

A blurred, light blue background image of a city skyline with various skyscrapers.

# Prepared for: Valued Client

ANALYTICS

PERSONAL FUND

TAX TRANSITION

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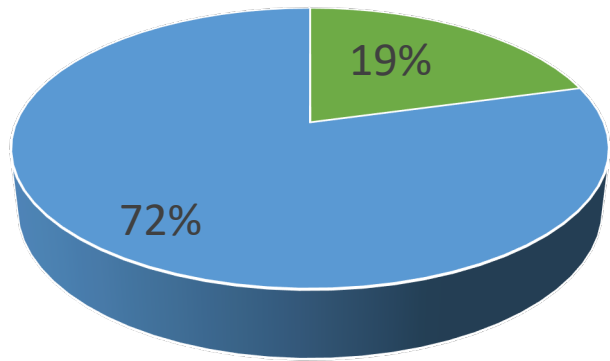
**On behalf of:**

**ABC Advisor**

# SAMPLE

## Portfolio Registrations

Qualified (Tax-Deferred) and Nonqualified (Taxable) Breakdown



■ Qualified ■ Nonqualified

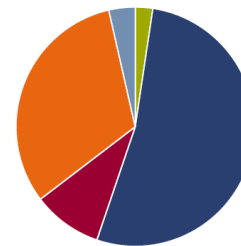
Registration	Type	Amount	%
Individual TOD	N	\$457,584	15%
Joint Tenants in Common	N	\$1,560,487	51%
Revocable Trust	N	\$186,310	6%
IRA	Q	\$577,106	19%
<b>Total</b>		<b>\$3,060,000</b>	<b>100%</b>

# Executive Summary

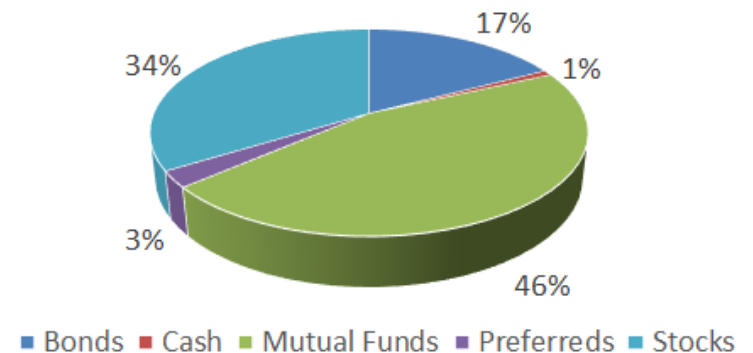
## Key Observations

1. Heavy use of funds — Mutual funds constitute 46% of the portfolio. We favor individual security ownership as the core of a client's portfolio.
2. International equity allocation falls below Clark Capital's target range.
3. Growth bias.
4. Overweight Technology and Energy relative to benchmark.
5. Fixed Income has longer duration than current Clark Capital positioning — Increased interest rate risk.
6. Individual bond portfolio — Limited diversification and longer duration.
7. "Other/Not Clfsd" of 3.57% reflects preferred security investments.

- Portfolio Value: \$3.06 million
- Allocation: 63%/37% Stocks/Bonds
- Profile: Moderate



**Portfolio Construction**



**Total Stock Holdings: 5,740**  
**Total Bond Holdings: 16,434**

## Your Equity Allocation – 63%

### Key Observations

1. Individual Stocks 54%, Mutual Funds 46%
2. Style: Growth bias
3. Sectors: Overweight Technology and Energy
4. International: 14% of equity – Lower than Clark Capital's target positioning of 25% to 35%.
5. Direct and indirect stock holdings in the portfolio total over 5,700. Such small allocations indicate that security selection is not a strong source of performance.

### Equity Style

	13	40	30	Large
	2	5	3	Mid
	1	1	1	Small
	Value	Blend	Growth	

Sectors:	Portfolio (%)	Bmark (%) *
<b>Cyclical</b>	<b>30.68</b>	<b>30.97</b>
Basic Mats	2.41	2.99
Consumer Cycl	9.90	11.31
Financial Svs	17.14	13.76
Real Estate	1.23	2.91
<b>Sensitive</b>	<b>45.27</b>	<b>43.05</b>
Commun Svs	7.22	7.65
Energy	9.07	4.62
Industrials	6.85	9.24
Technology	22.13	21.54
<b>Defensive</b>	<b>24.04</b>	<b>25.98</b>
Consumer Def	7.43	7.88
Healthcare	15.24	15.01
Utilities	1.37	3.09
<b>Not Classified</b>	<b>0.01</b>	<b>0.00</b>

### Diversification Analysis

#### Some Portfolio Overlap – No Specific Concentration Risk

1. Owning multiple funds does not always produce the anticipated diversification benefits. Several securities (e.g. Apple, Microsoft, Alphabet Inc Class A) are held directly and/or by multiple different funds.
2. The fund overlap results in concentration concern for Apple Inc (AAPL) and Microsoft Corp. Apple Inc represents 5.76% of the total allocation and over 9% of the equity. Microsoft Corp is 5% of the total and almost 8% of equity.

