

Q1 2022 Review & Outlook

Glenn Dorsey, CFA[®], CAIA[®]



Economic Gauges



Economy



Monetary Policy



Valuations



Investor Sentiment



Interest Rates

The gauges reflect the degree of Clark Capital's positive (forward) or negative (reverse) outlook on the corresponding economic factors.



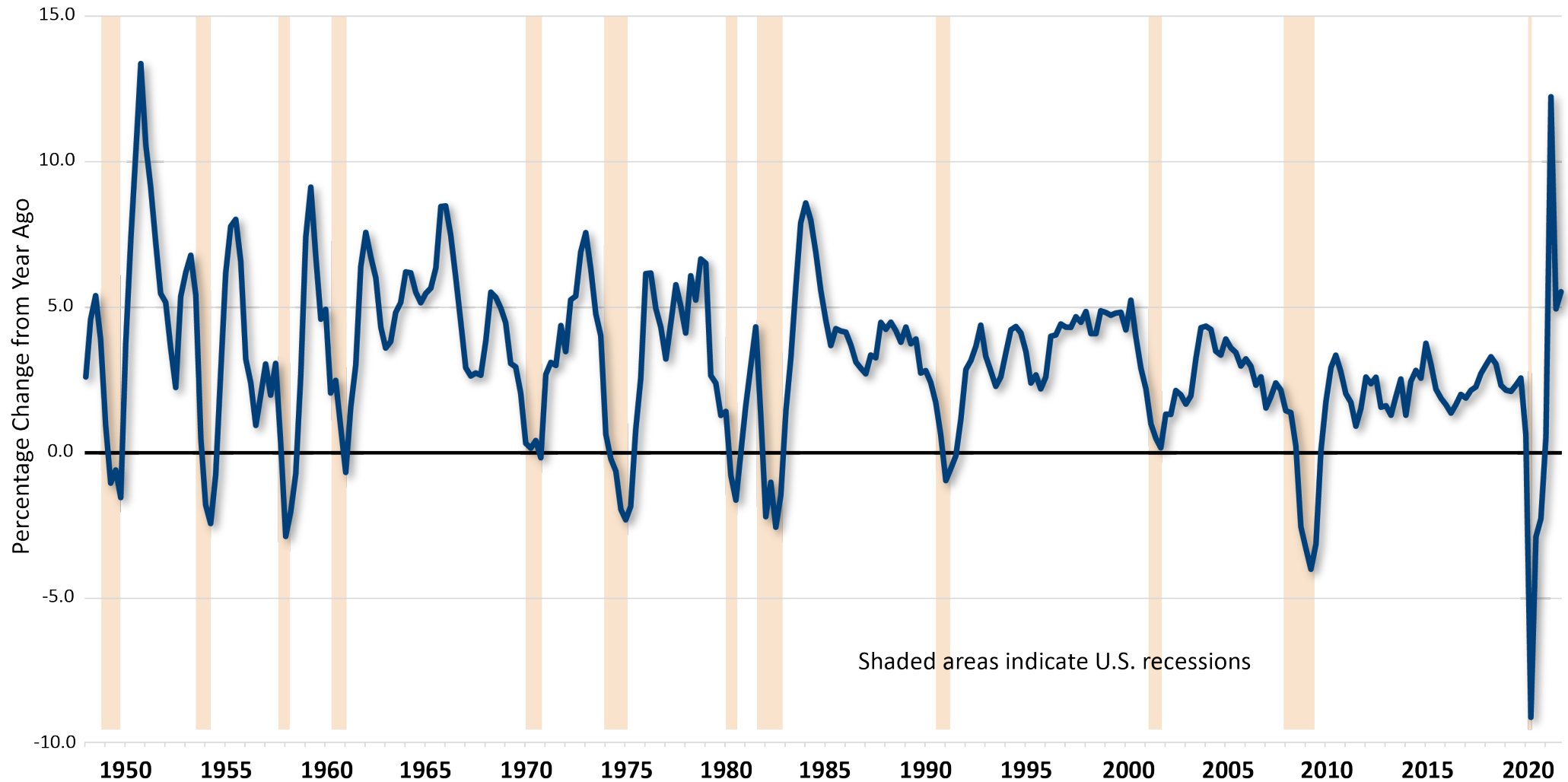
2022 Outlook

- Earnings expected to grow high single digits
- Fed is changing directions — always a risk
- P/E multiples have contracted
- Yield curve may flatten and move up. We expect 10-year around 2% by year end
- We expect more volatility — 10%+ correction has occurred. Fundamentals still look good



