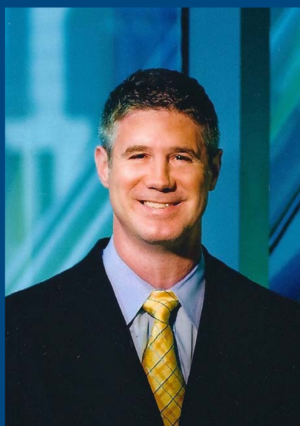
ClarkCapital MANAGEMENT GROUP

Portfolio Perspectives



K. Sean Clark, CFA
Chief Investment Officer

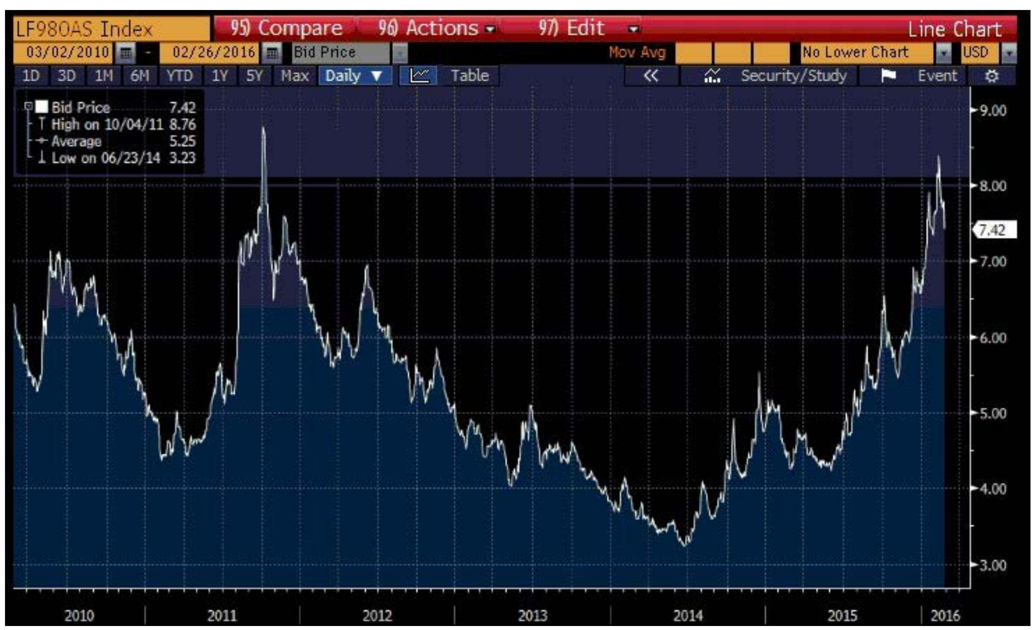
As Clark Capital's Chief Investment Officer, Sean oversees all of the Firm's investment activities and heads the Firm's portfolio team. Sean joined the Firm in 1993 and is responsible for asset allocation and investment selection for Navigator Investment Solutions as well as directing ongoing market research and contributing to the development of proprietary products. Sean is a member of the Clark Capital Board of Directors, the Investment Committee and the Management Committee. He graduated from the University of Delaware, earning a B.S. and an M.A. in Economics. Sean is a Chartered Financial Analyst and a member of the CFA Institute (formerly AIMR) and the Financial Analysts of Philadelphia, Inc. Sean is considered an industry expert and is often asked to appear on CNBC and Bloomberg television to share his views on the market. In addition, Sean has been featured in a number of articles in nationally distributed business journals and newspapers.

Trade Update: Navigator Fixed Income Total Return

The Navigator Fixed Income Total Return strategy traded out of our 98% Treasury allocation into 98% high yield on February 29th. To recap the recent reallocations, the strategy went into Treasuries on December 9th. During that time period, the high yield market declined and Treasuries advanced. The Barclays U.S. Corporate High Yield Index was down 3.48% while the Barclays U.S. 7-10 Year Treasury Bond Index was up 4.21% from December 9, 2015 to February 28, 2016.

The high yield market has sold off sharply and has reached spread levels not seen since September 2011. The chart below details the option adjusted yield spread between the Barclays High Yield Index and the 10 year Treasury. The decline in the high yield market evidently was started by the energy sector decline but has spread across the whole high yield market as market participants are pricing in a recession and higher future defaults based upon the current spread.

However, the recent economic news is not signaling a recession. Last Friday GDP growth came in better than expected at 1% compared to an expectation of .4%. Expected inflation also rose beyond expectations — 1.7% compared to an expectation of 1.4% and the prior month was revised up from 1.4% to 1.5%. The Fed has a focus on the



Source: Bloomberg

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

personal consumption expenditure (PCE) economic indicator. On Friday the PCE came in at 1.7% above expectations also at 1.4%. Energy markets have stabilized with oil holding in the $30/barrel range which is approximately 20% above their lows.

There is a big disconnect between where the economy is and where high yield is trading. Our model picked up the recent strength in high yield as market participants are seeing value in high yield. In other words, with the Barclays U.S. Corporate High Yield Index yielding 9.19% (as of 2/29), what's not to like about the high yield market? The strategy is currently yielding over 7% as of February 29th.

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