Geographic:	Portfolio (%)	Bmark (%)
<b>Americas</b>	<b>86.93</b>	<b>84.98</b>
North America	86.39	84.99
Latin America	0.54	0.01
<b>Greater Europe</b>	<b>7.59</b>	<b>9.91</b>
United Kingdom	2.12	2.58
Europe-Developed	5.37	7.22
Europe-Emerging	0.02	0.00
Africa/Middle East	0.08	0.11
<b>Greater Asia</b>	<b>5.48</b>	<b>5.09</b>
Japan	2.11	3.24
Australasia	0.46	1.16
Asia-Developed	1.24	0.68
Asia-Emerging	1.67	0.01
<b>Not Classified</b>	<b>0.00</b>	<b>0.00</b>

\*Benchmark indicated is automatically customized by Morningstar based on the broad asset allocation of your portfolio. For benchmark detail, please see information in end disclosures.







## Your Fixed Income Allocation – %

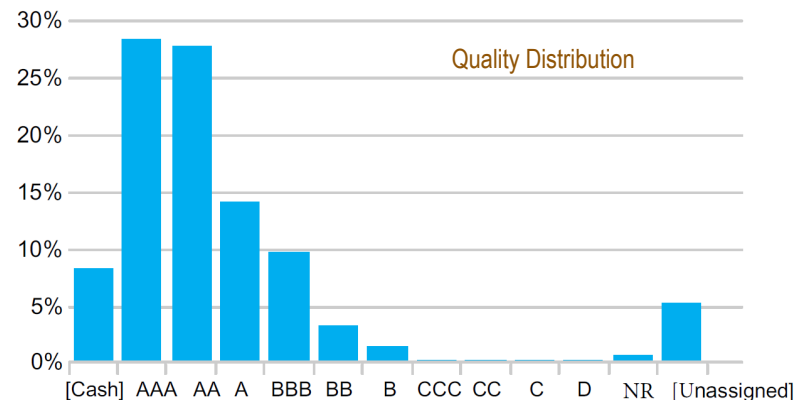
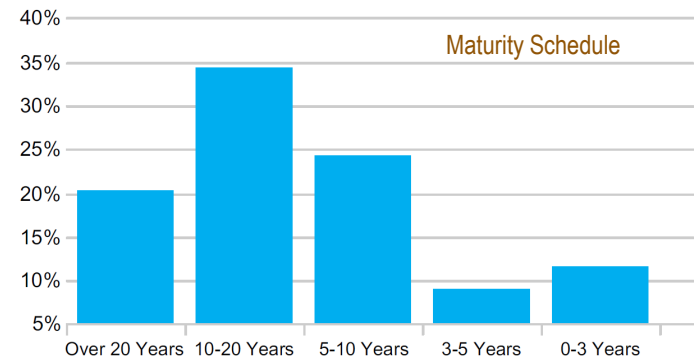
### Key Observations

1. Individual Bonds 47%, Mutual Funds 44%, Preferred Securities 7%, Cash/Money Market (Direct Only) 2%
2. We favor active management of individual bonds versus funds for the core of a client's fixed income portfolio because bonds mature, but funds do not.
3. Duration: 4.95 years – Longer than Clark Capital's positioning, increased interest rate risk.
4. A+ Average Rating – Relatively in line with Clark Capital's positioning for a muni-focused portfolio.
5. Clark Capital's taxable bond portfolios focus on individual corporate bonds, rather than US treasuries and securitized issues.
6. Maturity – Heavy weighting in 10-20 years.
7. Direct and indirect bond holdings total over 14,800. The extensive number of bonds held within the mutual funds indicates that security selection is not a strong source of portfolio performance in those positions.

### Characteristics

Characteristics	Portfolio
Coupon Rate	5.49
Current Yield	3.53
S&P Credit Rating	A+
Yield to Maturity	4.32
Yield to Worst	4.21
Years to Maturity	12.68
Effective Duration	4.95

Fixed Income	Portfolio (%)
 Government	14.20
 Municipal	47.49
 Corporate	19.48
 Securitized	12.95
 Cash & Equivalents	4.94
 Derivative	0.93



# Individual Bond Characteristics

## Key Observations

1. Tax-exempt municipal issues (91%), corporate bonds (7%), and mortgage-backed (2%) issues.
2. Sectors: Revenue bonds 62%, General Obligation 29%, Financials (Corporate) 7%, and Federal Mortgage-Backed 2%.
3. Duration: 4.88 years – Longer than Clark Capital's current positioning, increased interest rate risk.
4. Nineteen total issues leaves portfolio concentrated.

