ClarkCapital MANAGEMENT GROUP

January 2019

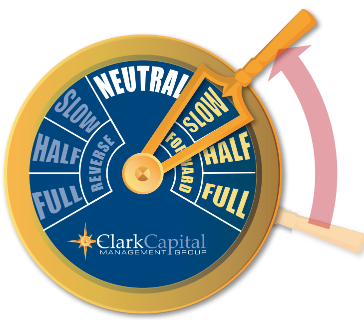
MarketNavigator

Highlights

- We expect economic growth to continue, although at a slower pace in 2019. As a result, we shifted the economic gauge from very positive to slightly positive.
- With no clear consensus between the market and the Fed for the course of rate hikes this year, we shifted monetary policy to a slight negative this quarter.
- The valuations and investor sentiment gauges shifted to positive as we believe earnings growth will continue in the New Year and that healthy skepticism has returned to the market.

Our Latest Assessment of Key Economic Indicators

The gauges below represent our views on five key economic indicators and are designed to assist you in your conversations with clients.



Economy

The Conference Board's Leading Economic Indicators continued to hit all-time highs with no signs of rolling over, which it has historically done leading up to a recession.

Coming off one of the best years of this current expansion in terms of economic growth, we expect growth to slow down in 2019 and have reduced the economy gauge from very positive to slightly positive to reflect this expectation.

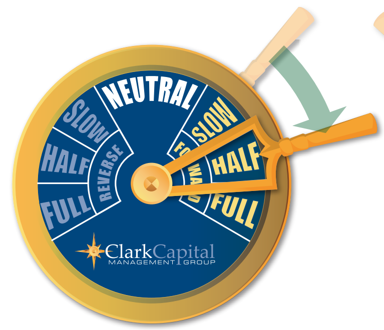
Our Outlook: Shifted to Slightly Positive

Monetary Policy

Now that we are nearing the end of this rate-hike cycle, each additional rate hike garners increased scrutiny with an elevated level of debate on whether the Fed is going too far or not far enough.

With no clear consensus between the market and the Fed for the course of rate hikes this year, we believe the chances of a Fed policy mistake are elevated in 2019. As a result, we shifted this gauge to a slight negative.

Our Outlook: Shifted to Slightly Negative



Valuations

While not pleasant, the sell-off in equities in the 4th quarter also resulted in a continued improvement in stock valuations.

Strong earnings in 2018, coupled with down markets resulted in P/E ratios that became more attractive. We see earnings growth slowing in 2019, but believe they will continue to grow at a healthy level. This has led us to improve the valuations gauge by one notch.

Our Outlook: Shifted to Positive

Investor Sentiment

The VIX Index, a measure of stock market volatility, hit its highest level since early February in late December. The contrarian nature of investor sentiment has moved, in our opinion, to a more positive position as some healthy skepticism has returned to the market once again.

As a result, we've improved this indicator by three positions moving into the New Year.

Our Outlook: Shifted to Positive

Interest Rates

From a long-term perspective, rates remain low, and we believe the level of interest rates is still having a neutral effect on the U.S. economy at this point. Therefore, we have kept this indicator in a neutral position.

Fed policy and the shape of the yield curve will continue to be front and center in 2019 and will require close monitoring.

Our Outlook: Remains Neutral

Contact us today to learn how Clark Capital can help you deliver successful outcomes to your clients.

Call 800-766-2264 or visit www.ccmg.com