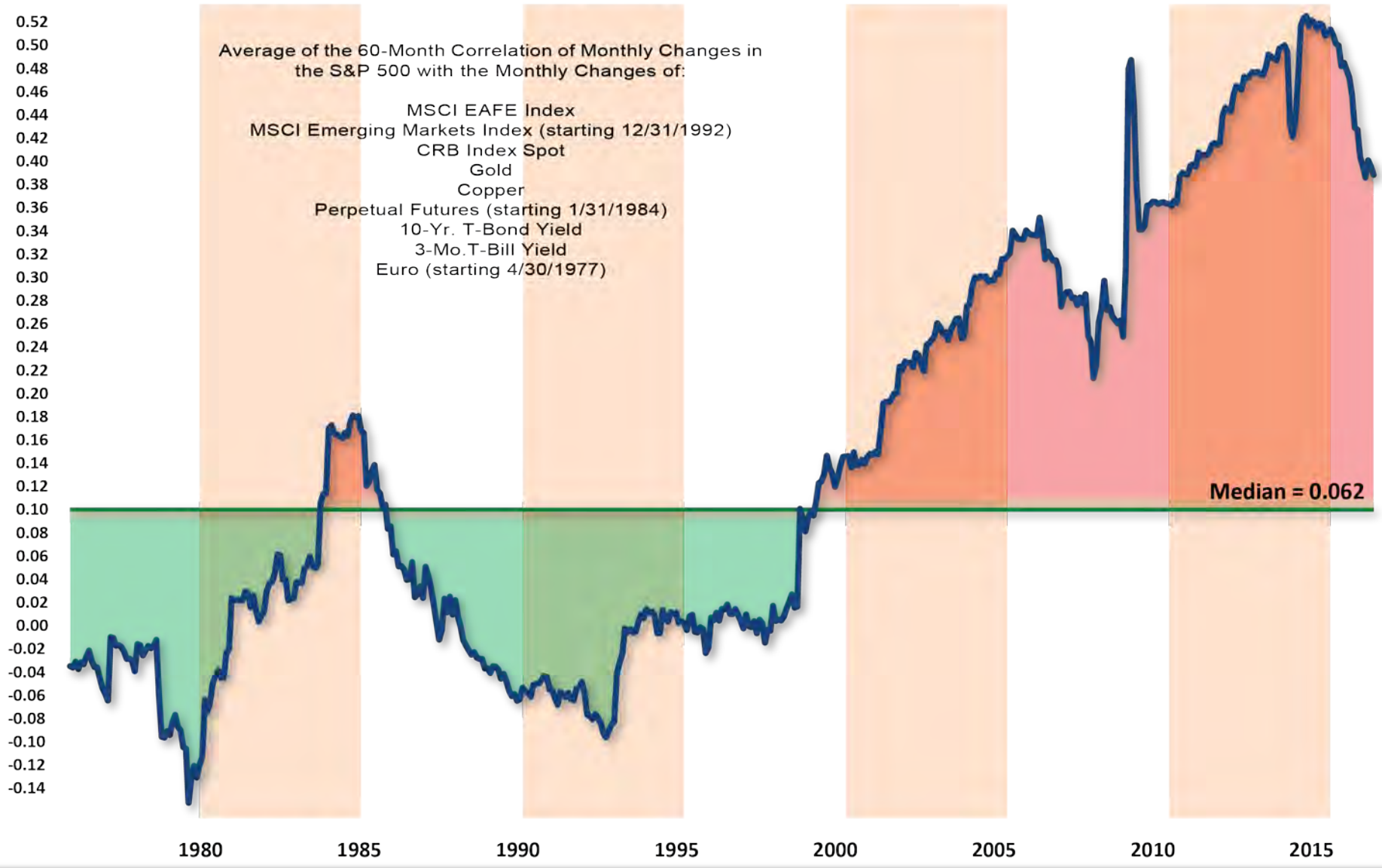




Meaningful Diversification



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



Source: Ned Davis Research. Past performance is not indicative of future results.