## Fixed Income Review

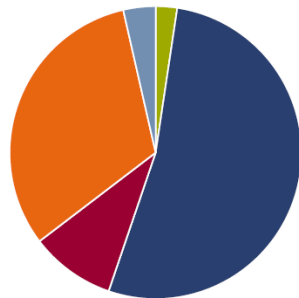
- The municipal bond market was influenced by the Treasury market's behavior, where a Federal Reserve rate increase and fear of sticky inflation led to a sell-off and the bear steepened.
- High short-term rates, made even more attractive by an inverted yield curve, provided no impetus for investors to consider even moderate duration extension.
- Credit remains a concern in the face of a potential economic slowdown and/or government shutdown.
- Interest rate environments like the one we're in today make a case for active management. We want to be able to invest at specific spots on the yield curve where we find the most value and do it at a time we find most advantageous.

Ticker		Price & Market Value			Fixed Income Analytics									
		Port. Weight	Par Value	Port. Ending Market Value	Coupon Rate	Maturity Date	Port. Ending Yield to Maturity	Port. Ending Yield to Worst	Duration to Worst	Port. Ending Effective Duration	Ending Price	Current Yield	S&P Credit Rating (Current Only)	Moody's Credit Rating
	<b>Total</b>	<b>100.0</b>	<b>536,678</b>	<b>513,742</b>	<b>4.0</b>		<b>4.2</b>	<b>4.0</b>	<b>5.1</b>	<b>4.88</b>	<b>96.54</b>	<b>4.18</b>	<b>AA</b>	<b>Aa3</b>
09247XAL5	Blackrock, Inc. 3.5% 18-mar-2024	4.8	25,000	24,646	3.5	18-Mar-2024	4.5	4.5	1.4	1.41	98.58	3.55	AA-	Aa3
88275FRX9	Texas St Dept Of Hsg & Cmnty Affairs Single Family Rev 1.95% 01-sep-2029	8.5	50,000	43,796	2.0	01-Sep-2029	4.0	4.0	6.3	6.13	87.59	2.23	AA+	Aaa
342816G41	Florida St Mun Pwr Agy Rev 5.0% 01-oct-2029	10.1	50,000	51,949	5.0	01-Oct-2029	4.3	3.6	2.7	3.45	103.90	4.81	--	A2
79623PCZ6	San Antonio Tex 5.0% 01-aug-2032	4.3	20,000	21,838	5.0	01-Aug-2032	3.9	3.5	5.8	6.37	109.19	4.58	AAA	Aaa
442435P31	Houston Tex Util Sys Rev 3.375% 15-nov-2032	4.9	25,000	25,008	3.4	15-Nov-2032	3.1	3.1	0.1	0.12	100.03	3.37	AA	--
857536CJ3	State Univ Iowa Univ Rev 3.125% 01-jul-2033	4.5	25,000	22,997	3.1	01-Jul-2033	4.1	4.1	8.9	5.67	91.99	3.40	AA-	Aa2
31418DP48	Fnma 15yr Pool#ma4042 2.000% 01-jun-2035	0.4	2,176	1,920	2.0	01-Jun-2035	5.1	5.1	3.9	3.87	88.26	2.27	--	Aaa
594654LN3	Michigan St Hsg Dev Auth Single Family Mtg Rev 2.35% 01-dec-2035	4.5	30,000	23,244	2.4	01-Dec-2035	4.9	4.9	9.9	9.20	77.48	3.03	AA+	Aa2
88278PYR9	Texas St Univ Sys Fing Rev 5.0% 15-mar-2036	10.3	50,000	52,695	5.0	15-Mar-2036	4.5	3.7	4.0	5.74	105.39	4.74	--	Aa2
9698877L6	Williamson Cnty Tex 4.0% 15-feb-2037	6.5	35,000	33,353	4.0	15-Feb-2037	4.4	4.4	10.7	8.35	95.29	4.20	AAA	--
97705MFS9	Wisconsin St 5.0% 01-may-2037	10.0	50,000	51,423	5.0	01-May-2037	3.1	3.1	1.5	1.47	102.85	4.86	AA+	Aa1
414008BJ0	Harris Cnty Tex Cultural Ed Facs Fin Corp Med Facs Rev 5.0% 15-nov-2037	4.9	25,000	25,055	5.0	15-Nov-2037	3.2	3.2	0.1	0.12	100.22	4.99	A	--
222642KH2	County Wtr-swr Dist Collier Cnty Fla Wtr Rev 3.0% 01-jul-2038	4.8	30,000	24,730	3.0	01-Jul-2038	4.6	4.6	11.9	10.15	82.43	3.64	--	Aaa
052414NG0	Austin Tex Elec Util Sys Rev 5.0% 15-nov-2040	4.9	25,000	25,034	5.0	15-Nov-2040	4.6	3.8	0.1	1.19	100.14	4.99	AA-	Aa3
023015ZL7	Amarillo Tex 3.625% 15-feb-2043	8.3	50,000	42,616	3.6	15-Feb-2043	4.8	4.8	13.4	10.22	85.23	4.25	AAA	Aa1
57583UA81	Massachusetts St Dev Fin Agy Rev 5.0% 01-mar-2044	4.9	25,000	25,040	5.0	01-Mar-2044	5.0	4.9	1.4	4.20	100.16	4.99	--	A1
3128S3BM0	Fhlmc 30yr Pool#61844 3.000% 01-jan-2045	0.4	2,425	2,100	3.0	01-Jan-2045	5.3	5.3	5.8	5.52	86.58	3.46	--	Aaa
3128MJX39	Fhlmc 30yr Pool#g08697 3.000% 01-mar-2046	1.2	7,077	6,300	3.0	01-Mar-2046	4.8	4.8	6.0	5.64	89.01	3.37	--	Aaa
46625HHA1	Jpmorgan Chase & Co. 6.25229% Perp	1.9	10,000	10,000	6.3	21-Jul-2072	5.9	6.0	0.1	0.08	100.00	6.25	BBB-	Baa2

