FROM TEA PARTY REVOLUTION TO....THE WAR OF AGGRESSION

Tony Soslow, CFA®
Senior Portfolio Manager

Tony serves as a portfolio manager in the Premier Portfolios group and is a member of the Clark Capital Investment Committee. He has over 25 years of portfolio management experience utilizing both a quantitative and fundamental process. From 1997 to 2013 Tony was the President and Chief Investment Officer of Global Capital Management which he founded. He was cited as a Top Guns Manager in 2006 and 2007 and was named Manager of the Decade in 2011 by PSN. From 1986 through 1997, Tony was Director of Portfolio Management at RTE Asset Management where he was responsible for portfolio management across all asset classes. Tony is a graduate of the Wharton School of the University of Pennsylvania and holds the CFA designation.

2016 was marked as a year of surprises in which conservative Populism revolted against the liberal "one world order" agenda. Britons, like Americans 240 years earlier, got tired of supporting their mainland partners and chose to Brexit – voting to independently determine their cultural and economic future. And near yearend, Americans also rebelled against the status quo by choosing to Make America Great Again.

Interestingly, I think the end of the first phase of this new political regime and equity bull advance will be marked by the War of Aggression — or the pitting against each other of two conservative southern schools for the National College Football Championship on January 9, 2017. Despite ESPN's flagging ratings and Meryl Streep's comments to the contrary, football — part war, strategy and violence — remains as America's defining cultural icon. Expectedly, the 2016 championship game (determined in 2017) had no representation from the games historic, Ivy League heritage but shockingly also did not include California's USC or UCLA, both parts of blue America. This year's memorable contest was noticeably represented by red America as South Carolina's Clemson beat Alabama in the final seconds. Is it coincidental that the SEC and the ACC are the rising powers in college football and Trump won nearly every state in those conferences (except Virginia and Maryland) in the general election? Trump won football America. In doing so, our BOTUS (Bully Of The United States) has greater bullying power in setting forth tax, regulatory and trade policy moving forward. Regardless of your political persuasion, market prices will likely continually reflect a differing business environment. As a portfolio manager, it's my responsibility to quickly digest how the likely changes of lower taxes, less regulation, better trade agreements, and presidential bullying has impacted both the prices of equity securities and also the estimated net present value of future cash flows.

Small, yet Thin?

As previously discussed, we often Fed watch a lot and unfortunately cannot directly correlate our Fed watching skills to portfolio performance. With that said, however, it's a hard habit to break if for no other reason than interest rates ultimately provide the key discounting metric in determining company value. In mid-December, our central bankers performed their second annual Fed funds rate hike lifting the rate from 0.5% to 0.75% — setting a course for two to three small/thin hikes in 2017. As usual, their post hike commentary provided a roadmap for further rate normalization (guiding short interest rates equal to or above inflation so that they are no longer "ultra-expansionary") and a justification/escape route as to why they may or may not deviate from their outlined path. As post-election and post rate hike advances in equity markets were accompanied by strong purchasing manager data and higher levels of business confidence, Fed officials have begun to modify their message. Worldwide economic growth expectations supported by the more pro-business Trump agenda combined with the greater likelihood of higher fiscal expenditures all point to a more cyclical future. If this is the case (which I think it is), the past Fed regime of infrequent activity, "lower for longer," since 2008 could be replaced by frequent, bigger counter-cyclical rate moves going forward.

Past performance is not indicative of future results.

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

Navigator®
International Equity/ADR
Tony Soslow, CFA®, Senior Portfolio Manager

Fourth Quarter 2016 — Portfolio Commentary

Spontaneous Optimism

Keynes' Spontaneous Optimism overtook equity, business, and investor confidence this quarter as each group reassessed the likely impact of Trump's agenda on taxes, regulation, trade, earnings, economic growth, interest rates and the dollar. With price gains of 4.63% and 13.55% since the election, the S&P 500 and Russell 2000 Small Cap Index rallied 3.25% and 8.42% for the fourth quarter, reflecting the forthcoming pro-business agenda. As measured by the Global Composite PMI, economic activity in December accelerated at its best pace in 13 months, edging up to 53.4, considerably above its cyclical low of 50.8 posted in February. The Small Business Optimism Index also soared to 105.8 in December to its highest reading since the end of 2001. And not to be outdone, Consumer Confidence soared to the highest level since August 2001 with all its gains deriving from the Future Expectations sub-component. Interest rate spreads have responded to the economic optimism as the spread between 10-year and 2-year Treasury yields widened to 119 bps for a low of 76 bps during the Brexit crisis. While advances in PMIs, Business Confidence, Consumer Confidence and yield spreads have historically been associated with strong future economic growth, it is unclear if that bullishness is not already reflected in stock prices. The AAII Bull Ratio of Individual Investor Sentiment reached a very optimistic 64.7% and our calculated S&P 600 Small Cap Price-to-Value ratio is approaching two standard deviations rich compared to its 10-year average.