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 5/31/2016 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	0.90
MSCI EAFE	0.37	0.55	0.63	0.83	0.91	0.88
MSCI World Ex US	0.38	0.57	0.64	0.83	0.91	0.89
MSCI Emerging Markets	0.31	0.68	0.47	0.66	0.80	0.80
DJ Credit Suisse Hedge Fund			0.09	0.41	0.58	
S&P GS Commodity Index	-0.14	-0.12	0.08	0.39	0.56	0.54
NAREIT US Real Estate	0.18	0.47	0.25	0.55	0.84	0.70
BC US Corporate High Yield	0.15	0.57	0.31	0.56	0.71	0.72
BC US Agg Bond TR USD	0.27	0.13	0.00	0.15	0.36	-0.13
CBOE Market Volatility	-0.11	-0.66	-0.32	-0.46	-0.71	-0.71

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.

Source: Morningstar Direct. 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	3.4	Every 14 weeks	32%	-10.9%
-10% or more	1.1	Every Year	45%	-19.5%
-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 1/3/1928 to 6/13/2016. 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

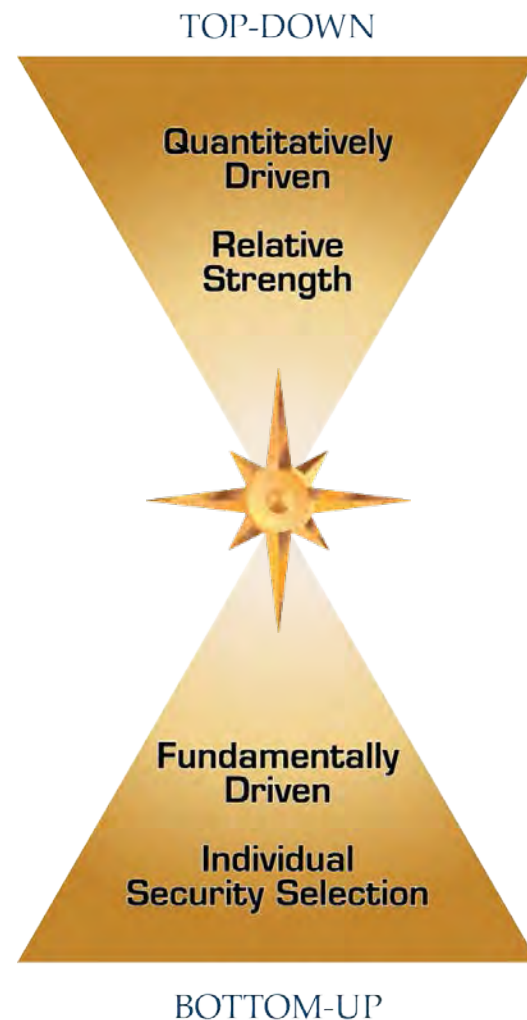


Opportunistic Asset Allocation

Active Management Methodologies



- Top-Down
 - ❖ Relative Strength
- Bottom-Up
 - ❖ Fundamental Analysis



The Bottom-Up Methodology



- What Is It?
 - ❖ Fundamental Analysis – Company specific equity and fixed income analysis
 - ❖ Dividend screens – dividend payout / dividend growth
 - ❖ Quality (Antifragility), Value, Improving Business Conditions
 - ❖ Actively Managed Fixed Income – Credit Quality, Credit Structure, Liquidity
- Where to Use It?
 - ❖ Core / Strategic / Broad Market Exposure



Bottom Up as of 3/31/2016

		GIPS Inception Date	Morningstar 10 Year Peer Percentile Ranking*
Fixed Income	Navigator Taxable Fixed Income	4/1/2002	Top 1%
	Navigator Tax-Free Fixed Income	1/1/2000	Top 15%
	Navigator Duration Neutral Bond	10/1/2013	Top 27%*
Equity	Navigator International Equity ADR	1/1/2008	Top 1%*
	Navigator SMID Cap U.S. Equity	4/1/2013	Top 1%*
	Navigator High Dividend Equity	1/1/2005	Top 2%
	Navigator All Cap U.S. Equity	1/1/2005	Top 3%
	Navigator Small Cap U.S. Equity	6/1/2005	Top 27%

Past performance is not indicative of future results. The ranking shown above is not indicative of the adviser's future performance and may not be representative of any one client's experience because the rating reflects an average of all, or a sample of all, the experience of the adviser's client. Please see attached disclosures. This is not a recommendation to buy, sell or hold any securities, other investments or to adopt any investment strategy or strategies. Clark Capital Management Group, Inc. is any investment adviser registered with the U.S. Securities and Exchange Commission. Registration does not imply a certain level or skill or training. More information about Clark Capital's advisory services can be found in its Form ADV, which is available upon request.