# Your Portfolio Diversification

## Overlap and Diminished Diversification Benefit

Some Portfolio Overlap – Concentration Concern for Apple Inc (AAPL) and Microsoft Corp (MSFT)



Asset Allocation	Portfolio %
Cash	2.37
US Stocks	52.85
Non-US Stocks	9.42
Bonds	31.79
Other/Not Clsfd	3.57

### Potential Overlap and/or Concentration

Stock	Ticker/ISIN	Market Value \$	% of Investments
<b>Apple Inc(USD)</b>	AAPL	116,921	5.76
<i>Source of Stock</i>			
Apple Inc (USD)	AAPL	69,746	3.44
Vanguard Information Technology ETF (USD)	VGIT	35,232	1.74
iShares Russell 3000 ETF (USD)	IWV	11,943	0.59
<b>Microsoft Corp(USD)</b>	MSFT	101,624	5.01
<i>Source of Stock</i>			
Microsoft Corp (USD)	MSFT	60,840	3.00
Vanguard Information Technology ETF (USD)	VGIT	27,926	1.38
iShares Russell 3000 ETF (USD)	IWV	10,231	0.50
iShares Expanded Tech-Software Sect ETF (USD)	IGV	2,626	0.13
<b>Alphabet Inc Class A(USD)</b>	GOOGL	46,770	2.31
<i>Source of Stock</i>			
Alphabet Inc Class A (USD)	GOOGL	43,576	2.15
iShares Russell 3000 ETF (USD)	IWV	2,971	0.15
First Trust Dow Jones Internet ETF (USD)	FDN	224	0.01

# Cost of Ownership Analysis

## Underlying Expenses for Use of Funds

Unseen costs can negatively impact returns

Fund	Ticker	2022 Cost of Ownership	Weight
American Funds American Balanced F2	AMBFX	0.71%	5.06%
Fidelity® 500 Index	FXAIX	0.02%	3.81%
American Funds Washington Mutual F2	WMFFX	0.43%	3.06%
PMC Diversified Equity	PMDEX	1.37%	2.83%
American Funds Global Balanced F2	GBLFX	0.77%	2.79%
American Funds Income Fund of Amer F2	AMEFX	0.52%	2.18%
PMC Core Fixed Income	PMFIX	0.78%	2.02%
American Funds Bond Fund of Amer F2	ABNFX	0.29%	2.01%
American Funds Capital World Gr&Inc F2	WGIFX	0.68%	1.78%
Fidelity® US Bond Index	FXNAX	0.03%	1.68%
Harding Loevner International Eq Instl	HLMIX	0.80%	1.42%
Segall Bryant & Hamill Plus Bond Instl	WIIBX	0.37%	1.29%
Brown Capital Mgmt Small Co Instl	BCSSX	0.94%	1.24%
PIMCO International Bond (Unhedged) I-3	PFUNX	0.57%	1.06%
American Funds Strategic Bond F-2	ANBFX	0.40%	1.01%
MFS International New Discovery I	MWNIX	0.98%	0.89%
American Funds New Perspective F2	ANWFX	0.60%	0.86%
PMC Core Fixed Income Institutional	PMFQX	0.55%	0.84%
Fidelity® International Index	FSPSX	0.03%	0.84%
PMC Diversified Equity Institutional	PMDQX	1.12%	0.78%

## Cost of Ownership Analysis

Personalfund.com calculates cost of ownership based on all fees and transaction costs, including the impact of portfolio turnover. Personal Fund only covers open-end mutual funds and ETFs. Other investment vehicles could increase cost.

### Expense Impact:

Funds can add an unnecessary layer of expense, as opposed to direct ownership of securities through separately managed accounts.

In addition to the fees, the clients could run the risk of embedded cap gains that precede their ownership. When securities significantly appreciate, managers will rebalance portfolio positions and taxable gains may be realized by the investor.

The analysis is executed independent of any potential tax impacts. We encourage clients to consult with their personal tax consultant for any tax related guidance.

The projections extrapolate historical costs and may be different than the information shown. These are estimates and should be used only as a starting point.