Economy Slowing, But at All-Time Highs

Real Gross Domestic Product



Source: U.S. Bureau of Economic Analysis

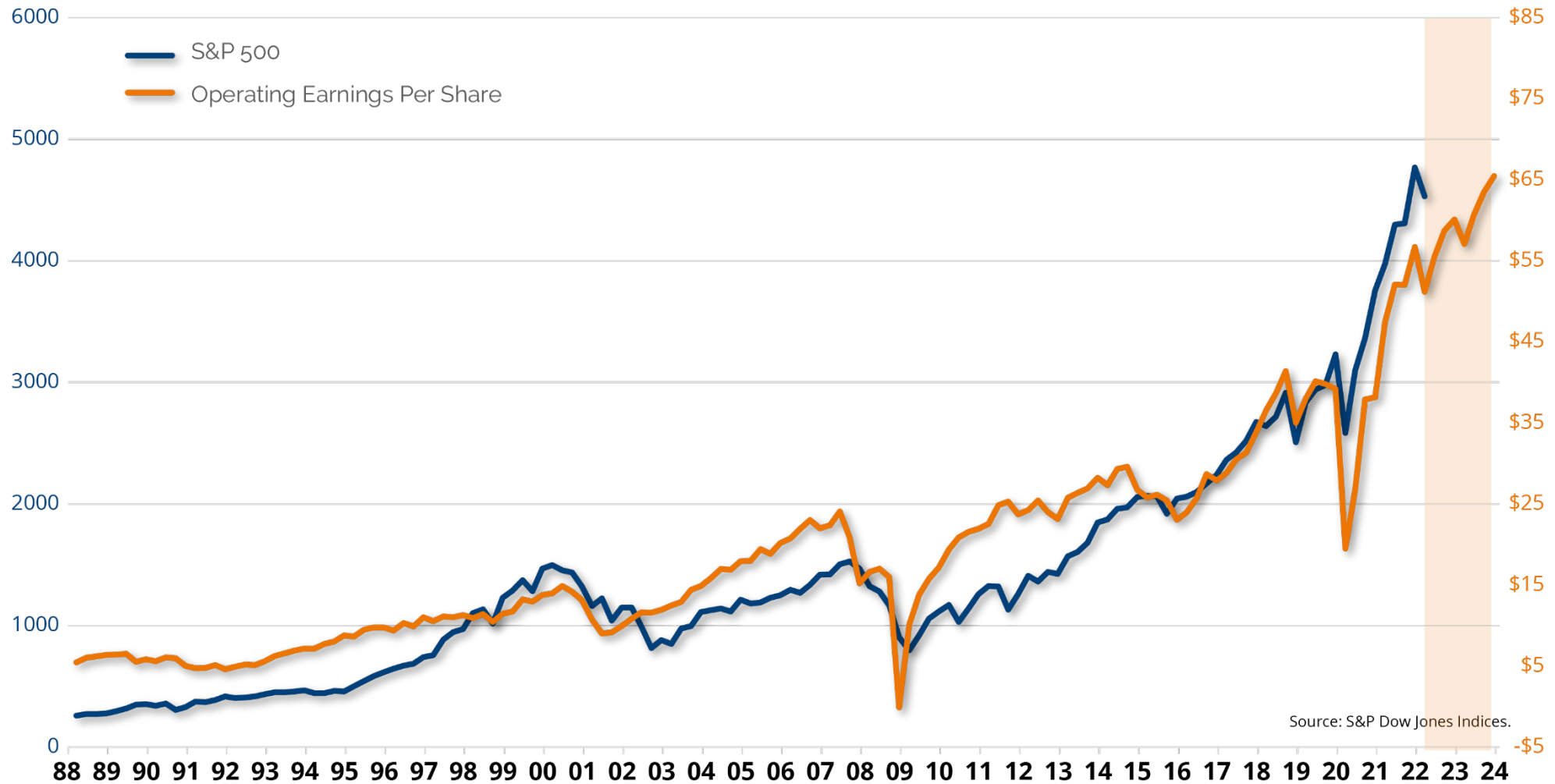
For illustrative purposes only. Past performance is not indicative of future results.



