



PMC Research Announcement

January 9, 2018

Investnet | PMC Fund Strategist Portfolio Update: Clark Capital Strategist Products

Summary

In Q1 2018, Clark Capital will implement changes to Clark Navigator Fixed Income Total Return strategies and related multi-asset strategist solutions.

- Clark Capital will allocate 50% of the Clark Navigator Fixed Income Total Return strategies¹ to the Navigator Tactical Fixed Income Fund (NTBIX). The remainder of the portfolio will be allocated to third-party mutual funds and/or ETFs.
- Clark Capital's additional multi-asset strategist solutions² that incorporate the Clark Navigator Fixed Income Total Return strategy as a dedicated sleeve will be replaced with NTBIX.
- Strategist fee will be reduced to 2 basis points^{1, 2}.

Additional Information

The Clark Navigator Fixed Income Total Return strategy (the Strategy) is one of Clark Capital's flagship portfolios. Launched in 2005, the Strategy consists of \$3.7 billion assets under management as of September 30, 2017. It is a tactical unconstrained fixed income strategy that seeks total return with a secondary focus of current income through its ability to tactically shift in times of market stress between low-quality high yield, high-quality US Treasurys, and money markets.

Historically, the Strategy has made tactical shifts using third-party mutual funds and/or ETFs. In Q1 2018, Clark Capital will allocate half of the Clark Navigator Fixed Income Total Return strategy to the Navigator Tactical Fixed Income Fund (NTBIX). NTBIX launched in April 2014 and is a replica of Clark Capital's flagship Fixed Income Total Return managed account. Since its launch, NTBIX has tracked the managed account version very closely. Other Clark Capital multi-asset strategist solutions² that incorporate the Clark Navigator Fixed Income Total Return strategy as a dedicated sleeve will be replaced with NTBIX.

Given PMC's due diligence conversations, we do not believe this event will have any material impact on the ongoing management of Clark Capital's various strategist solutions. PMC believes the use of the NTBIX will allow for improved liquidity and execution of Clark Capital's tactical investment approach across their strategist solutions. Additionally, the implementation of the mutual fund will reduce overall portfolio turnover within each strategist managed account, while the reduction of the manager fees will offset the additional costs of the underlying mutual fund expense of NTBIX.

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¹ Clark Navigator Fixed Income Strategy, Clark Navigator Fixed Income Total Return ETF, Clark Navigator Fixed Income Total Return

² Clark Navigator Global Balanced 20-80, Clark Navigator Global Balanced 20-80 Hedged, Clark Navigator Global Balanced 40-60, Clark Navigator Global Balanced 40-60 Hedged, Clark Navigator Global Balanced 60-40, Clark Navigator Global Balanced 60-40 Hedged, Clark Navigator Global Balanced 80-20, Clark Navigator Global Balanced 80-20 Hedged, Clark Navigator MultiStrategy 25-75, Clark Navigator MultiStrategy 50-50, Clark Navigator MultiStrategy 75-25

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