# Cost of Ownership Analysis continued

## Underlying Expenses for Use of Funds

Unseen costs can negatively impact returns

Fund	Ticker	2022 Cost of Ownership	Weight
American Funds SMALLCAP World F2	SMCFX	0.83%	0.76%
American Century Growth I	TWGIX	0.74%	0.67%
PIMCO International Bond (Unhedged) Adm	PFUUX	0.66%	0.57%
MFS Mid Cap Value I	MCVIX	0.83%	0.55%
Columbia Contrarian Core Inst2	COFRX	0.81%	0.54%
American Beacon Large Cap Value Y	ABLYX	0.76%	0.51%
Baron Emerging Markets Institutional	BEXIX	1.18%	0.51%
Western Asset Total Return Uncons I	WAARX	0.67%	0.48%
Artisan International Advisor	APDIX	1.47%	0.46%
Causeway International Value Instl	CIVIX	1.29%	0.44%
The Merger Fund I	MERIX	1.87%	0.38%
Columbia Income Opportunities Adv	CPPRX	0.66%	0.36%
Fidelity Advisor® Floating Rate Hi Inc Z	FIQSX	0.61%	0.35%
Gateway Y	GTEYX	0.71%	0.34%
Janus Henderson Short Duration Flex Bd I	JSHIX	0.37%	0.33%
Fidelity® Small Cap Index	FSSNX	0.03%	0.27%
PIMCO Commodity Real Ret Strat I-3	PCRNX	0.93%	0.22%
Virtus KAR Small-Cap Growth I	PXSGX	0.96%	0.21%
Janus Henderson High-Yield I	JHYFX	0.65%	0.16%
<b>Weight Adjusted Cost to Portfolio</b>		<b>0.29%</b>	

## Cost of Ownership Analysis

Personal Fund calculates the added cost through portfolio turnover and research-based figures on bid-ask disparity for different asset classes. For example, Personal Fund research found that the transaction cost for 100% of turnover is about 1.24% for larger-cap U.S. stock funds, and 0.43% for municipal bond funds.



# Moving Beyond Mutual Funds

## Average Costs of Mutual Funds

Trading Costs	Total Annual Operating Expenses	Taxes
Including "loads" or brokerage commissions and market impact costs	Management fees, distribution (12b-1) fees, and other expenses, expressed as a percentage of average net assets	Portfolio managers typically do not manage mutual funds for tax efficiency.
Average Trading Costs = 0.75%*	Average Expense Ratio for an equity mutual fund = 0.55%**	Equity funds on average give up 0.99% each year to taxes***

## Advantages of the Separately Managed Account structure

**Investor's and Portfolio Manager's Interests Are Aligned:** Separately managed account (SMA) fees are based on the assets in the account and do not carry upfront or back-end commission fees. Portfolio Managers are not paid solely on performance and have the flexibility to manage individual accounts to align with the investor's objectives.

**Individual Ownership Prevents Disruption from Other Investors:** Unlike the case with mutual funds, the investor owns the individual securities and the holdings are not subject to the cash flows of others. In mutual funds, portfolio managers must sell the underlying securities if investors wish to sell out of the fund, which can have a negative impact on

**Transparency & Simplicity:** With a SMA, you'll receive regular statements that outline your individual holdings.

**Potential Tax Advantages:** Unlike mutual funds, SMAs have no embedded capital gains. The portfolio managers' priority is to manage the portfolio according to the investor's preferences. This may include managing the portfolio in a way that mitigates tax liability. Other tax benefits include the ability to gift appreciated securities to the charities of your choice and the ability to make tax-related transactions to limit tax liabilities.

**Personalization:** In many instances, SMAs may be tailored to your goals and objectives. The portfolio manager manages the account according to your goals and together with your financial advisor can adjust the strategy if your life situation changes. If there are certain securities or groups of securities you wish to avoid, they can be excluded from your portfolio.

**Portability:** Because you own the securities, you have the flexibility to transfer your assets between financial institutions, without needing to liquidate, or sell, your securities.

\*\*Singapore Management University, "Mutual Fund Trading Costs and Diseconomies of Scale" (April 2017).

\*\*Asset weighted industry average of equity mutual fund expense ratios. Investment Company Institute. "Trends in the Expense and Fees of Funds, 2018" (March 2019).

\*\*\*U.S. stock mutual funds' tax cost: 15 years ended September 30, 2014. Vanguard. "Tax-efficient equity investing: Solutions for maximizing after-tax returns" (March 2015).