Earnings Drive Stock Prices

S&P 500 & Operating Earnings

3/31/1988 to 12/31/2023 (estimated)



Source: S&P Dow Jones Indices.

For illustrative purposes only. Projections or other forward looking statements regarding future financial performance of markets are only predictions and actual events or results may differ materially.

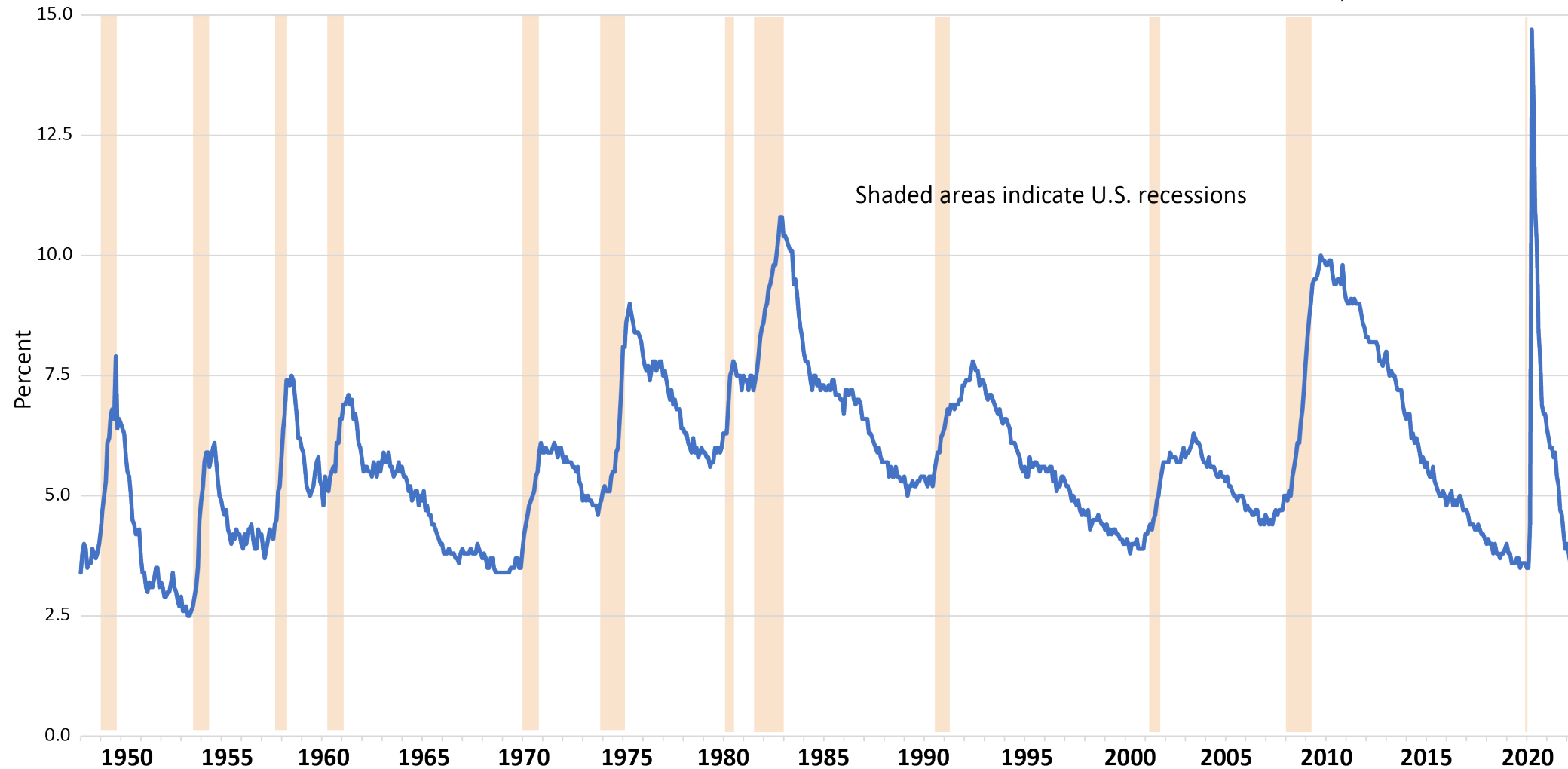
Source: S&P Dow Jones Indices.



Fed's Dual Mandate – Full Employment....

