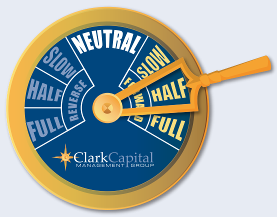
ClarkCapital
MANAGEMENT GROUP

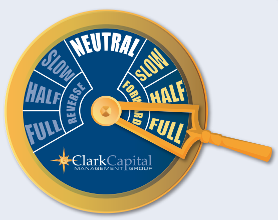
Market Moves

Charting Our Strategies

Economic Gauges



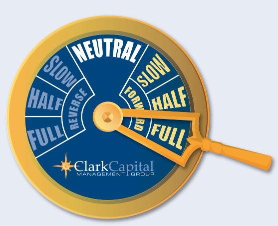
Economy



Monetary Policy

Valuations

Investor Sentiment



Interest Rates

Clark Capital's Bottom-Up, Fundamental Strategies

Within the hard-hit consumer space, hotels, casinos, cruise lines and airlines rallied on the hope of a more positive 2021 outlook. In this market environment, a barbell approach seems appropriate within our bottom-up equity portfolios. For example, the High Dividend Equity portfolio owns growth-oriented Technology as well as undervalued cyclical companies with solid dividend policies. While U.S. security selection has been concentrated in the large-cap growth area this year, we believe performance is broadening internationally.

In fixed income, the market remained calm following the Presidential Election. In the Tax-Free Fixed Income portfolio, we continue to like high grade municipals and have started to prepare for a steeper curve. As our duration strategy has materialized, we are selectively monetizing and re-deploying in shorter term structures and cushion bonds that we believe will continue to do well with the roll-down.

Below are strategy updates from November:

All Cap Core U.S. Equity

- Navigator® All Cap continues to balance portfolio holdings and adjustments between those companies which we believe will benefit from long term growth trends and those which will benefit from economic re-opening.
- We are finding that the snapback in earnings growth from re-opening is most pronounced among the small-cap and mid-cap companies in our universe and we are continuing the portfolio's slight transition to these opportunities.
- To this end, we added a mid-cap advertiser to the portfolio as advertising spending is anticipated to recover with mobility. Additionally, we added a small-cap technology/software company as they benefit from internet ad spend, cloud spend and M&A opportunities.
- Albeit slightly underweight to the benchmark, Technology remains the largest sector weight in the strategy at 24.8%.

High Dividend Equity

- Financials, HealthCare, Industrials and Information Technology remain the portfolio's largest sector exposures. Throughout 2020, our smallest sector weights below 5% included Materials, Utilities, REITs and Energy.
- In the current market environment, we prefer a barbell approach to dividend investing by owning growth-oriented Technology and undervalued cyclicals.
- While the portfolio remains primarily large-cap (86%), we continue to increase exposure in small and mid-cap stocks (12%) with purchases in a real estate investment trust, a financial advice and retirement services company, and a specialty vehicle company.
- A Swiss pharmaceutical company was sold during the month based on a higher valuation relative to major pharmaceuticals and a weakening R&D pipeline.

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

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International Equity ADR

- Navigator® International Equity/ADR is positioned with 16.3% in emerging markets with the balance in developed economies.
- Britain, Japan and Switzerland are the strategy's largest country weights, each between 12.5% and 14%.
- ADR continues to find undervalued, high quality cyclicals and emerging market additions to the portfolio including adding two Materials companies, a Chinese search engine, and a Russian bank.
- We removed slow growers from the portfolio including a tobacco company and Chinese telecommunications company.
- Financials and Technology remain our largest sector weights. While U.S. security selection has been concentrated in the large-cap growth area this year, we believe performance is broadening internationally.

Taxable Fixed Income

- November was "COVID Beta" month. Retail, hotels, airlines, autos, anything related to a vaccine and economic recovery was aggressively bid higher.
- Housing bonds rallied after two home builders were upgraded to investment grade by Moody's. A strong housing market means we will look to add other BB housing bonds.
- We believe the Fixed Income market is priced for perfection. We can see spreads widening from here and the yield curve steepening a bit. We have sold some premium bonds that appear maxed out in price and increased par value with lower coupons.

Tax-Free Fixed Income

- The primary headwind in November was the robust customer demand for liquidity, but an expected supply glut never materialized: roughly 30% of issuance was taxable.
- Election uncertainty clouded the market initially: increased tax fears did not materialize after results became clearer. The lower supply of exempt bonds allowed munis to rally both outright and relative to Treasuries.
- We continue to like high grade municipals and have started to prepare for a steeper curve. As our duration strategy has materialized, we are selectively monetizing and re-deploying in shorter structures and in cushion bonds that should continue to do well with the roll-down.