Source: Morningstar Direct. *Data Since Inception.

The Top-Down Methodology



- What Is It?
 - ❖ Relative Strength Methodology
 - ❖ Purely Quantitative Models
 - ❖ Allows Price Movements of Global Markets to Determine Trends
 - ❖ No Forecasting / Historical Data Only
 - ❖ Relative Strength is Durable and Adapts to New Themes as They Emerge
- Where To Use It?
 - ❖ Tactical and Diversifying Strategies



Top Down as of 3/31/2016

		GIPS Inception Date	Morningstar 10 Year Peer Percentile Ranking*
Fixed Income	Navigator Fixed Income Total Return	1/1/2005	Top 1%
	Navigator Tactical Fixed Income	4/1/2014	Top 15%*
Blend	Navigator Multi-Strategy 25-75	12/1/2006	Top 1%*
	Navigator Multi-Strategy 50-50	11/1/2006	Top 1%*
	Navigator Multi-Strategy 75-25	9/1/2006	Top 1%*
Equity	Navigator U.S. Style Opportunity	1/1/2005	Top 15%
	Navigator Alternative	9/1/2007	Top 9%*

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Source: Morningstar Direct. *Data Since Inception.

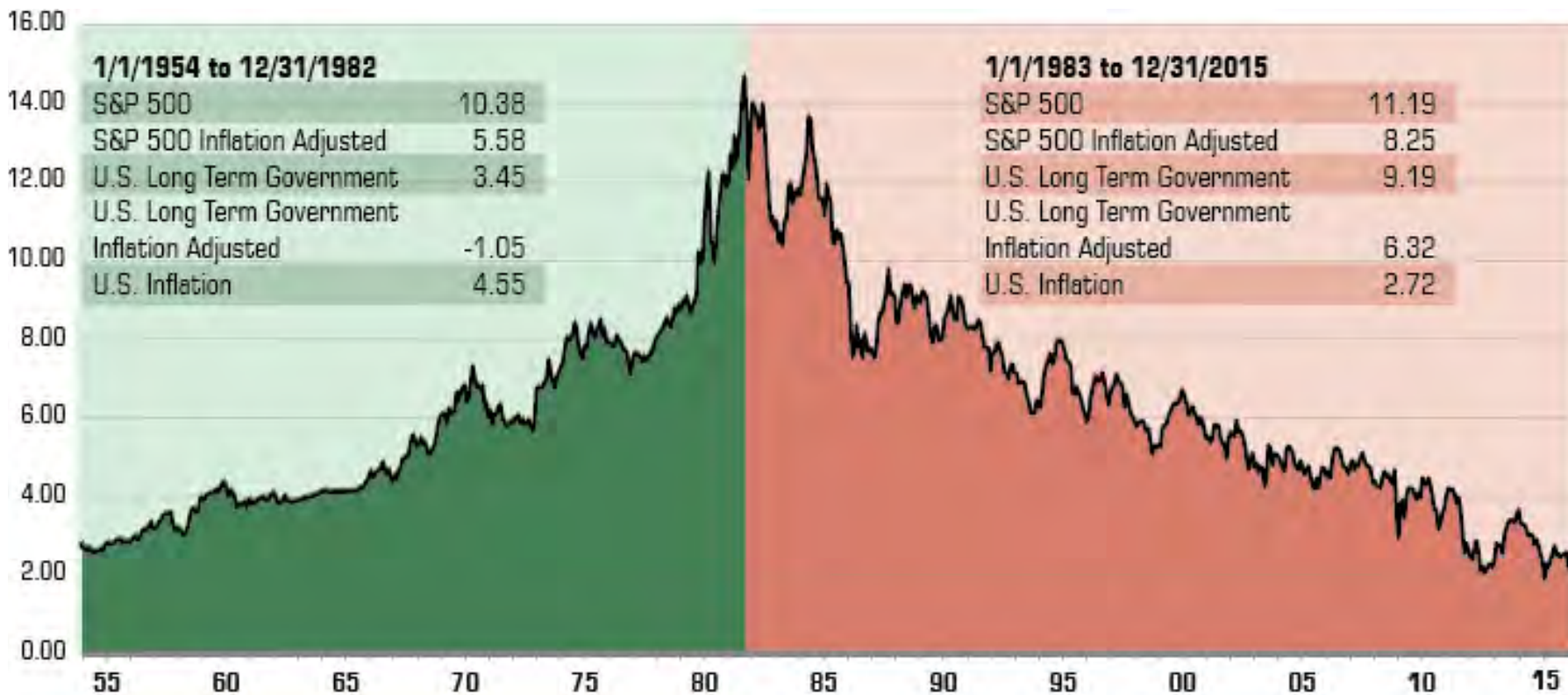


Navigator[®] Fixed Income Total Return

Changing Conditions May Call for a Broader Toolset



Long-Term Government Yield



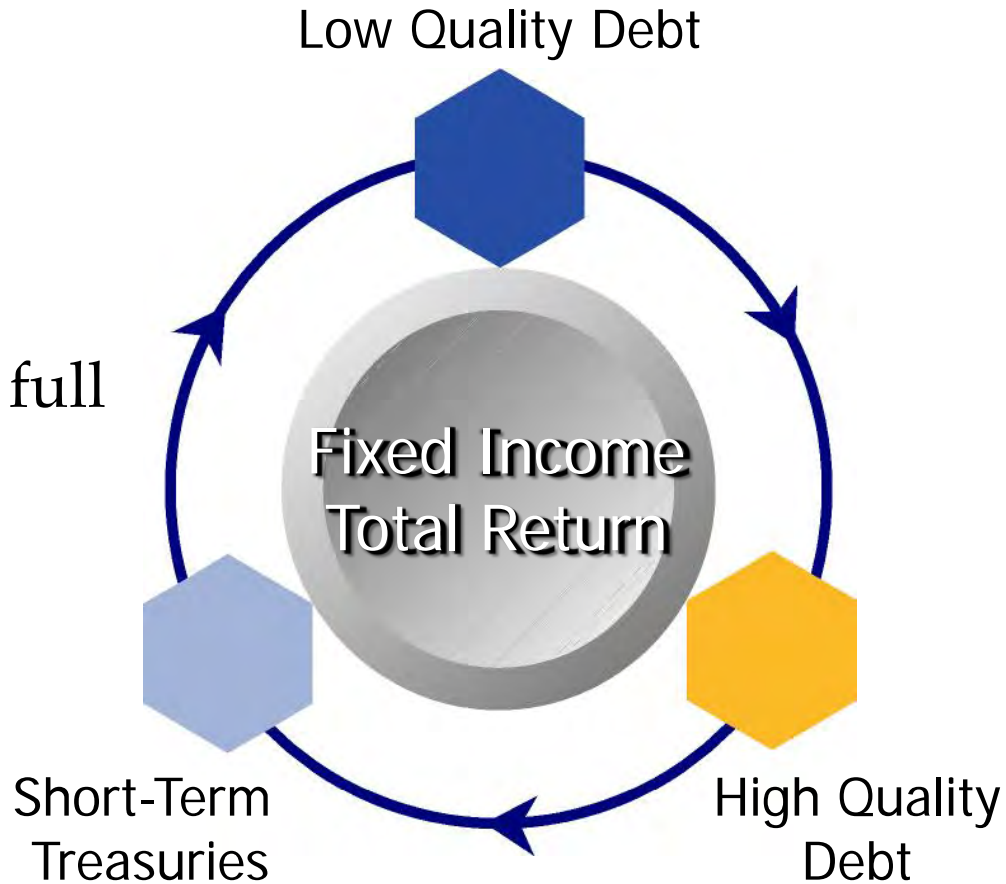
For illustrative purposes only. The information is not intended to be a recommendation to purchase or sell a security. Past performance is no guarantee of future results. Returns reflect reinvestment of capital gains and dividends, if any. Indices are unmanaged and do not incur fees. It is not possible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