Unemployment Rate

Monthly Data 1948-01-01 to 2022-03-01



For illustrative purposes only.

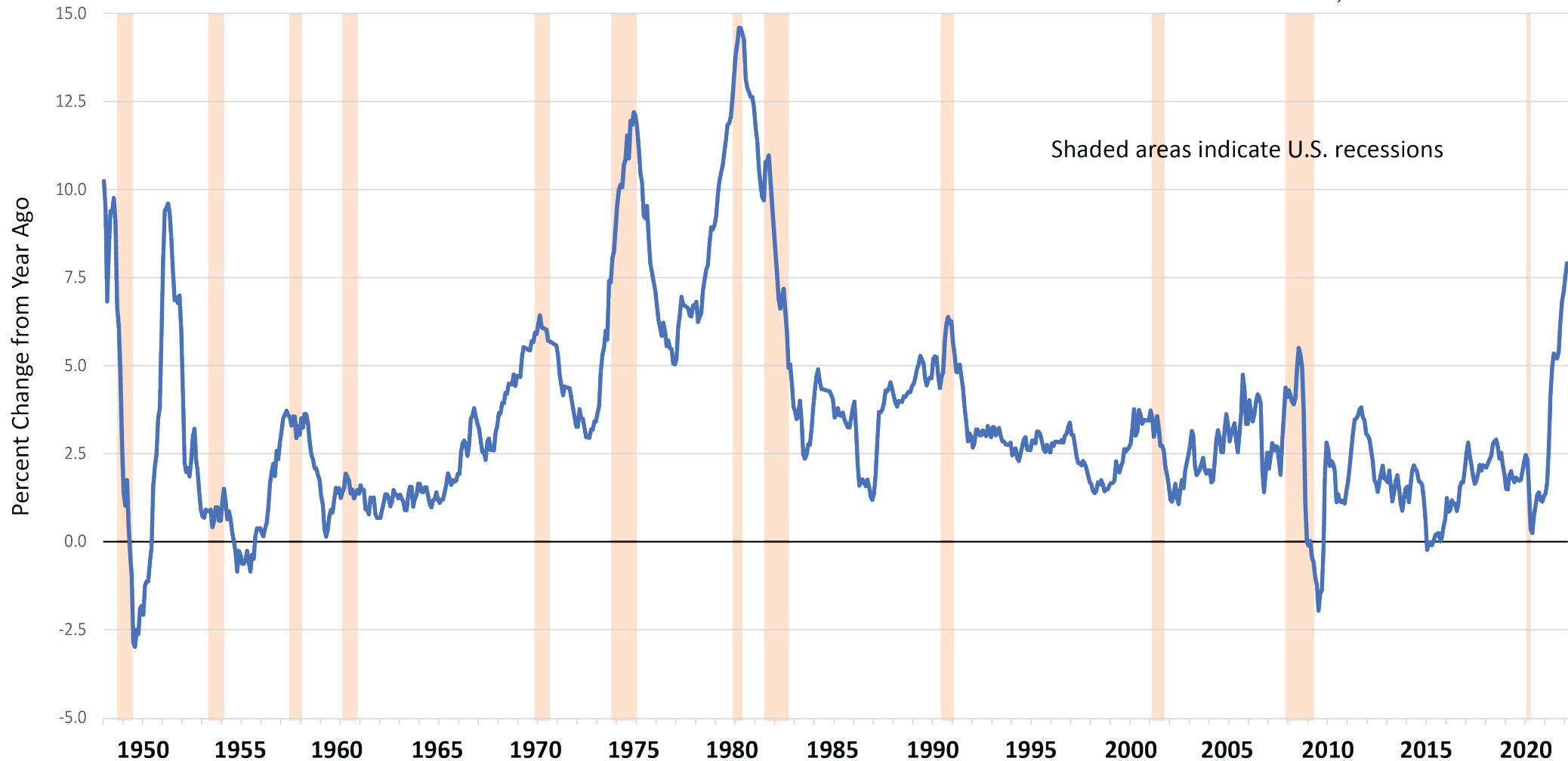
Source: U.S. Bureau of Labor Statistics



....And Price Stability

Consumer Price Index for All Urban Consumers: All Items in U.S. City Average

Monthly Data 1948-01-01 to 2022-03-01



For illustrative purposes only. Past performance is not indicative of future results.