ADR's Quality/Value Bias Remains Compelling

The Navigator International Equity/ADR strategy delivered three-year annualized gains of 3.67% gross (0.61% net) compared to the losses of 1.78% for the MSCI All Country World ex-USA Index and losses of 1.60% for the MSCI EAFE Index. For the fourth quarter 2016, the strategy lost 2.78% gross (3.51% net) versus the 1.25% loss in the MSCI All Country World ex-USA Index and the 0.71% loss in the MSCI EAFE Index. Since its inception, International Equity/ADR remains in the top 1% of its Morningstar peer group as of 09/30/2016. Our holdings in Consumer Staples, such as Koninklijke Ahold Delhaize NV and Bunge Limited, and underweight position in real estate helped performance in the fourth quarter while our holdings in Telecom, such as NTT Docomo Inc and Telekomunik Indonesia, and overweight position in Utilities acted as a drag. In the quarter, strong performance in our positions in Bermuda and South Korea was offset by weaker performance in Brazil and the United Kingdom. The value characteristics of the ADR strategy remain more compelling than that of both its U.S. and international benchmarks as the current P/E of 13.9 is less than that of the S&P 500 (19.9) and EAFE (22.95) with similar quality and business growth characteristics.

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

Navigator®
International Equity/ADR
Tony Soslow, CFA®, Senior Portfolio Manager

Fourth Quarter 2016 — Portfolio Commentary

The opinions expressed are those of the Clark Capital Management Group Investment Team. The opinions referenced are as of the date of publication and are subject to change due to changes in the market or economic conditions and may not necessarily come to pass. There is no guarantee of the future performance of any Clark Capital investment portfolio. Material presented has been derived from sources considered to be reliable, but the accuracy and completeness cannot be guaranteed. Nothing herein should be construed as a solicitation, recommendation or an offer to buy, sell or hold any securities, other investments or to adopt any investment strategy or strategies. For educational use only. This information is not intended to serve as investment advice. This material is not intended to be relied upon as a forecast or research. The investment or strategy discussed may not be suitable for all investors. Investors must make their own decisions based on their specific investment objectives and financial circumstances. Past performance does not guarantee future results.

All investments involve risk, including loss of principal and there is no guarantee that investment objectives will be met.

This document may contain certain information that constitutes forward-looking statements which can be identified by the use of forward-looking terminology such as "may," "expect," "will," "hope," "forecast," "intend," "target," "believe," and/or comparable terminology (or the negative thereof). No assurance, representation, or warranty is made by any person that any of Clark Capital's assumptions, expectations, objectives, and/or goals will be achieved. Nothing contained in this document may be relied upon as a guarantee, promise, assurance, or representation as to the future.

Gross performance shown is presented gross of investment advisory fees and includes the reinvestment of all income. Gross returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. Net performance includes the deduction of a 3.0% annual wrap fee, which is the highest anticipated wrap fee charged by any sponsor. Management and performance of individual accounts will vary due to differences such as the availability of securities, trading implementation or client objectives, and market conditions. For a fee schedule, please contact your advisor or refer to AssetMark's Form ADV Part 2A. If you enter into an agreement directly with Clark Capital, refer to Clark Capital's Form ADV Part 2A. The Firm's policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

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 S&P SmallCap 600 measures the small cap segment of the U.S. equity market. The index is designed to be an investable portfolio of companies that meet specific inclusion criteria to ensure that they are liquid and financially viable.

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 11% of Russell 3000 total market capitalization.

The Dow Jones Industrial Average is a stock market index that shows how 30 large publicly owned companies based in the U.S. have traded during a standard trading session in the stock market.

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 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 MSCI All Country World ex USA Total Return (MSCI ACWI) is a market capitalization weighted index designed to provide a broad measure of equity-market performance throughout the world. The MSCI ACWI is maintained by Morgan Stanley Capital International and is comprised of stocks from both developed and emerging markets.

There is no assurance that any securities, sectors or industries discussed herein will be included in or excluded from an account's portfolio. It should not be assumed that any of the securities transactions, holdings or sectors discussed were or will prove to be profitable, or that the investment recommendation or decisions we make in the future will be profitable or equal to the investment performance of the securities discussed herein. All recommendations from the last 12 months are available upon request.

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 CBOE Volatility Index (VIX) is a forward looking index of market risk which shows expectation of volatility over the coming 30 days.

The volatility (beta) of a client's portfolio may be greater or less than its respective benchmark. It is not possible to invest in these indices.

Barclays U.S. Government/Credit Bond Index measures the performance of U.S. dollar denominated U.S. Treasuries, government-related and 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 B of A Merrill Lynch U.S. High Yield Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market.

The Barclays 7-10 Year Treasury Index tracks the investment results of an index comprised of the U.S. Treasury bonds with remaining maturities between seven and ten years.

The Barclays 20+ Year Treasury Index tracks the investment results of an index comprised of the U.S. Treasury bonds with remaining maturities greater than twenty years.

The Barclays Long-Term Year Treasury Index tracks the performance of the long-term U.S. government bond market.

The Barclays 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 Barclays U.S. Treasury Bond Index is an issuances-weighted index measuring the performance of the U.S. Treasury bond market, one of the largest and most liquid government bond markets in the world.

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.

Morningstar is the largest independent research organization serving more than 5.2 million individual investors, 210,000 Financial Advisors, and 1,700 institutional clients around the world.

For each separate account with at least a three-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a separate account's monthly performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of separate accounts in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. The Overall Morningstar Rating for a separate account is derived from a weighted average of the performance figures associated with its three-, five- and ten-year Morningstar Rating metrics.

©2017 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

Clark Capital Management Group, Inc. is an investment adviser registered with the U.S. Securities and Exchange Commission. Registration does not imply a certain level of skill or training. More information about Clark Capital's advisory services and fees can be found in its Form ADV which is available upon request.

The ranking shown may not be representative of any one client's experience because the rating reflects an average of all, or a sample of all, the experiences of the adviser's clients and is not indicative of the adviser's future performance.

CCM-671