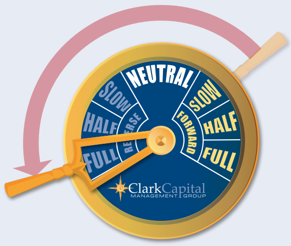
March 2020

ClarkCapital MANAGEMENT GROUP

Market Moves

Charting Our Strategies

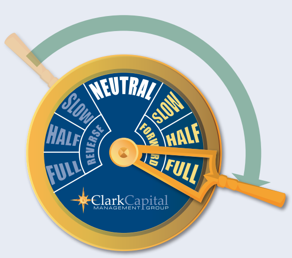
Economic Gauges



Economy

Monetary Policy

Valuations



Investor Sentiment

Interest Rates

Clark Capital's Bottom-Up, Fundamental Strategies

A global equity bear market took hold in March as COVID-19 spread exponentially from China through Europe and to the U.S. Global cases neared 900,000 by quarter end with the U.S. leading the way with nearly 200,000 cases.

Economic expectations have been devastated with many forecasting second quarter U.S. GDP declines in excess of -15%. The coronavirus pandemic and resulting economic fallout from "sheltering-in-place" has been met with quick and forceful global monetary and fiscal policy responses. Taken together, the U.S. monetary and fiscal policy response should exceed $6 trillion and is beginning to provide liquidity into short-term funding markets and hopefully mitigate, but not eliminate, payroll cuts. No sector of the economy has been spared. Credit markets froze and spreads across all fixed income segments rose to their highest levels since the Financial Crisis.

The threat to global growth and lower interest rates have pushed our equity portfolios away from Financials, Industrials, Energy and Materials and we remain underweight in these sectors. Energy, Materials, and travel-related sectors have been hit the hardest in this crisis. Technology and Healthcare remain our largest equity overweights, with both sectors having fared better given the increased focus on technology efficiencies and the need for more healthcare related services during the crisis.

Internationally, we are focused on higher quality countries like Japan, Ireland, and Switzerland, which represent our largest country allocations in International ADR. As new infections/day begin to flatten out globally, we would expect to reduce our positions in the low risk countries and add beta to the portfolio.

Below are strategy updates from March:

All Cap Core U.S. Equity

- The portfolio's mid-cap/small-cap weight is now below our lower limit as the S&P 600 Small Cap Index declined over 22% in March—far more than the S&P 500's 12.5% descent.
- By many measures, small-cap underperformance and value stocks relative to large-caps are reaching levels not seen since 2001. We will continue to pursue what we believe are the highest quality, small and mid-cap companies to add to the All Cap portfolio as we expect them to perform well after economic expectations stabilize as they represent a unique opportunity.
- Technology and Healthcare remain the largest sector weights in the strategy at over 20%.
- The threat to global growth and lower interest rates have pushed the portfolio away from Financials, Industrials, Energy and Materials and we remain underweight these sectors relative to the benchmark.
- During the month of March, we added a utility company, a chocolate manufacturer and biotech company. We exited out of a restaurant company and U.S. food supplier.

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High Dividend Equity

- Following our February trades where we reduced Energy and increased Consumer Staples and Healthcare, we continued to sell/reduce vulnerable sectors/subsectors such as: Energy, Financials, and Real Estate.
- The strongest sector performers by the end of the quarter included Technology, Healthcare, Industrials, and Energy. The worst performing sectors by quarter end included Consumer Discretionary, Communications, Staples (slight underweight but only down 5.2%), and Financials.
- The portfolio's forward dividend yield is 3.4% with month-end cash of 5.5%. Currently, the portfolio is underweight Energy, Financials, Materials, REITs, and Utilities and overweight Technology and Healthcare.

International Equity ADR

- The portfolio has dramatically reduced its larger-than-typical weight in emerging markets from 21.6% in January to just 14.1% as slower economic growth typically harms more fragile economies.
- At month end, we continued to add what we believe are higher quality companies to the portfolio like an insurer, heath care equipment company and materials company as we expect them to survive a deep economic recession and perform well in the subsequent economic recovery.
- Technology is now our largest sector weight at 16% followed by Financials and Healthcare. Our 15.5% weight in Financials is nearly 3% below its weighting in the ACWI index.
- Safer, higher quality countries like Japan (20.8%), Ireland (10%) and Switzerland (9%) represent our largest country allocations. As new infections/day begin to flatten out globally, we would expect to reduce our positions in low risk countries.

Small Cap Core U.S. Equity

- Industrials, Healthcare, Financials and Technology all have weights between 15-17% and represent the portfolio's largest sector exposures.
- We added several companies to the portfolio this month including a supermarket chain, an electronics company, and a designer, developer and worldwide marketer of consumer brand-names.

SMID Cap Core U.S. Equity

- As small-cap and mid-cap stocks declined approximately 22% during the month, many of our mid-cap stocks have been reclassified.
- The portfolio is heavily positioned in Healthcare at 18.3% followed by Industrials, Financials, Consumer Discretionary and Technology (all weighing in around 14-16% of the portfolio).
- We added several companies to the portfolio this month including a supermarket chain, an electronics company, and a designer, developer and worldwide marketer of consumer brand-names.