Source: U.S. Bureau of Labor Statistics



Bond/Stock Returns During Fed Rate Hike Cycles

Fed Rate Hike Cycles			Barclays Aggregate Bond Index		S&P 500	
Start	End	Number of Rate Increases	Cumulative Return	Annualized Return	Cumulative Return	Annualized Return
6/30/1999	5/16/2000	6	+2.2%	N/A	+6.8%	N/A
6/30/2004	6/29/2006	17	+6.1%	2.97%	+11.6%	+5.6%
12/16/2015	12/19/2018	9	+6.1%	1.97%	+20.9%	+6.5%

Past performance is not indicative of future results.



Special Topics

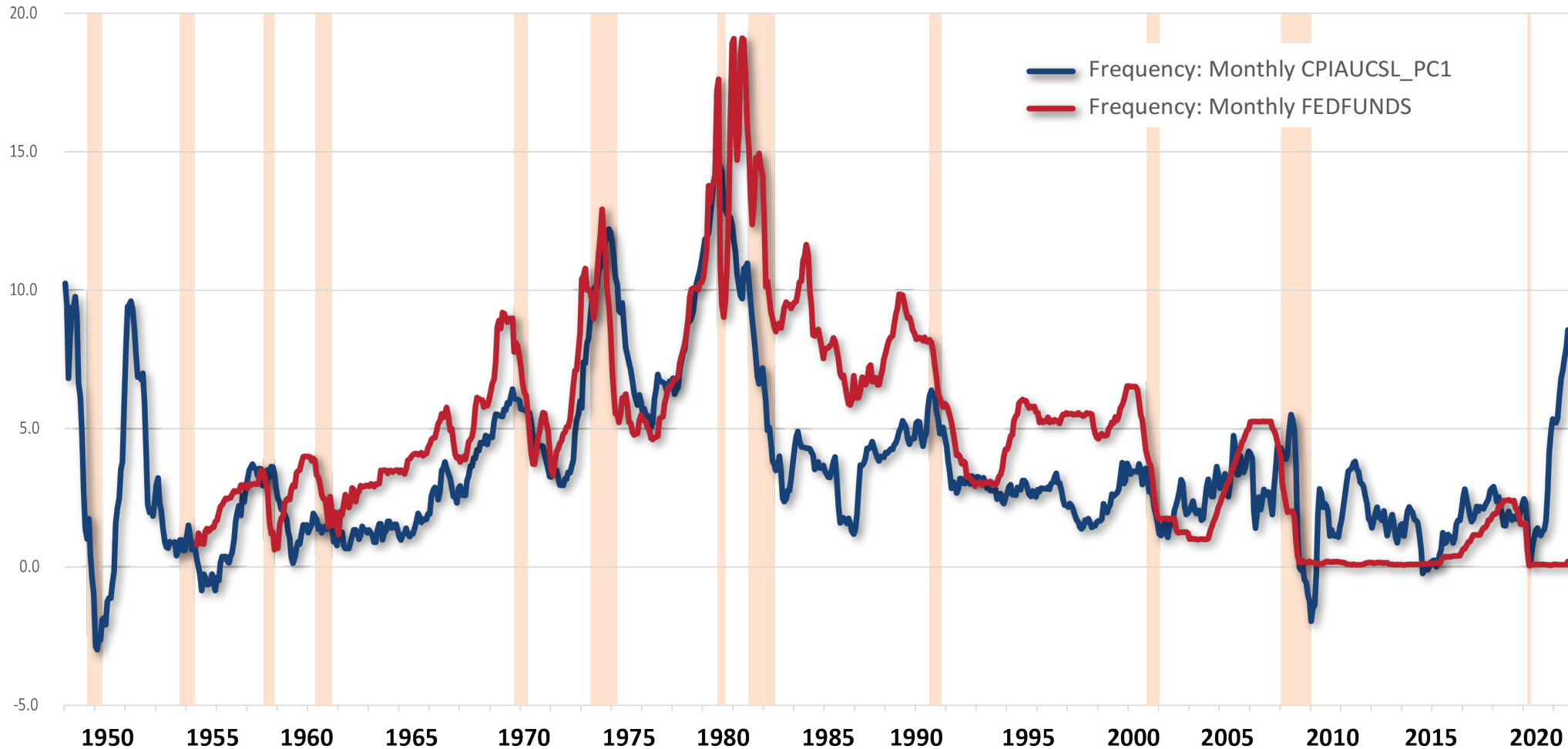
- Inflation
- Bonds



The Fed Knows How to Slow Inflation

Consumer Price Index for All Urban Consumers: All Items in U.S. City Average
Federal Funds Effective Rate

Monthly Data 1948-01-01 to 2022-03-01



For illustrative purposes only. Past performance is not indicative of future results.