Source: Morningstar Direct

Fixed Income Total Return



- Portfolio Objective:
 - ❖ Total Return
 - ❖ Current Income
 - ❖ Excess alpha over a full market cycle

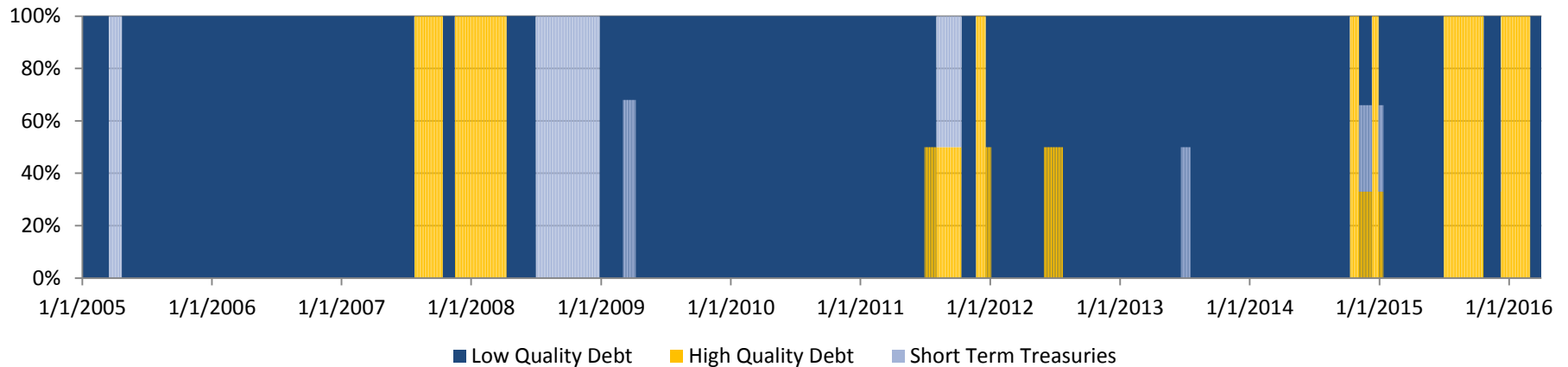




Portfolio Characteristics & Allocation History

as of 3/31/2016

Portfolio Characteristics*		Holdings	Ticker	%	# of Positions	30 Day SEC Yield*
Total Holdings Exposure	7282	iShares iBoxx \$ High Yield Corporate Bond ETF	HYG	24.00%	994	6.95%
Estimated 30-Day Yield	6.51%	Barclays High Yield Bond SPDR	JNK	19.00%	756	7.06%
Average Maturity	5.70	Blackrock High Yield Bond Blackrock	BRHYX	12.00%	1228	6.25%
Average Duration	4.03	JPMorgan High Yield Select	OHYFX	9.00%	455	6.66%
		Lord Abbett High Yield Bond	LAHYX	9.00%	699	6.74%
		AllianceBernstein High Income	AGDYX	8.00%	1432	7.54%
		PIMCO High Yield Inst'l	PHIYX	8.00%	801	5.68%
		Barclays Short-Term High Yield Bond SPDR	SJNK	5.00%	657	7.11%
		PIMCO High Yield Spectrum Inst'l	PHSIX	4.00%	260	3.39%
		Cash		2.00%		