## Advantages and Disadvantages: Owning Mutual Funds

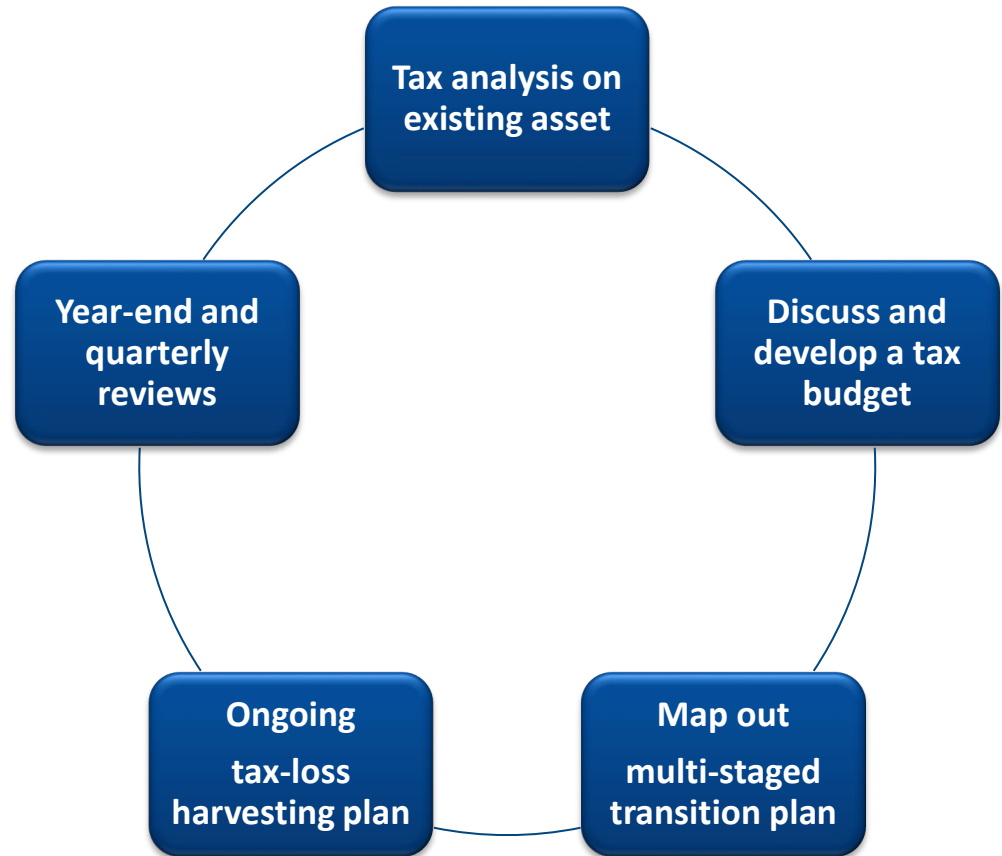
For many investors, mutual funds are a convenient way to invest in a diversified group of companies with low investment minimums.

When evaluating whether to invest in a mutual fund, it helps to understand their advantages and disadvantages. Investors should be aware of mutual funds' potential high costs, tax inefficiencies and lack of personalization.

Mutual fund managers are paid based on the performance they generate. This means that considerations such as taxes and capital gains most likely do not factor into their decision making process.

## Importance of Tax Management

Reducing tax burdens can help improve cash flow, reduce risk and increase the long-term value of the overall portfolio



# Tax Transition

## Objective

Distribute realized gains out over multiple calendar years

Market Value: \$1,230,856

Unrealized Gains: \$251,070

## Tax Transition

This approach illustrates how Clark Capital would attempt to maximize the amount of assets immediately managed within a proposed investment, while spreading realized gains out over time. Gain estimates are relevant to incoming securities only and do not reflect gain/loss from regular trading of Clark Capital investments.

In the first year it is possible to target specific tickers for liquidation/incorporation, a percentage of the remaining unrealized gains, or a dollar value. Subsequent years will target identified tickers, unless otherwise indicated. The approach demonstrated here targets specific tickers for liquidation/incorporation into our investment models.

Positions that are held are monitored on an ongoing basis in partnership with Clark Capital and the financial advisor. If there is a desire to liquidate ahead of schedule, client direction would be required.

Gain/loss estimates are based on cost basis data provided to Clark Capital. Actual gains/loss at time of liquidation will vary. Upon arrival, an updated proposed tax transition plan will be prepared and discussed with the financial advisor and Clark Capital's Tax Transition Specialist. **The final plan will likely vary from the illustration shown here.**