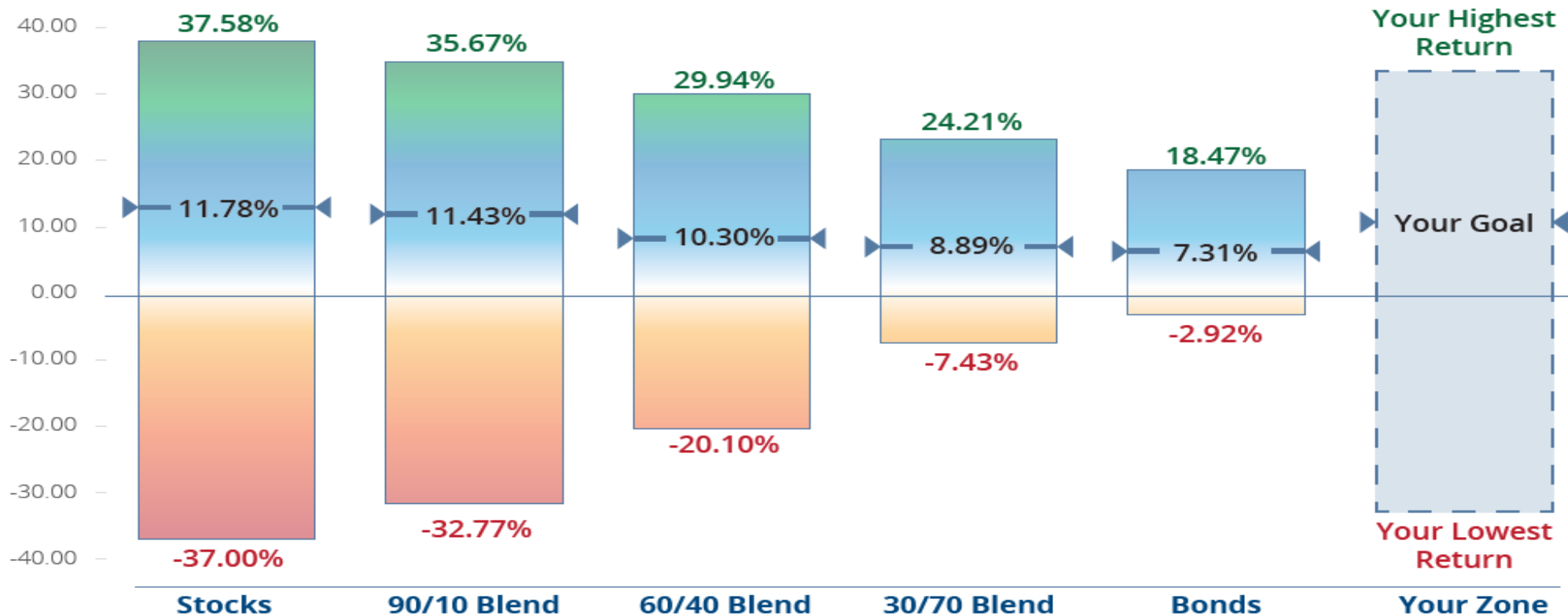
Source: BLS; Board of Governors



Bonds Dampen Volatility

What Is Your Discomfort Zone?

Gross Returns: 12/31/1975 to 12/31/2020



- ▶ **Annualized Return:** Since Inception
- High Point:** Highest return during timeframe
- Low Point:** Lowest return during timeframe

Source: Clark Capital Research

Stocks: 100% S&P 500
 Blends: Use indicated percentages of S&P 500 & Bloomberg Barclays U.S. Aggregate Bond
 Bonds: 100% Bloomberg Barclays U.S. Aggregate Bond