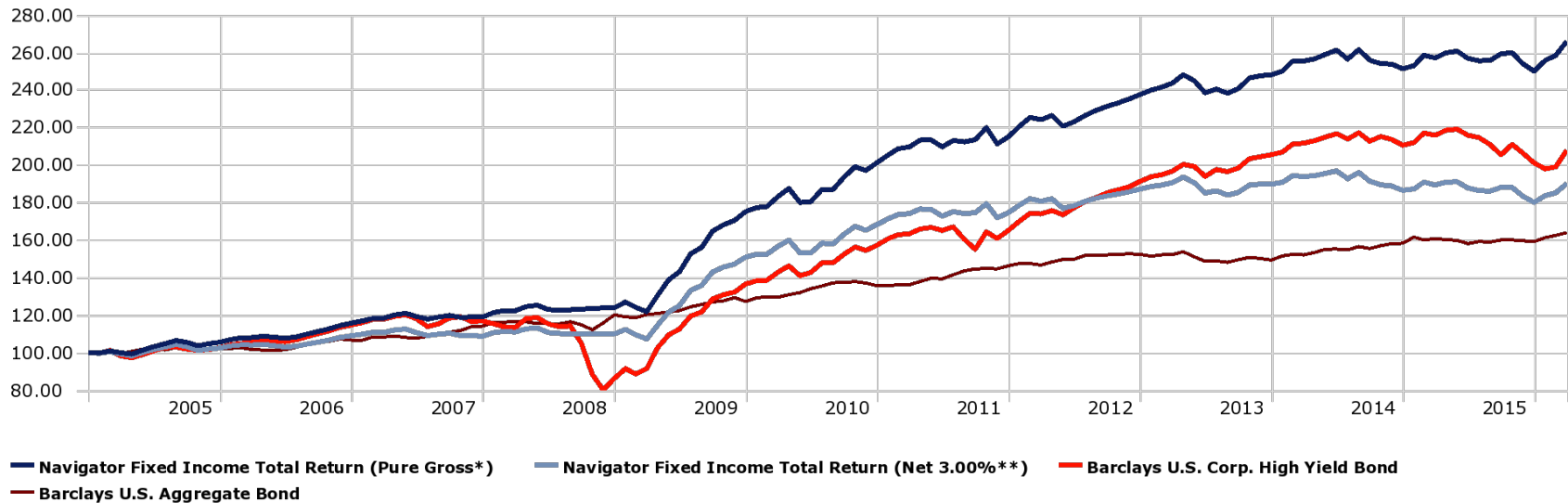
This is not a recommendation to buy or sell a particular security. There is no assurance that any securities discussed herein will remain in an account's portfolio at the time you receive this report.

*Source: Morningstar Direct



Performance

Time Period: 1/1/2005 to 3/31/2016



	Return	Std Dev	Beta	Alpha	R2
Navigator Fixed Income Total Return (Pure Gross*)	9.09	6.06	0.38	5.38	41.07
Navigator Fixed Income Total Return (Net 3.00%**)	5.89	6.06	0.38	2.38	41.07
Barclays U.S. Corp. High Yield Bond	6.73	10.18	1.00	0.00	100.00
Barclays U.S. Aggregate Bond	4.50	3.19	0.08	2.67	6.19

Pure gross returns do not include the deduction of transaction costs and are shown as supplemental information. The net of 3.00% performance is shown because it is the highest possible industry standard platform fee. Please see attached disclosures.

Source: Ned Davis Research. Past performance is not indicative of future results.

