

# Navigator<sup>®</sup> Total Wealth Strategies



# Who Is Clark Capital?

1986 Year Founded	\$24.47B AUA*	27 Investment Professionals
100% Family and Employee Owned	<b>Committed to Asset Management Excellence for Better Outcomes</b>	28.6 Investment Team Average Years Experience
115 Employees	2020 Asset Manager of the Year**	12.1 Investment Team Average Years Working Together

Past performance does not guarantee future results. The ranking shown above is not indicative of future performance and may not be representative of any one client's experience because it reflects an average of, or a sample of all, the experiences of the adviser's clients. Please see attached disclosures.

\*As of 3/31/2021, includes sub-advised assets and assets under advisement. \*\*Money Management Institute (MMI) and Barron's



# Benefits of Owning Individual Securities

- No Embedded Capital Gains
- Prevents Disruption from Other Investors' Buying and Selling
- Potential Tax Advantages
- Portfolio Manager Interests are Aligned





# Navigator<sup>®</sup> Total Wealth Strategies

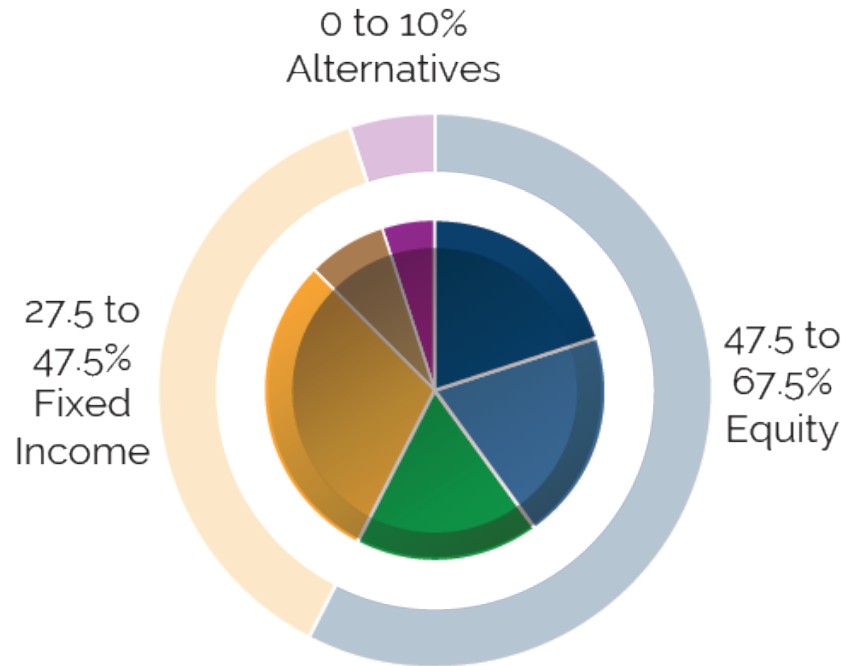
- Institutional Quality Portfolios Starting at \$500,000
  - ❖ 5 Risk-Based Allocations
  - ❖ 2 Versions: Tax Aware and Traditional
  - ❖ Tactical Shifts
  - ❖ Individual Security Ownership
  - ❖ Tax Transition Services and Ongoing Tax Management
  - ❖ Competitive Pricing



# Navigator® Total Wealth Strategies Sample Allocation

## Moderate

47.5 to 67% Equity



<b>47.5 to 67.5% Equity</b>	<b>57.50%</b>
■ Navigator® All Cap Core U.S. Equity	16.81%
■ Navigator® High Dividend Equity	16.81%
■ Navigator® U.S. Style Opportunity	6.63%
■ Navigator® International Equity/ADR	17.25%
<b>27.5 to 47.5% Fixed Income</b>	<b>37.50%</b>
■ Navigator® Taxable Fixed Income	26.25%
■ Navigator® Fixed Income Total Return	11.25%
<b>0 to 10% Alternatives</b>	<b>5.00%</b>
■ Navigator® Alternative	5.00%