Bonds – A Closer Look



The Bond Blueprint How Bonds Build Value Over Time

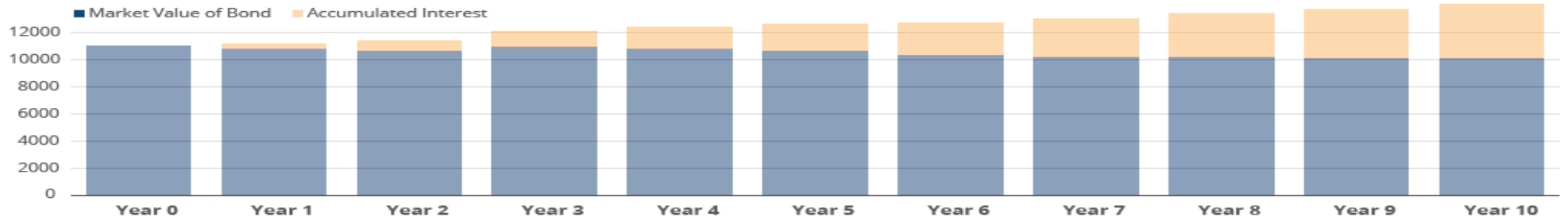
The Benefits of Owning Individual Bonds

One of the benefits of owning individual bonds is that they provide regular interest payments and the return of par value at maturity, helping investors meet their income needs and stay on track to reach their goals.

Bonds are a contractual obligation from the issuer to pay the holder of the bond, interest (usually twice per year), and the par value of that bond back to the holder at maturity. In the example below, you can see how bonds build value over time, even when prices go up and down. **After 10 years of regular interest payments, the portfolio increased from \$11,000 to an ending value of \$14,000.**

Example: The Value of Bonds Over Time

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Linear Price Movement	110	109	108	107	106	105	104	103	102	101	100
Market Fluctuations	110	108	106	109	108	106	103	102	102	101	100
Interest Payments		\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00
Accumulated Interest		\$ 400.00	\$ 800.00	\$ 1,200.00	\$ 1,600.00	\$ 2,000.00	\$ 2,400.00	\$ 2,800.00	\$ 3,200.00	\$ 3,600.00	\$ 4,000.00
Linear Value of Bond	\$11,000.00	\$10,900.00	\$10,800.00	\$10,700.00	\$10,600.00	\$10,500.00	\$10,400.00	\$10,300.00	\$10,200.00	\$10,100.00	\$10,000.00
Market Value of Bond	\$11,000.00	\$10,800.00	\$10,600.00	\$10,900.00	\$10,800.00	\$10,600.00	\$10,300.00	\$10,200.00	\$10,200.00	\$10,100.00	\$10,000.00
Market Value of Bond Plus Interest	\$11,000.00	\$11,200.00	\$11,400.00	\$12,100.00	\$12,400.00	\$12,600.00	\$12,700.00	\$13,000.00	\$13,400.00	\$13,700.00	\$14,000.00



Source: Clark Capital. For illustrative purposes only. Please see disclosures for additional information.

The Comfort of Owning Individual Bonds

If bonds are held to maturity and the issuer doesn't default, investors can know the cash flow each bond will generate to the penny, which can help them plan for the future and achieve their long-term financial goals.

Contact Your Investment Consultant to
Learn More About Clark Capital's Individual Bond Strategies
800.766.2264



Q1 2022 Review

Domestic Equity		Q1 2022	2021
	S&P 500	-4.60%	28.71%
	S&P 500 Equal Weighted	-2.72%	29.63%
	Russell 3000	-5.28%	25.66%
	Russell 2000	-7.53%	14.82%
	Russell 1000 Value	-0.74%	25.16%
	Russell 1000 Growth	-9.04%	27.60%
International Equity			
	MSCI Emerging Market	-6.97%	-2.54%
	MSCI All Country World (ex US)	-5.44%	7.82%
Fixed Income			
	BBgBarc U.S. Aggregate Bond	-5.93%	-1.54%
	BBgBarc U.S. Treasury	-5.58%	-2.32%
	BBgBarc U.S. Corporate	-7.69%	-1.04%
	BBgBarc U.S. Corporate High Yield	-4.84%	5.28%
	BBgBarc Municipal	-6.23%	1.52%

Past performance is not indicative of future results. This is not a recommendation to buy or sell a particular security. Please see attached disclosures.



Q&A



Disclosure

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Investing involves risk, including loss of principal.

Fixed incomes securities are subject to certain risks including, but not limited to: interest rate (changes in interest rates may cause a decline in market value or an investment), credit, prepayment, call (some bonds allow the issuer to call a bond for redemption before it matures), and extension (principal repayments may not occur as quickly as anticipated, causing the expected maturity of a security to increase).