Security	Symbol	Units	Cost Basis	Value	Unrealized	2022	2023	2024
Adobe Incorporated	ADBE	30	\$12,890	\$8,256	(\$4,634)	(\$4,634)		
Meta Platforms Inc. Class A	META	44	\$9,058	\$5,970	(\$3,088)	(\$3,088)		
Brown Capital Management Small Company Fd Inst Cl	BCSSX	157	\$18,224	\$12,026	(\$6,198)	(\$6,198)		
County Wtr-Swr Dist Collier Cnty Fla Wtr Rev 3.0% 01-JUL-2038	222642KH2	30,000	\$33,384	\$24,730	(\$8,654)	(\$8,654)		
Amarillo Tex 3.625% 15-FEB-2043	023015ZL7	50,000	\$55,125	\$42,616	(\$12,509)	(\$12,509)		
Michigan St Hsg Dev Auth Single Family Mtg Rev 2.35% 01-DEC-2035	594654LN3	30,000	\$30,010	\$23,244	(\$6,766)	(\$6,766)		
Williamson Cnty Tex 4.0% 15-FEB-2037	9698877L6	35,000	\$41,082	\$33,353	(\$7,729)	(\$7,729)		
MFS International New Discovery Fund Class I	MWNIX	551	\$18,149	\$14,838	(\$3,311)	(\$3,311)		
Verizon Communications Inc.	VZ	219	\$10,164	\$8,315	(\$1,848)	(\$1,848)		
Austin Tex Elec Util Sys Rev 5.0% 15-NOV-2040	052414NG0	25,000	\$29,597	\$25,034	(\$4,563)	(\$4,563)		
#N/A	MET-A	300	\$7,494	\$6,363	(\$1,131)	(\$1,131)		
Texas St Dept Of Hsg & Cmnty Affairs Rev 1.95% 01-SEP-2029	88275FRX9	50,000	\$50,010	\$43,796	(\$6,214)	(\$6,214)		
NIKE, Inc. Class B	NKE	200	\$18,561	\$16,624	(\$1,937)	(\$1,937)		
San Antonio Tex 5.0% 01-AUG-2032	79623PCZ6	20,000	\$24,349	\$21,838	(\$2,511)	(\$2,511)		
Florida St Mun Pwr Agy Rev 5.0% 01-OCT-2029	342816G41	50,000	\$57,881	\$51,949	(\$5,932)	(\$5,932)		
Wisconsin St 5.0% 01-MAY-2037	97705MFS9	50,000	\$56,908	\$51,423	(\$5,485)	(\$5,485)		
Texas St Univ Sys Fing Rev 5.0% 15-MAR-2036	88278PYR9	50,000	\$58,208	\$52,695	(\$5,513)	(\$5,513)		
Massachusetts St Dev Fin Agy Rev 5.0% 01-MAR-2044	57583UA81	25,000	\$27,599	\$25,040	(\$2,559)	(\$2,559)		
State Univ Iowa Univ Rev 3.125% 01-JUL-2033	857536CJ3	25,000	\$24,839	\$22,997	(\$1,842)	(\$1,842)		
Harris Cnty Tex Cultural Ed Facs Fin Corp Rev 5.0% 15-NOV-2037	414008BJ0	25,000	\$26,546	\$25,055	(\$1,491)	(\$1,491)		
International Business Machines Corporation	IBM	35	\$4,402	\$4,158	(\$243)	(\$243)		
CME Group Inc. Class A	CME	11	\$2,010	\$1,948	(\$62)	(\$62)		
Houston Tex Util Sys Rev 3.375% 15-NOV-2032	442435P31	25,000	\$25,274	\$25,008	(\$267)	(\$267)		
Zoetis, Inc. Class A	ZTS	5	\$739	\$741	\$2	\$2		
Harding Loevner Fund, Inc. International Eq Pt	HLMIX	1,585	\$32,252	\$33,141	\$889	\$889		
JPMorgan Chase & Co.	JPM	238	\$23,591	\$24,871	\$1,280	\$1,280		
Starbucks Corporation	SBUX	5	\$393	\$421	\$28	\$28		
Honeywell International Inc.	HON	35	\$5,440	\$5,844	\$404	\$404		
S&P Global, Inc.	SPGI	46	\$12,086	\$14,046	\$1,960	\$1,960		

This is not a recommendation to buy or sell a security or to adopt a particular investment strategy. Securities listed within a given year will either be liquidated or incorporated into the Clark Capital investment strategy.

# Tax Transition - continued

## Objective

Distribute realized gains out over multiple calendar years

Market Value: \$1,230,856

Unrealized Gains: \$251,070

Security	Symbol	Units	Cost Basis	Value	Unrealized	2022	2023	2024
Constellation Brands, Inc. Class A	STZ	73	\$13,539	\$16,767	\$3,228	\$3,228		
Amazon.com, Inc.	AMZN	340	\$30,826	\$38,420	\$7,594	\$7,594		
Texas Instruments Incorporated	TXN	200	\$23,439	\$30,956	\$7,517	\$7,517		
American Express Company	AXP	150	\$15,316	\$20,237	\$4,920	\$4,920		
Accenture Plc Class A	ACN	70	\$12,369	\$18,011	\$5,642	\$5,642		
Danaher Corporation	DHR	7	\$1,206	\$1,808	\$602	\$602		
Lockheed Martin Corporation	LMT	14	\$3,506	\$5,408	\$1,902	\$1,902		
Merck & Co., Inc.	MRK	140	\$7,476	\$12,057	\$4,581	\$4,581		
Morgan Stanley	MS	50	\$2,435	\$3,951	\$1,516	\$1,516		
Johnson & Johnson	JNJ	180	\$16,340	\$29,405	\$13,065	\$13,065		
UnitedHealth Group Incorporated	UNH	80	\$20,042	\$40,403	\$20,361	\$20,361		
Abbott Laboratories	ABT	197	\$7,967	\$19,062	\$11,095	\$11,095		
Eli Lilly and Company	LLY	35	\$4,348	\$11,317	\$6,970	\$6,970		
Mastercard Incorporated Class A	MA	96	\$10,368	\$27,297	\$16,929	\$16,929		
Alphabet Inc. Class C	GOOG	700	\$25,318	\$67,305	\$41,987	\$41,987		
Costco Wholesale Corporation	COST	85	\$14,529	\$40,143	\$25,614	\$25,614		
Marathon Petroleum Corporation	MPC	626	\$20,000	\$62,181	\$42,181	\$21,090	\$21,090	
Marathon Oil Corporation	MRO	716	\$5,000	\$16,167	\$11,167		\$11,167	
Apple Inc.	AAPL	420	\$17,062	\$58,044	\$40,982		\$40,982	
Microsoft Corporation	MSFT	200	\$12,430	\$46,580	\$34,151			\$34,151
Valero Energy Corporation	VLO	365	\$10	\$39,000	\$38,990			\$38,990
Gains/Year Estimate						\$104,689	\$73,240	\$73,141
Gross Proceeds/Year Current Estimate						\$1,039,975	\$105,302	\$85,580