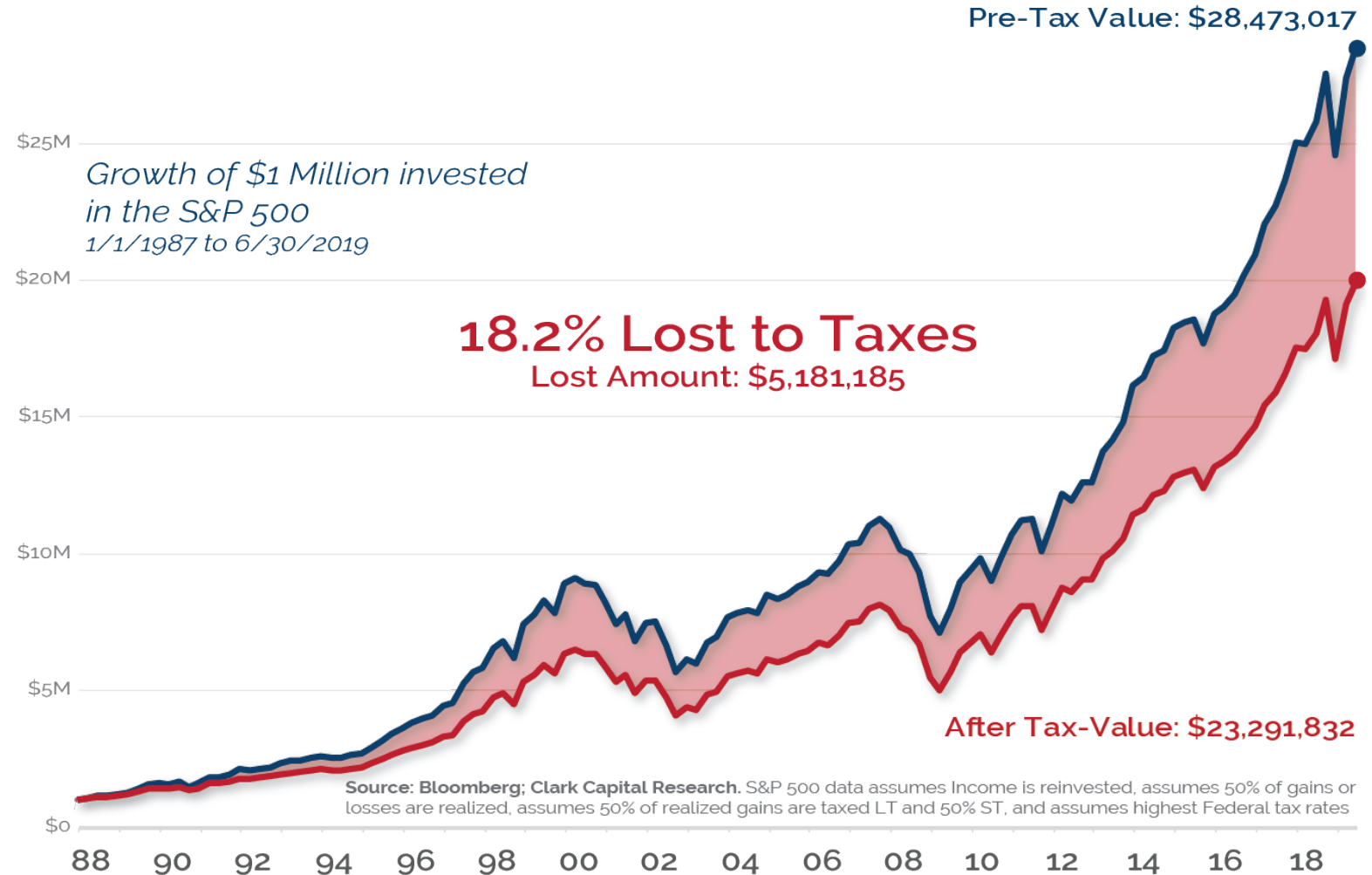
Strategy Minimum  
**\$550,000**

The visuals shown [above] are for illustrative purposes only and do not guarantee success or a certain level of performance. The actual characteristics with respect to any particular client account will vary based on a number of factors including but not limited to: (i) the size of the account; (ii) investment restrictions applicable to the account, if any; and (iii) market exigencies at the time of investment.



