



**Where do we
go from here?**



Navigating a Steady Course



Has your confidence in the market been shaken?

The beginning part of this century has seen extreme stock market swings and event-driven market action. In the midst of uncertainty, it can be tempting to make emotional investment decisions. But research shows that when the average investor allows emotion to determine when to buy and sell, there can be a big price to pay. Investors tend to buy high and sell low, locking in losses and stunting portfolio growth.

When fear and greed drive investment decisions, many investors miss out. That's why it's important to have a Navigator — someone knowledgeable about investments who can help steer you in the right direction, regardless of the environment.

My husband and I have worked very hard over our lifetimes and we are proud of the investment decisions we've made.

We have two children, and five young grandchildren.

We want to leave a lasting legacy for our family, and would love to send our grandkids to college. But we know how expensive college is today, and it gets even more expensive every year.

We want to make sure we can save enough so that we can make a real difference in our grandkids' lives.

How can we invest our hard earned savings and feel comfortable that it won't be wiped away?



How do you achieve true diversification?

Diversification is believed to reduce risk by allocating investments across various investment vehicles, including stocks and bonds. Most investment professionals agree that diversification can be the most important component of reaching long-term financial goals while reducing risk. Diversification allows you to grow your assets over time, without putting all your eggs in one basket. By spreading the risk out, you are more likely to succeed.

By monitoring different investment types and how they move relative to one another, your advisor can not only provide you with a high level of diversification but can also help you establish and maintain diversification that is meaningful. Creating a truly diversified portfolio, one that adapts to changing relationships between asset classes, is important to investment success.

In 2008, I thought I had a good mix of investments. I believed I was well diversified, and my portfolio could weather a storm. But when the bear market hit, everything seemed to go down. Some of my investments went down a lot, some of them less. My portfolio certainly did not hold up like I thought it would.

I worry that the same thing will happen if another bear market strikes. I want to take extra steps to ensure it does not. What does it take to achieve true diversification in today's markets?

*Diversification does not assure a profit.



What is the number one threat to your savings?

It might seem as though the ups and downs of the market are the sole factor when it comes to your investment success. However, if you are not taking appropriate steps to grow your assets, inflation can quietly wipe away your purchasing power.

Your investment advisor can help you determine the right amount of risk that may help you achieve the gains you need to maintain your lifestyle. Your advisor is committed to helping you achieve consistent returns and can educate you on the dangers of inflation and the erosion of purchasing power.

I've been sitting in cash ever since early 2009, and I fear getting back into the market. I'm worried that I missed out on the market recovery and if I invest now, I'll just lose more.

I feel much safer in cash, but I know that inflation can make my cash worth less in the future.

How can I outpace inflation without being exposed to too much risk?



What will happen to fixed income when interest rates go up?

Fixed income is an important diversification tool and cash flow instrument. It can help ensure you meet income needs and can also reduce overall risk in your portfolio. Interest rates and bond prices are generally inversely related. When rates go down, bond prices tend to go up. When rates go up, bond prices tend to go down.

Since the Great Recession, the Federal Reserve has kept short term interest rates near zero in an effort to promote borrowing and spur economic growth. This means that interest rates are at very low levels. If rates begin to rise, fixed income may not experience favorable returns. Your advisor can discuss alternatives to traditional fixed income that may help you achieve the right portfolio asset class mix.

Over the years, I've used fixed income as a way to maintain an income stream and provide a cushion if my stocks were to suffer.

My portfolio is currently allocated as a traditional 60/40 blend. I am worried that my 40% fixed income allocation might suffer if interest rates go up.

How can I offset a bear market in equities if fixed income doesn't provide the same benefits it has in the past?



Are you concerned you will outlive your savings?

As we live longer lives, it becomes more and more important to have adequate savings and manage our finances for longevity. Your advisor can help you mix vehicles such as retirement investments, social security, annuities, long term care and other investments. The right mix will attempt to help you maintain income in retirement without running out of money, no matter how long you live.

Through risk reduction techniques such as downside protection, you can help prevent catastrophic portfolio losses and remain committed to your overall investment mix.

I remember when my parents reached their 80th birthdays. I couldn't believe they both reached such an important milestone. I think they were even more surprised!

More and more people are living well into their 90s. If I live a long life, I want to make sure that I can take care of myself without being a burden to my children.

How do I know how much money I will need for retirement?



Are you paying more taxes than necessary?

Tax consequences to portfolios can have a dramatic effect on long term earnings. If you are considering changing investment strategies, it might be beneficial to slowly move out of existing holdings rather than sell off the entire portfolio in order to invest in a new strategy.

Having tools to mitigate tax consequences is an important part of asset management. The following tools can help you prevent overpayment of taxes:

- Tax loss harvesting
- Customized tax transition strategies
- Offsetting gains by taking losses
- Tax loss carry over
- Covered call writing strategies for low cost basis stocks

I've been holding on to shares of a large company for many, many years. I know that I need to invest in other companies so that my portfolio is more diversified. But I'm afraid of the large tax bill I might get if I sell everything.

How can I achieve a better mix of investments without selling all of my stock at once?



Clark Capital

Founded in 1986, Clark Capital Management Group is an investment management firm based in Philadelphia. Together with your financial advisor, we are dedicated to helping you reach your financial goals.

Our highly tenured, dedicated Investment Team constantly monitors the markets and takes advantage of opportunities across multiple asset classes so that you can embark on your financial journey with confidence.

After an in depth discovery process with you and your advisor, we provide you with an individualized strategy based upon your needs and goals. We then actively make adjustments to respond to changes in the markets or your investment objectives.

Clark Capital is unique in our industry. As a boutique, independent investment firm, we offer a true Partnership relationship to financial advisors and their clients. The strategies we offer are typically only available to large institutions. We strive to provide your advisor with the best research, technology and investment solutions so that your advisor can better serve you.

Where Do We Go from Here?

Fill out the Navigator® Personal Assessment. It is designed to help identify your goals and priorities, to determine your risk tolerance, and develop a blueprint from which we will build your investment strategy.



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