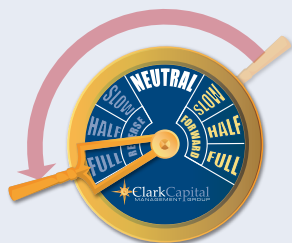


Market Moves

Charting Our Strategies

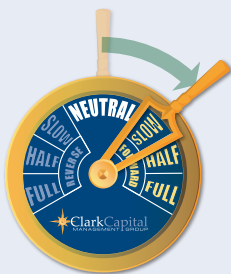
Economic Gauges



Economy



Monetary Policy



Valuations



Investor Sentiment



Interest Rates

Clark Capital's Bottom-Up, Fundamental Strategies

As investors shifted focus from the current "COVID-19 quarantine" recession to the "getting-back-to-work" recovery, equity prices continued to advance smartly in May.

While longer term U.S. Treasury interest rates remained stable, declining credit spreads and volatility enabled investors to expand their appetite beyond the safety of large-cap growth, thus market participation broadened out. As a result, The Navigator® All-Cap portfolio reduced its weight in large cap exposure to 63% of the portfolio and increased mid-/small-cap exposure.

The Navigator® High Dividend Equity portfolio's focus on dividend growth saw it benefit from the economically sensitive sectors, with consumer discretionary, energy and financials as the largest contributing sectors. Detractors included Healthcare, Communication Services and Industrials.

Below are strategy updates from May:

All Cap Core U.S. Equity

- Navigator® All Cap is positioned in approximately 63% large-cap stocks with the remainder in mid-/small-cap stocks and cash.
- Our large-cap weight is now 5% below its high of 68% reached in March.
- Technology is the largest sector weight in the strategy at 21.8%. Healthcare remains our second largest sector exposure; however, at 15.5% it is in-line with its weighting in the Russell 3000. Consumer Discretionary and Financials represent our next largest sector allocations.

High Dividend Equity

- Year-to-date, 57 S&P 500 Index companies cut or suspended their dividends. If cash flows remain under pressure, another round of dividend changes could occur in the second quarter.
- So far, the most economically sensitive sectors represent over 60% of the negative dividend changes.
- The portfolio's largest contributing sectors in May were Consumer Discretionary, Energy and Financials while detractors included Healthcare, Communication Services and Industrials.

International Equity ADR

- Navigator® ADR/International Equity has dramatically reduced its larger-than-typical emerging market weight from 21.6% in January to just 11.5% as slower economic growth typically harms more fragile economies.
- During the month, we added more higher quality cyclical companies to the portfolio including a water treatment company and a railway company.
- Our Industrials exposure increased from 7.1% to nearly index weight of 11.2%.
- As greater visibility regarding economic re-starts progress, we will likely continue to move away from the safest countries like Japan and industry holdings, like Healthcare.

Past performance is not indicative of future results.

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



Market Moves

Charting Our Strategies

Small Cap Core U.S. Equity

- 69% of the Navigator® Small Cap portfolio is in small-cap stocks with the balance in mid-cap stocks and cash.
- Healthcare, Consumer Discretionary, Industrials and Technology all have weights between 14-19% and represent our largest sector exposures.
- We added a mix of high-quality companies to the portfolio this month including a Healthcare Services company and a boat company.

SMID Cap Core U.S. Equity

- 60% of the Navigator® SMID Cap portfolio is in small-cap stocks with the balance in mid-cap stocks and cash. Healthcare, Consumer Discretionary, Industrials and Technology represent our largest sector weights, each greater than 14%.
- A mix of high-quality companies was added to the portfolio this month including a technology company and a boat company.
- Although markets have rallied significantly from the March 23rd bottom, we continue to add high quality companies in every broad sector at very attractive value metrics.

Taxable Fixed Income

- In May, the strategy continued to focus on portfolio construction post-credit-impairment as caused by the shutdown of the American economy. We continue to look for opportunity in Technology and increased our Technology exposure.
- Yields in the first two years of the curve are now close to 1%, and for the moment, we are maintaining a duration in the 4.5-year range. However, that may start to move out closer to five years as yields are evaporating in the front-end of the curve.
- New debt continues to be issued across all sectors. We like three- and five-year maturities that fall within the window of where the Fed is buying bonds through ETF purchases. Also, we have added 10-year credits to take advantage of the "lower for longer" interest rate scenario.
- Credit spread contraction has provided a tailwind to performance, as a result of the Fed's decision to buy bonds through ETFs.

Tax-Free Fixed Income

- Weekly net flows into municipal mutual funds were positive throughout May.
- Our municipal bond fixed income strategy focuses on reducing risk, increasing liquidity, and maintaining long-term income as we continue to move forward during the COVID-19 pandemic.
- The portfolio continues to allocate to high quality essential service and critical infrastructure bonds, such as water and sewer utilities, as we feel these are stable credits that provide vital services to customers. In our view, the credit and cash flows in this sector should be less impacted by the negative effects of the COVID-19 pandemic.
- We view local school district bonds in a favorable lens since these bonds tend to be backed by stable property taxes rather than variable income tax or sale taxes.

Navigate
Your Future.
Enjoy the
Journey.

Past performance is not indicative of future results.

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



Market Moves

Charting Our Strategies

Clark Capital's Top-Down, Quantitative Strategies

The markets continued to favor a risk-on bias throughout May with both equities and credit advancing. The Navigator® Style Opportunity portfolio favored large-cap growth and large-caps for much of 2019, through the decline, and then the rally. We are finally starting to see participation broaden out with mid and small-caps on the rise. We have added to mid-cap and small-cap growth positions to the portfolio to capture the broadening trends.

In the past few weeks, credit has benefitted from the Fed's Credit Facility backstops with both investment grade and below investment grade debt hitting new recovery highs. High yield bond spreads have compressed to 637 basis points, a strong improvement from the 1100 basis points spread at the depth of the declines in March.

Below are strategy updates from May:

Alternative

- The portfolio took a position shorting long-term rates, and that has held its value and is looking to break out.
- Cash remains relatively high in alternative, particularly because fixed has not been in favor.

Fixed Income Total Return

- The strategy moved from short-term Treasuries into high yield on March 27th.
- In the past few weeks, the strategy model has strengthened and has made new highs since our buy-in. The model still favors owning credit exposure.

Style Opportunity

- The Style Opportunity portfolio favored large-cap growth and large caps for much of 2019, through the 2020 decline, and then the rally.
- We are finally starting to see participation broaden out with mid- and small-caps on the rise. We have added to mid-cap growth, and it is now 35% of the portfolio. The portfolio has also added small-cap growth.

Navigate
Your Future.
Enjoy the
Journey.

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



Author



K. Sean Clark, CFA®

*Executive Vice President
Chief Investment Officer*

The views expressed are those of the author(s) and do not necessarily reflect the views of Clark Capital Management Group. 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 investments 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.

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

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.

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).

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). Forward looking statements cannot be guaranteed. 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.

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. CCM-1188

Navigate
Your Future.
Enjoy the
Journey.