# Ongoing Tax Optimization

Tax loss harvesting is a strategy of selling securities at a loss to offset a capital gains tax liability. It is typically used to limit the recognition of short-term capital gains, which are normally taxed at higher federal income tax rates than long-term capital gains, though it is also used for long-term capital gains. The tax-loss data presented is based on internal research of existing Clark Capital taxable accounts over \$1 million that were invested in at least 80% equities from 12/31/15 to 12/31/18. Any accounts funded after 12/31/15 were excluded from the study. The study assumed a tax rate of 20% for long-term, 39.6% for short-term for 2016 and 2017, and 37% for short term for 2018. Added annual returns were calculated by dividing the amount in taxes saved each year by the average beginning market value plus ending market value. The benefits of tax loss harvesting, if any, in reducing an investor's tax liability will depend on the investor's entire tax and investment circumstances, including but not limited to: income, state of residence, the purchases and dispositions of assets in household accounts outside of Clark Capital, type of investment, and investment holding period. Investors should confer with their personal tax advisor regarding the tax consequences of investing with Clark Capital. Past performance is not indicative of future results. Please see the Important Disclosures section for more information.



Based on internal research, tax-loss harvesting has helped our clients earn an average of **104 bps of added annual returns over a 3-year period.**



# Partnering with Clark Capital in 5 Easy Steps

**Case Design  
Consultation**

**1**

**Portfolio Analysis from  
CFA® Charterholders\***

**2**

**Point of  
Sale Support\***

**3**

**Concierge Level  
Education & Resources**

**4**

**Quarterly Client Reviews  
with Your Dedicated  
Client Portfolio Manager\***

**5**



\*Available for Accounts \$1m+  
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*Clark Capital 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 investment advisory services can be found in its Form ADV Part 2, which is available upon request.*



# Dedicated High Net Worth Support Team

Available to You and Your Clients	Over \$500,000	Over \$1,000,000	Over \$5,000,000
Current Holdings Analysis and Bond Diagnostics with Recommendations	✓	✓	✓
Current Portfolio Cost Analysis	✓	✓	✓
Personalized Investment Proposal	✓	✓	✓
Proposal Review with Your Investment Consultant Team	✓	✓	✓
Institutional Level Investment Proposal		✓	✓
Quarterly Portfolio Reviews by Phone with a CFA-Level Client Portfolio Manager		✓	✓
In-Person Access to CPM Team			✓
Direct Access to Senior Leadership at Clark Capital			✓
A Long-Term Partnership to Help You Grow Your High Net Worth Business	\$10 million	\$25 million	\$50 million
Annual Book Review with a CPM Team Member	✓	✓	✓
Quarterly Client Economic and Capital Market Review Group Call	✓	✓	✓
Monthly Market Recap of Investment Team Insights	✓	✓	✓
Quarterly Portfolio Reviews by Phone with the Head of Your CPM Team		✓	✓
2 Days Worth of Exclusive Time with the Head of Your CPM Team		✓	
4 Days Worth of Exclusive Time with the Head of Your CPM Team			✓







# Market Updates to Support Your Practice



As of December 31, 2019



## Quarterly Review & Outlook

March 23, 2020



### Commentary Navigator® Market Update

Prepared exclusively for  
Valued Client  
On behalf of  
Valued Advisor

Client-Only Presentation

Author



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EVP, Chief Investment Officer

#### Into the Unknown

We are certainly living in scary and uncertain times. The outbreak of the coronavirus has turned the world upside down, the likes of which we have never dealt with before. The number of infected people and deaths continue to mount at a staggering rate. People are concerned for their families, friends, co-workers and their employment.

Much of the country is now under conditions that are approaching martial law. Non-essential businesses are being forced to close, large gatherings are forbidden, and many home goods are being rationed. These seemingly draconian measures are necessary to limit the spread of the virus, help keep the healthcare system from being overwhelmed, and to ultimately save lives.

Coming into this event, the U.S. economy was on solid footing. Jobless claims were low, the unemployment rate was at a 50-year low, housing starts were hitting cycle highs, and global PMI's were tuning higher. That all changed quickly. The recession has started both in the U.S. and globally as a result of the response to stopping the spread of COVID-19. This is something that we have never seen—a combination of a global health and economic crisis.

The economy has ground to a halt as cities and states across the U.S. issue stay at home orders to try and stem the spread of the virus. In the coming weeks and months, we are going to see economic damage like we have never witnessed before. We are already now starting to see jobless claims rise, and they are likely to skyrocket starting this week.

#### Bracing for GDP Impact

There is so much unknown about the extent of the economic weakness we will face over the next, hopefully only two quarters. As social distancing measures increase in a greater number of areas and as financial conditions tighten further, the negative effects on near-term GDP growth become that much greater.