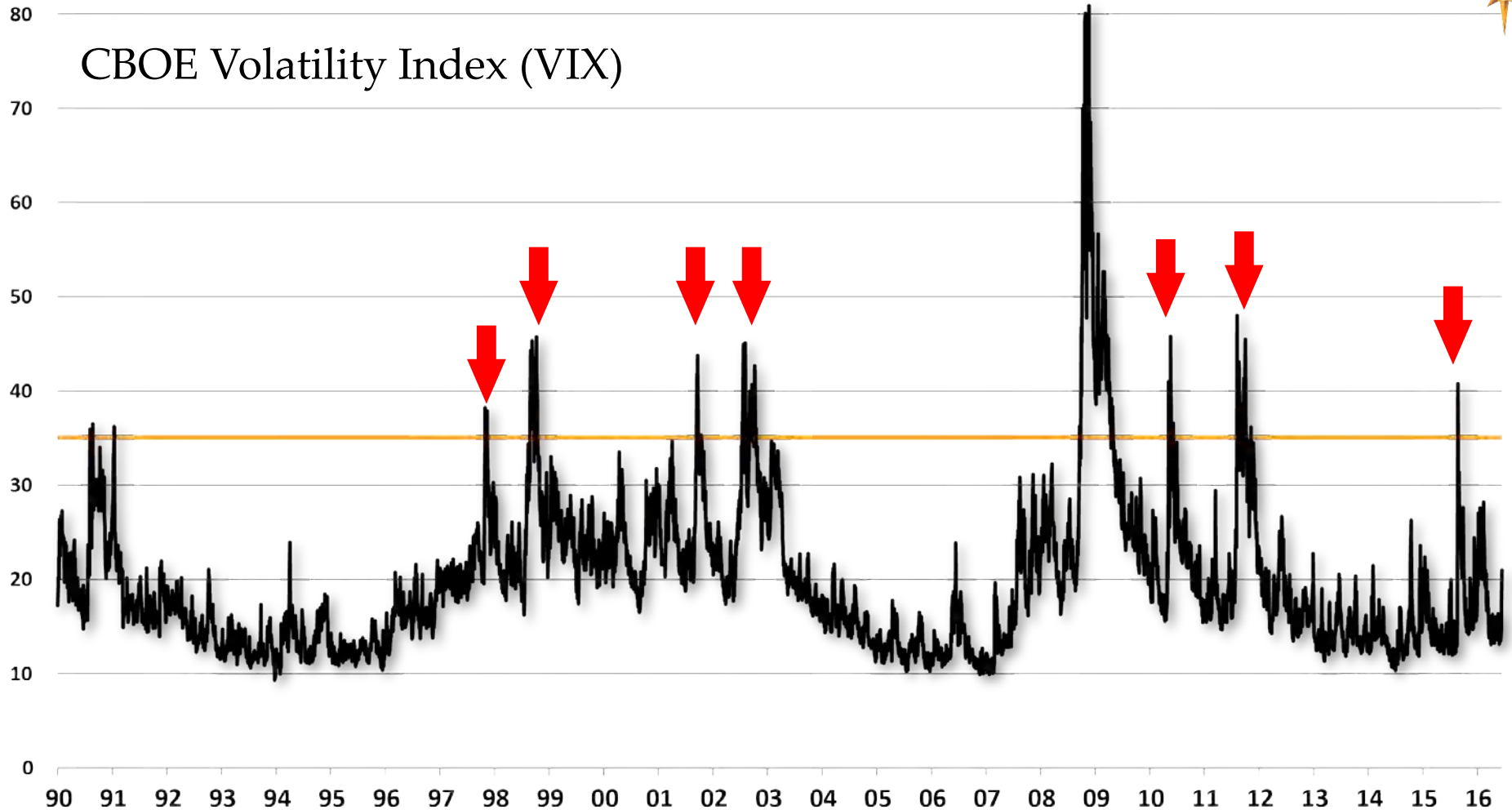


Personalized Risk Management

Managing Volatility



CBOE Volatility Index (VIX)



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.

Source: Bloomberg

What It May Take to Break Even after a Loss



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

	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%

Source: Clark Capital Research

Personalized Risk Management Tools



- Time (Income Planning)
- Asset Class Diversification – Personalized to Client's Desired Outcome
- Management Methodology
- Traditional and Non-traditional Fixed Income
- Hedging / Options Based Strategies