Non-investment-grade debt securities (high-yield/junk bonds) may be subject to greater market fluctuations, risk of default or loss of income and principal than higher-rated securities.

The Bond Blueprint: the data shown is for informational purposes only and should not be interpreted as the actual historical or expected performance of Clark Capital Management Group, Inc. The performance shown does not reflect the deduction of any trading costs, fees, or expenses. This material is not intended to be relied upon as a forecast. The performance shown is hypothetical and actual returns experienced by individual clients will differ due to many factors including their individual investments and fees, individual client restrictions, and the timing of the investments and cash flows.

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

Client account values will fluctuate and may be worth more or less than the amount invested. Clients should not rely solely on any performance presented herein or any other performance illustrations when making investment decisions. The actual returns experienced by individual clients will differ due to many factors including, but not limited to, their individual investments and fees, individual client restrictions, and the timing of investments and cash flows. It should not be assumed that any of the investment decisions made in the future will be profitable.



Benchmark Descriptions

The S&P 500 measures the performance of the 500 leading companies in leading industries of the U.S. economy, capturing 80% of U.S. equities.

The Russell 1000 Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected growth values.

The Russell 1000 Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 Index companies with higher price-to-book ratios and higher forecasted growth values.

The Russell 2000 Index measures the performance of the 2000 smallest U.S. companies based on total market capitalization in the Russell 3000, which represents approximately 10% of Russell 3000 total market capitalization.

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

The MSCI Emerging Markets Index captures large and mid cap representation across 26 Emerging Markets covering approximately 85% of the free float-adjusted market capitalization in each country..

The MSCI ACWI ex USA Index captures large and mid cap representation across 22 of 23 Developed Markets countries, excluding the US, and 26 Emerging Markets countries covering approximately 85% of the global equity opportunity set outside the US.

BBgBarc 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 BBgBarc US Treasury Index measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury. Treasury bills are excluded by the maturity constraint but are part of a separate Short Treasury Index. STRIPS are excluded from the index because their inclusion would result in double-counting. The US Treasury Index is a component of the US Aggregate, US Universal, Global Aggregate and Global Treasury Indices.

The BBgBarc US Corporate Bond Index measures the investment grade, fixed-rate, taxable corporate bond market. It includes USD-denominated securities publicly issued by US and non-US industrial, utility and financial issuers. The US Corporate Index is a component of the

US Credit and US Aggregate Indices, and provided the necessary inclusion rules are met, US Corporate Index securities also contribute to the multi-currency Global Aggregate Index.

The BBgBarc U.S. Corporate High-Yield Index covers the U.S. dollar-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 BBgBarc U.S. Municipal Index covers the USD-denominated long-term tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and prerefunded bonds.

The Consumer Price Index (CPI) is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food, and medical care. It is calculated by taking price changes for each item in the predetermined basket of goods and averaging them. Changes in the CPI are used to assess price changes associated with the cost of living.

Treasury bond yields (or rates) are tracked by investors for many reasons. The yields are paid by the U.S. government as interest for borrowing money via selling the bond. Treasury Bills are loans to the federal government that mature at terms ranging from a few days to 52 weeks. A Treasury Note matures in two to 10 years, while a Treasury Bond matures in 20 or 30 years. The 10-year Treasury yield is closely watched as an indicator of broader investor confidence. Because Treasury bills, notes, and bonds carry the full backing of the U.S. government, they are viewed as one of the safest investments.

VIX of VIX (or VVIX) is a measure of the volatility of the Chicago Board Options Exchange (CBOE) Volatility Index (VIX). The CBOE's VIX measures the short-term volatility of the S&P 500 indexes, and the VVIX measures the volatility of the price of the VIX. In other words, VVIX is a measure of the volatility of the S&P 500 index and alludes to how quickly market sentiment changes.

The S&P Equal Weight Index is based on the S&P 500. All index constituents are members of the S&P 500 and follow the eligibility criteria for that index. The S&P EW Index is maintained in accordance with the index methodology of the S&P 500, which measures 500 leading companies in leading U.S. industries. The S&P EW Index measures the performance of the same 500 companies, in equal weights. As such, sector exposures in the S&P EW Index will differ.

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.

The volatility (beta) of an account may be greater or less than its respective benchmark.

