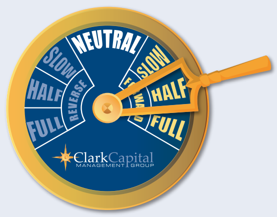
ClarkCapital MANAGEMENT GROUP

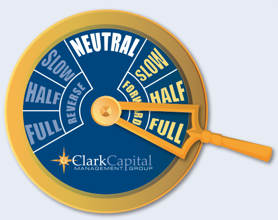
Market Moves

Charting Our Strategies

Economic Gauges



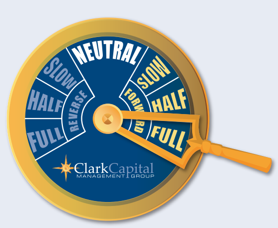
Economy



Monetary Policy

Valuations

Investor Sentiment



Interest Rates

Clark Capital's Bottom-Up, Fundamental Strategies

The market has continued broadening out since the COVID-19 vaccine announcements. The combination of clear Fed and Fiscal policy along with the likelihood of improved mobility due to vaccine distributions in the first half of 2021 has been met with corporate revenues and earnings exceeding expectations at record rates.

Cyclicals continue to perform well with the expectation of increased economic activity in 2021. This positive momentum was reinforced by Congress approving a $900 billion COVID-19 relief package and the FOMC offering guidance about its purchases of Treasuries and mortgage-backed securities by linking the purchase program to economic conditions. In fixed income, we expect the muni curve to steepen in Q1 2021 and have been taking advantage of the demand to reduce duration.

Below are strategy updates from December:

All Cap Core U.S. Equity

- The Navigator® All Cap strategy is positioned with approximately 65.5% in large-cap stocks and the remainder in mid-cap/small-cap companies and cash.
- During the month, we added a midstream energy company as we believe that it will succeed as cyclical growth accelerates in 2021. We also added an airline company as we expect pent-up air travel demand will accelerate in 2021 as larger amounts of the population become vaccinated.
- Although we expect Technology earnings to advance in 2021, we believe other cyclical sectors will have faster earnings growth or relative price performance. As such, we reduced positions in three Technology related stocks.
- Albeit slightly underweight to the benchmark, Technology remains the largest sector weight in the strategy at 23.3%.

High Dividend Equity

- Cyclicals continue to perform well with the expectation of increased economic activity in 2021.
- A steeper yield curve and higher energy prices will continue to support cyclical sectors in the portfolio, which is overweight Financials, Industrials, Consumer Discretionary, Technology while underweight REITs, Healthcare and Staples.
- The portfolio increased cyclical exposure with recent purchases in a financial services company, an advertising company, a food producer, a multi-brand restaurant operator and a natural gas liquids company.
- Sales in the portfolio included companies with higher valuations that benefitted from the stay-at-home rally including a personal care company specializing in paper products and an insurance company.

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 16.4% in emerging markets with the balance in developed economies.
- Britain, Canada, Japan and Switzerland are the strategy's largest country weights, all between 11% and 16%.
- During the month, we added a multinational drink and brewing company. We removed slower growers from the portfolio including a Chinese oil company and a Dutch grocery retail company.
- Financials and Technology remain our largest sector weights.

Taxable Fixed Income

- December returns were driven by our recurring themes over the last few months:
  - In Technology, spreads tightened in two of our holdings.
  - In Consumer Discretionary, we saw strong rallies in a luxury fashion holding and a luxury department store chain.
  - In Energy, a B-rated natural gas provider announced the call of half of their 2022 debt at par.
  - In Financials, our holding in a mortgage insurance and services company appears well-positioned as the housing market remains firm.
- We believe the 2 to 10-year Treasury curve can steepen a bit, which is on our radar for January and into Q1 2021.

Tax-Free Fixed Income

- Tailwinds that helped the municipal bond market included a lower supply than forecasted. Fear of future tax rates also played a role, as did the seasonal influx of cash, which builds in December and usually carries over into January.
- While supply is forecasted to grow, taxable municipals will still be 30-40% of total issuance, leaving tax-free munis in a negative supply position.
- We expect the muni curve to steepen Q1 2021, and have been taking advantage of the demand equation to reduce duration and come down the curve into the 10-year final maturity range, where the curve has higher positive slope.

Clark Capital's Top-Down, Quantitative Strategies

December capped off a very strong year of returns for the market. Technology and work from home related sectors were clear benefactors, although the market trends broadened as the light at the end of the tunnel has come into view with the vaccine approvals. At present, our tactical models favor high yield bonds over Treasuries and small-caps over large-caps. Sentiment has gotten a little extreme as we enter 2021, which may lead a brief pause or consolidation, but trend, momentum, and credit remain very supportive of the market.

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Below are strategy updates from December:

Alternative

- The portfolio continues to favor commodity equity, including copper miners, forestry, gold and silver miners, and pure commodity plays in gold and silver.
- The portfolio owns little fixed income and would look to add more equity exposure upon a potential correction in Q1 2021.

Fixed Income Total Return

- The models that guide the FITR strategy remain very strong, with high yield remaining favorable on both a relative strength and price basis.
- We expect the models to favor high yield for the foreseeable future.

Global Tactical

- Our credit-based models point towards an ongoing risk-on environment, so we would expect to maintain our equity holdings.
- The recent weakness in the U.S. dollar has proved to be a boost for our small-cap and international equity positions.

Sector Opportunity

- The portfolio has established an overweight position in Materials (broad materials, steel, and metals and mining), and also Consumer Discretionary (online retail, broad discretionary, retail).
- Energy and banks, which were losers in 2020, have entered the portfolio and maintained relative strength.

Style Opportunity

- Our models have moved primarily into small-caps and mid-caps, equally weighting value versus growth.
- During the month, we added a small position in a buyback ETF, and the S&P 500 Index is no longer in the portfolio.
- If small-cap stocks can lead during an overdue correction, we believe that that would cement their leadership status.

U.S. Strategic Beta

- The portfolio's most recent trade was removing a long-held bias towards growth and establishing a small bias towards value. As a result, we added a value factor ETF for the first time.
- We slightly reduced our exposure to minimum volatility and quality factors. We will look to reduce these factors further and add to value and mid and small-caps if we see a correction during the first half of 2021.

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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.

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