Potential Benefits of Personalized Risk Management

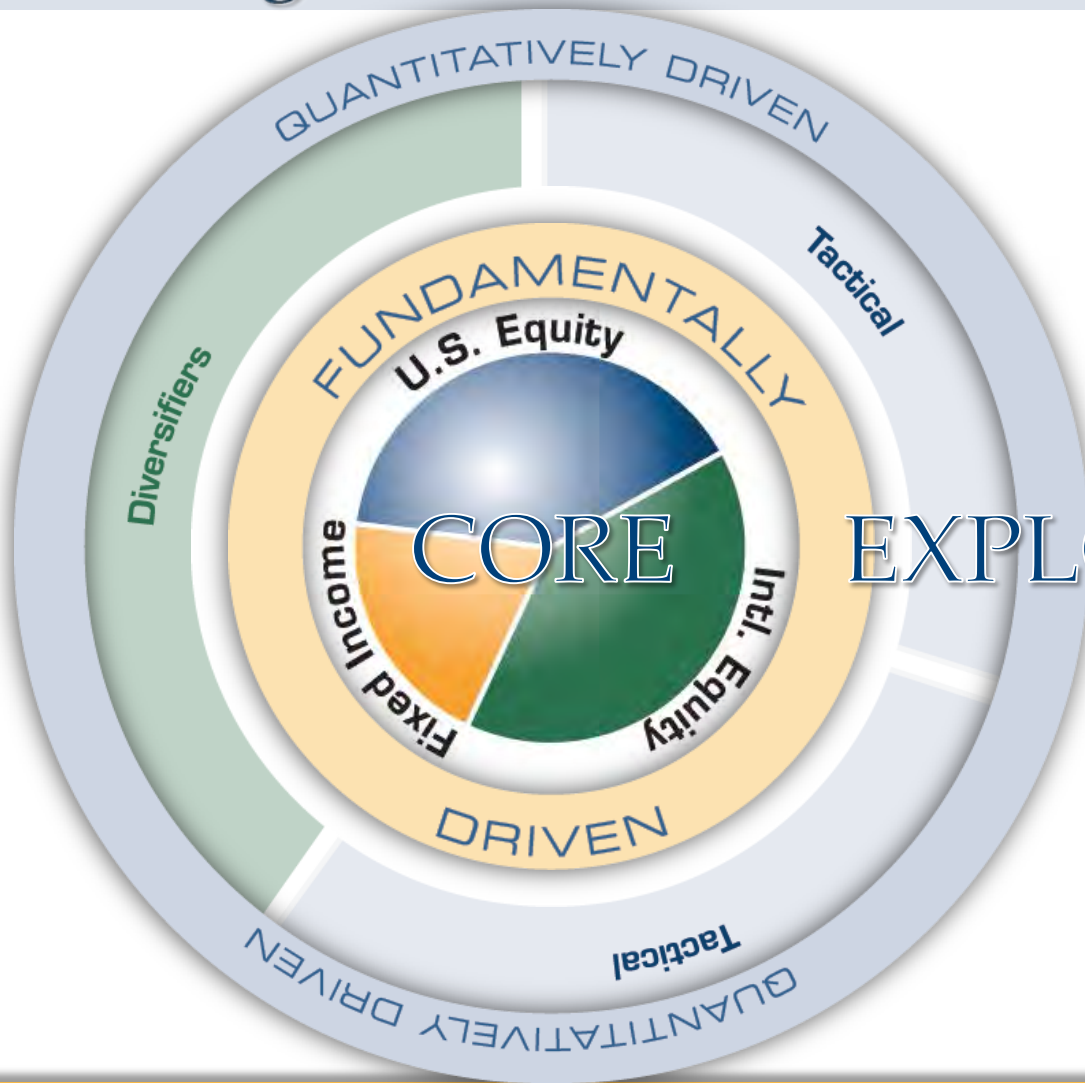


- Client anxiety is reduced during times of market stress
- Clients stay invested
- Clients stay committed to a financial plan over full market cycles (i.e. in both bear and bull markets)
- Promotes better client outcomes

A grayscale photograph of a lighthouse on a rocky island. The lighthouse is on the left side, and waves are crashing against the shore in the foreground. The sky is cloudy. The title 'Portfolio Construction' is overlaid in the center in a blue serif font, with a yellow horizontal line below it.

Portfolio Construction

Navigator[®] PUMA Portfolio Construction



EXPLORE



Navigator[®] Strategy Universe



Core	
CORE STRATEGIES	
Equity	
All Cap Core U.S. Equity*	Stocks
SMID Cap Core U.S. Equity*	Stocks
Small Cap Core U.S. Equity*	Stocks
International Equity/ADR*	Stocks
High Dividend Equity (w/ Options)	Stocks
U.S. Equity Core – Strategic Beta	ETF
International Equity Core – Strategic Beta	ETF
Fixed Income	
Taxable Fixed Income*	Bonds
Tax-Free Fixed Income*	Bonds
Taxable Fixed Income Core	ETF/Fund
Tax-Free Fixed Income Core	ETF/Fund

Explore			
TACTICAL STRATEGIES		DIVERSIFIERS	
Equity		Fixed Income	
Style Opportunity	ETF	Fixed Income Total Return*	ETF/Fund
Global Tactical	ETF	Duration Neutral Bond Fund	MF
U.S. Sector Opportunity	ETF	Volatility	
Global Equity ETF Hedged	ETF/Fund	Sentry Managed Volatility Fund	MF
Global Equity ETF	ETF	Alternative	
International Opportunity	ETF	Alternative Strategy	ETF/Fund

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Q&A