Clark Capital's Top-Down, Quantitative Strategies

November was a risk-on month across the board with stellar equity and credit market gains. There was a rotation in the markets with small and mid-cap stocks taking the lead. Among equity style boxes, the size/market capitalization effect is leading markets higher right now. Recently, the portfolio allocations have shifted in response to leadership changes and the re-opening of the economy, which has resulted in broadening market participation.

The Style Opportunity portfolio entered November positioned entirely in large-caps and growth, but as the month progressed, the strategy shifted into a mix of 70% mid-

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cap and small-cap, and is now neutral between value and growth. The Fixed Income Total Return portfolio continues to favor high yield credit over Treasuries and is fully allocated to high yield bonds.

Below are strategy updates from November:

Alternative

- After the election, we reduced our equity hedges and fixed income exposure and added beta via emerging markets, forestry equity, and small-cap U.S. Real Estate.
- We continue to own precious and industrial metals and recently added copper miners at 2%.
- Precious metals have lost ground recently and are near critical support; we like their long-term potential and are holding on as sentiment towards them has become extremely pessimistic. However, we are closely monitoring them.
- Copper miners, managed futures and long-short equity were the top contributors, while gold, gold miners and silver miners were top detractors.

Fixed Income Total Return

- The Bloomberg Barclays High Yield Bond Index had a very strong month, gaining 3.96%, while the Bloomberg Barclays U.S. Treasury Index gained 0.35%.
- High yield spreads declined rather dramatically, falling from 5.09% to 4.12%. However, to emphasize how strong credit markets have been since March, November was still only the fourth best month for high yield since April.
- Our models continue to favor high yield credit over Treasuries and are at or near new highs as of the end of November. On days when stocks have shown weakness, we have seen little weakness in credit markets, which is a positive sign.

Global Tactical

- The FITR credit models that drive the Global Tactical strategy made new highs in November, providing an all-clear signal to the portfolio's equity positions.
- The portfolio allocates 70% to U.S. stocks and 30% to international equities; with each region, the capitalization breakdown is 70% in large-caps and 30% in small-caps.
- While the credit markets that drive our models have improved quite considerably since March, there is still room for them to improve before reaching historical extremes. Our equity risk-on position could potentially last well into and possibly even through all of 2021, if an economic recovery comes to fruition.

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Sector Opportunity

- Recent purchases include regional banks, metals and mining, steel, and most recently, Energy.
- We have been reducing Technology and modestly reducing Consumer Discretionary. In reducing these positions, we have also moved the portfolio away from mega-caps and towards more mid-cap and even small-cap stocks.
- While Technology has gradually been losing relative strength, semiconductors continue to be market leaders, and we have added to our position there.
- The portfolio's sector breakdown is as follows: Consumer Discretionary 23%, Industrials 20%, Materials 20%, Technology 20%, Financials 10%, Energy 5%, and 2% cash.

Style Opportunity

- The portfolio entered November positioned entirely in large-caps and growth, but as the month progressed, the strategy shifted into a mix that was 70% mid-cap and small-cap and is now neutral between value and growth.
- The portfolio now owns 18% in mid-cap value, 20% in mid-cap growth, 30% in broad small-cap, and 30% in the S&P 500. To build out our mid-cap and small-cap positions, we sold momentum and large-cap growth.
- Though our models rank value slightly ahead of growth, our chart analysis shows them as virtually identical. Therefore, we have taken a neutral position owning both value and growth equally.

U.S. Strategic Beta

- The portfolio reduced its allocation to growth stocks and risk assets in early September, and at that point, became neutral regarding growth versus value.
- After many years of value underperforming, the gap between value and other major market factors became too hard to ignore. In mid-September, the portfolio added a value factor ETF for the first time.
- Looking out into 2021, the portfolio could take a more aggressive cyclical stance by adding small-caps and value stocks. However, we would need to see a pullback/consolidation in order to establish such a position. Right now, we believe that value and cyclicals are overbought.

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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.

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).

Foreign securities are more volatile, harder to price and less liquid than U.S. securities. They are subject to different accounting and regulatory standards and political and economic risks. These risks are enhanced in emerging market countries.

Municipal securities can be affected by adverse tax, legislative or political changes and the financial conditions of the issuers of the municipal securities.

Municipal bonds can be significantly affected by political and economic changes, including inflation, as well as uncertainties in the municipal market related to taxation, legislative changes, or the rights or municipal security holders. Municipal bonds have varying levels of sensitivity to changes in interest rates. Interest rate risk is generally lower for shorter-term municipal bonds and higher for long term municipal bonds.

The trade-weighted dollar is an index created by the FED to measure the value of the USD, based on its competitiveness versus trading partners. A trade-weighted dollar is a measurement of the foreign exchange value of the U.S. dollar compared against certain foreign currencies.

The Bloomberg Barclays US Treasury Index measures US dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury.

The Bloomberg 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 oody's, Fitch, and S&P is Ba1/BB+/BB+ or below.

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