The economy didn't really shut down until midway through March. First quarter GDP will be marginally positive, at best, with we believe a 1% growth rate. However, GDP is going to be down significantly in the 2nd quarter, initial jobless claims and unemployment will skyrocket, and retail sales will plummet as consumers are confined at home.

As a result, we expect 2nd quarter GDP to decline somewhere between 10%-15%. The 3rd quarter will likely be a transition period during which people slowly start to return to work. That quarter may also have negative GDP or slightly positive economic growth and will largely depend on how quickly active cases peak in the U.S. and when social behavior returns to some normalcy.

We believe the 4th quarter should be the rebound quarter and is likely to exhibit stronger than trend growth as depleted inventories are replenished and pent up retail demand is unleashed. We expect the 4th quarter to grow by at least 5%, which should set the stage for a strong economic rebound year in 2021.

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

Navigate  
Your Future.  
Enjoy the  
Journey.

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October 2019



### Market Moves Charting Our Strategies

#### Economic Gauges



Economy



Monetary Policy



Valuations



Investor Sentiment



Interest Rates

#### Clark Capital's Bottom-Up, Fundamental Strategies

The market moved higher with U.S. equities back in record-high territory around increased optimism of potential signing of a "phase one" trade deal and better than expected Q3 earnings. Growth outperformed Value aided by a strong showing in Technology. The Healthcare and Communication sectors also rallied versus lagging bond-proxy sectors such as Utilities, Staples and REITs. So far in Q3, 53% of S&P 500 companies have reported with 72% beating Q3 earnings and 65% surpassing revenue estimates.

We believe ultra-low interest rates will continue to drive demand for dividend stocks into 2020 although higher P/E sectors such as Utilities remain at risk for a correction. Momentum stocks, which have been the darling of the markets during the first eight months of 2019, have continued to suffer over the last two months underperforming both the Russell 2000 and Russell Large Value by 5% since the end of August.

The market shift away from momentum and more toward value, cyclical and small cap stocks has benefited our fundamentally driven equity portfolios. Internationally, the International ADR portfolio has larger than typical weight of 20.7% in emerging and frontier market companies as lower interest rates and firm energy prices tend to favor less developed economies.

Below are strategy updates from October:

- All Cap Core U.S. Equity
- Healthcare is now the largest sector weight at 39.1%, which is 5.3% more than the benchmark.
  - Although the strategy is underweight Technology relative to the benchmark, it remains the second largest sector weight in the portfolio at 17.0%.
  - During the month, we removed a few insurance companies from the portfolio and added a diverse group of companies in the Financial sector.

- High Dividend Equity
- Month to date, the High Dividend Equity portfolio outperformed its benchmark the Russell 2000 Value with the strongest sector contribution from Energy and Healthcare.
  - The biggest sector detractors during the month were Industrials and Communications.
  - We believe ultra-low interest rates will continue to drive demand for dividend stocks into 2020 although higher P/E sectors such as Utilities remain at risk for a correction.

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# How Powerful Is Our Approach?

The potential to help you:

- Attract

- ❖ Increase close rate with HNW prospects
- ❖ Reduce fee/performance-based conversations with your clients — stickier assets
- ❖ Grow your AUM through consolidation of assets and increased referrals

- Retain

- ❖ Concierge level portfolio oversight
- ❖ Clearly communicate the value you provide your clients
- ❖ Deliver a superior client experience



# Disclosures

There is no guarantee of the future performance of any Clark Capital investment 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.

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). 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.

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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 can be found in its Form ADV which is available upon request.



# Barrons/MMI Industry Awards

Nominations for the Barron's MMI Awards are reviewed and evaluated by the specially-appointed MMI Industry Awards Steering Council and by the MMI Membership Experience Committee (MEC). The Steering Council and MEC consist of representatives from all segments of the MMI membership. At their sole discretion, the Steering Council and MEC may enlist the support of outside subject matter experts to help review the nominations. The Steering Council and MEC will look for innovative, needle-moving programs and initiatives that measurably advance the investment advisory solutions industry and deliver improved outcomes for financial advisors and investors. After carefully reviewing the nominations submitted, the Steering Council and MEC will determine a slate of finalists in each award category. If appropriate, in certain "open" award categories, the Steering Council and MEC may elect to propose separate slates of finalists representing Asset Managers, Sponsor Firms, Solutions Providers, etc. Award winners are determined by a vote of primary contacts at each member firm