Taxable Fixed Income

- The first quarter was a challenging quarter for the taxable market, as extreme volatility stemming from the coronavirus pandemic and a resulting economic slowdown pushed valuations down across all sectors.
- As we headed into the end of 2019, the portfolio's high yield exposure was down, and our cash levels were a little elevated. In March, invest-

ment grade bond spreads widened, and high yield bonds sold-off sharply, which resulted in negative returns for the strategy.

- The portfolio has some exposure to the Consumer and Energy sectors that we will look to adjust as we move into the summer as we believe reduced infection rates should restart some economic activity and calm fears while reducing volatility.
- We have taken additional steps to readjust the portfolio such as increasing credit quality by purchasing newer issuers in the single A or better ratings category.

Tax-Free Fixed Income

- The first quarter was challenging for the muni market, as extreme volatility stemming from the coronavirus pandemic and a resulting economic slowdown pushed valuations down across all asset classes.
- By the end of March, the strategy finished the first quarter slightly down with a -0.03% return, compared to a benchmark return of -1.04%.
- We are focused on adding high quality and essential service revenue bonds and are avoiding what we believe are troubled, lower quality credits such as airports, stadiums, and tobacco.
- The recent repricing in the fixed income market has created an attractive backdrop for municipal bonds and we believe they can continue to provide some of the best credits in the global fixed income arena.

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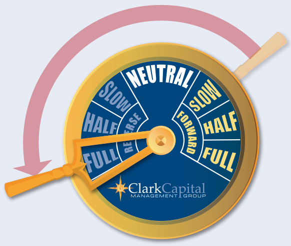

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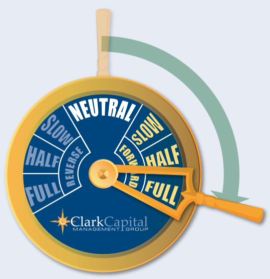

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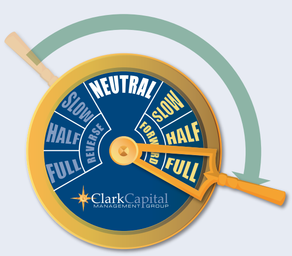

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Clark Capital's Top-Down, Quantitative Strategies

In the midst of the economic decline as a result of the ongoing coronavirus pandemic, volatility spiked with the CBOE Volatility Index hitting it highest level ever. We believe our top-down, quantitative portfolios were well-positioned for this decline with a defensive bias.

For example, the Style Opportunity portfolio is overweight large-cap and growth. In addition, Navigator® Fixed Income Total Return (FITR) de-risked on 2/26 and 3/9, moving into U.S. Treasuries. However, after recent stabilization in credit markets, the models that guide the FITR strategy turned positive on high yield debt and as a result, the strategy is now allocated 100% back into high yield bonds.

Below are strategy updates from March:

Alternative

- The Alternative portfolio reduced beta slightly by selling emerging market bonds and emerging market local currency.
- As the market's decline accelerated, we added a large-cap growth ETF.
- Diversification-oriented strategies like Merger Arbitrage and Alternative Credit struggled as the economic slowdown shifted to a halt, and asset classes suffered across the investing spectrum.
- Gold and long-short commodities proved to be the only areas able to produce gains amid the panic.

Fixed Income Total Return

- The Fixed Income Total Return (FITR) strategy sold half of its high yield exposure on February 26th before selling all of its high yield exposure and shifting completely to U.S. Treasuries on March 9th.
- Markets went into a sharp waterfall decline after our sale but bottomed on March 23rd. A sharp rally ensued, and only 4 days later on March 27th, we reallocated 100% back into high yield after its surge.
- Though it initially struggled after its rally off the bottom, we believe high yield looks to be recovering and moving up.

Style Opportunity

- As markets began to decline, the portfolio was positioned in large-cap growth, momentum, and the S&P 500 itself.
- When the decline accelerated, momentum's performance also spiked. We took that opportunity to sell momentum and now only own the S&P 500 Index and large-cap growth.
- By indexing, we are looking to avoid being too defensive at the market bottom and underperforming as a regime change takes place.

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The S&P 500 Index is a stock market index that tracks the stocks of 500 large-cap U.S. companies.

The S&P SmallCap 600 Index is a stock market index established by Standard & Poor's. It covers roughly the small-cap range of US stocks, using a capitalization-weighted index.

The MSCI ACWI Index is designed to represent performance of the full opportunity set of large- and mid-cap stocks across 23 developed and 26 emerging markets.

The CBOE Volatility Index is a popular measure of the stock market's expectation of volatility based on S&P 500 index options

The BBgBarc 5-Year Municipal Bond Index is the 5 Year (4-6) component of the Municipal Bond index. It is a rules-based, market-value-weighted index engineered for the taxexempt bond market. The index tracks general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds rated Baa3/BBB- or higher by at least two of the ratings agencies. The benchmark for this composite is used because the BBgBarc 5 Year

Municipal Index is generally representative of U.S. municipal fixed income. Index returns reflect the reinvestment of income and other earnings, are provided to represent the investment environment shown, and are not covered by the report of independent verifiers.

Fixed income securities are subject to certain risks including, but not limited to: interest rate (changes in interest rates may cause a decline in market value of an investment), credit, payment, 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).