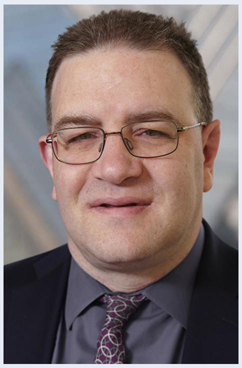
ClarkCapital MANAGEMENT GROUP

Portfolio Commentary

Navigator® Global Tactical

Portfolio Manager



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Senior Portfolio Manager

Portfolio Holdings as of September 30, 2021

Company Name	Avg. Weight (%)	Contribution to Return (%)
SPDR Portfolio S&P 500 ETF	49.55	2.69
Vanguard FTSE All-World ex-US Small-Cap ETF	8.89	0.23
iShares Core MSCI Total International Stock ETF	18.73	0.04
Cash	2.07	0.00

Source: Factset. For illustrative purposes only. Past performance does not guarantee future results. The holdings identified do not represent all of the securities purchased, sold or recommended for advisory clients. In the chart above, "weight" is the average percentage weight of the holding during the period, and "contribution" is the contribution to overall performance during the period. To obtain the calculation methodology and a list showing every holding's contribution to the overall composite during the period, contact: PortfolioAnalytics@ccmg.com.

Credit Markets Indicate Underlying Bullishness

Market Review

2021 came in with a mighty roar, as during the first quarter alone, small-caps stormed to an 18% gain and outperformed the S&P 500 by 12%. However, small-cap relative strength peaked on March 31st and at the same time, the 10-year U.S. Treasury yield peaked at 1.75%. The economic re-opening theme that favored cyclicality began to come under fire, most prominently from the emergence of a very potent COVID Delta strain, but also from supply chain disruptions, surging product input costs, and weakness in China.

The second and third quarters saw a return to the slower growth themes of the years prior to COVID, with large-caps, Technology, and quality providing leadership. The 10-year U.S. Treasury yield declined from 1.75% to 1.17% in early August, when Delta strain-driven cases began to spike. Not surprisingly, small-cap relative strength moved in tandem with Treasury yields.

Though the S&P 500 produced seven consecutive months of gains since January, market breadth narrowed and very few market segments could outperform the major indexes themselves. Finally, in September, markets sputtered and the S&P 500 underwent its first 5% correction in 11 months. On September 22nd, the Fed hinted that it would move up its timeline for tapering its asset purchases. That caused an instant change in market character, as interest rates spiked by 20 basis points, and cyclical stocks, Financials and small-caps surged, while growth stocks, which are surprisingly interest rate sensitive, lost relative strength.

We are watching closely to see if cyclical factors are able to reassert leadership into the end of the year. As the fourth quarter begins, the credit models that guide the Global Tactical portfolio continue to forecast a bullish environment for stocks. As a result, we view the recent correction as buyable.

Third Quarter Performance Highlights

- The portfolio was positive on equities and thus held onto its two U.S. and two international equity ETFs. While U.S. large-caps produced small gains, the other holdings produced losses, an indication that market breadth and participation were lacking.
- U.S. large-caps continue to lead markets, and were the only holdings to produce gains. Strong Technology and growth stock performance combined with lower interest rates to push the S&P 500 Index higher, while a strong dollar combined with weakness in China to drag down international equities.
- When our models favor risk-on and stocks, the portfolio allocates 70% to U.S. equity and 30% to international equity; for each region it gives 70% weight to large-caps and 30% to small-caps. The resulting portfolio is very broad, with a global reach.

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

Positioning and Outlook

The Global Tactical portfolio enters risk-on positions when its credit-driven models favor risk assets (equities); it sells equities and moves into Treasuries or cash when the models indicate negative broad credit trends. The portfolio has owned equities for over 14 months now (since July 30th of last year), and our credit models have held, producing bullish readings and have yet to waiver or signal concern. We feel our 14-month holding period in equities has enabled our clients to enjoy gains, particularly in U.S. small-caps. While many of the portfolio's holdings stalled in the third quarter, we enter the fourth quarter with investor sentiment having reached its lowest levels since April of 2020. Combined with a strong credit backdrop, the market's technical oversold position makes us comfortably bullish going into what is usually a cyclically strong part of the year.

Looking forward, stocks have undergone a September correction and investors have become their most pessimistic since the March/April 2020 selloff. We believe it's most likely that equity investors' concerns will prove fleeting, and that stocks will continue on an upward path through the end of the year. In particular, we point towards credit markets, which remain strong and unmoved by the noise and selloff in stocks.

Along the same lines, credit markets are undisturbed by events and noise in Washington, like the debt limit fracas. We believe that 2022 will provide a much more turbulent environment for equity investors, with many potential stumbling blocks to overcome, including corporate margins coming under pressure from rising wages and materials costs, global central banks tightening financial conditions (or at least reducing their easing), and one year forward P/E ratios on the S&P 500 that are near the 1998 to 1999 peaks.

Markets also struggle when earnings growth slows, as it most likely will after a huge surge in 2021. Finally, mid-term election years often produce corrective activity and weakness. Of course, predicting a market top is a dangerous activity that can be harmful to portfolios if you panic and sell before even any signs of weakness. Thus, despite the list of questions and concerns we have just listed, we remain bullish because our models indicate impressive underlying strength. We do not yet see any cracks in the foundation of this bull market, though we are watching vigilantly.

The Global Tactical portfolio's philosophy is driven by the belief that we can add value to our clients' portfolios by wisely and opportunistically reducing risk, rather than taking on greater than market risk in order to maximize upside. Valuations approaching all-time highs and peaking corporate earnings and margins warn that sometime over the next few years, risk management and capital preservation will become essential again. We remain bullish for now as the coast appears clear, but always stand ready to pull in the reins if and when market confidence turns.