## Tax Transition

This approach illustrates how Clark Capital would attempt to maximize the amount of assets immediately managed within a proposed investment, while spreading realized gains out over time. Gain estimates are relevant to incoming securities only and do not reflect gain/loss from regular trading of Clark Capital investments.

In the first year it is possible to target specific tickers for liquidation/incorporation, a percentage of the remaining unrealized gains, or a dollar value. Subsequent years will target identified tickers, unless otherwise indicated. The approach demonstrated here targets specific tickers for liquidation/incorporation into our investment models.

Positions that are held are monitored on an ongoing basis in partnership with Clark Capital and the financial advisor. If there is a desire to liquidate ahead of schedule, client direction would be required.

Gain/loss estimates are based on cost basis data provided to Clark Capital. Actual gains/loss at time of liquidation will vary. Upon arrival, an updated proposed tax transition plan will be sent and discussed with the financial advisor and Clark Capital's Tax Transition Specialist. **The final plan will likely vary from the illustration shown here.**

This is not a recommendation to buy or sell a security or to adopt a particular investment strategy. Securities listed within a given year will either be liquidated or incorporated into the Clark Capital investment strategy.

## Disclaimer

Prior to making any investment or financial decisions, investors should seek individualized advice from personal financial, legal, tax and other professionals that take into account all of the particular facts and circumstances of an individual investor's own situation. Information referenced is as of the date of publication and is subject to change due to changes in the market or economic conditions and may not necessarily come to pass. 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.

Clark Capital Management Group, Inc. reserves the right to modify its current investment strategies and techniques based on changing market dynamics or client needs. There is no assurance that any securities, sectors or industries discussed herein will be included in or excluded from an account's portfolio at the time you receive this report or that securities sold have not been repurchased. It should not be assumed that any of the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein.

Clark Capital Management Group, Inc. is an investment adviser registered with the U.S. Securities and Exchange. 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.



## Disclaimer - continued

The style box is calculated and provided by a third party, Morningstar ("Morningstar Style Box"). The Morningstar Style Box reveals a portfolio investment strategy as of the date noted on this report. For equity portfolios, the vertical axis shows the market capitalization of the long stocks owned, and the horizontal axis shows the investment style (value, blend, or growth.) A darkened square in the style box indicates the weighted average style of the portfolio. For portfolios holding fixed-income investments, a Fixed Income Style Box is calculated. The vertical axis shows the credit quality based on credit ratings and the horizontal axis shows interest-rate sensitivity as measured by effective duration. There are three credit categories - "High", "Medium", and "Low" - and there are three interest rate sensitivity categories - "Limited", "Moderate", and "Extensive" - resulting in nine possible combinations. As in the equity Style Box the combination of credit and interest rate sensitivity for a portfolio is represented by a darkened cell in the matrix. For portfolios holding fixed-income investments, a Fixed Income Style Box is calculated. The vertical axis shows the credit quality based on credit ratings and the horizontal axis shows interest-rate sensitivity as measured by effective duration. There are three credit categories - "High", "Medium", and "Low" - and there are three interest rate sensitivity categories - "Limited", "Moderate", and "Extensive" - resulting in nine possible combinations. As in the equity Style Box the combination of credit and interest rate sensitivity for a portfolio is represented by a darkened cell in the matrix.

Benchmarks or indexes are unmanaged and not available for direct investment. Indexes are created to measure a specified area of the stock market using a representative portfolio of securities. If a security is not available in Morningstar's database, your financial professional may choose to show a representative index. Please note that indexes vary widely, and it is important to choose an index that has similar characteristics to the security it is being used to represent. In no way should the performance of an index be considered indicative or a guarantee of the future performance of an actual security, be considered indicative of the actual performance achieved by a security or viewed as a substitute for the actual security in your portfolio. Actual results of a security may differ substantially from the historical performance shown for an index and may include an individual client incurring a loss. Past performance is no guarantee of future results. For additional information, see the Benchmark Disclosure in this report.

Morningstar's "Autobench by Asset Allocation" looks at the broad asset allocation of your portfolio and puts that amount into four indexes: Stock/Other – S&P 500 Index, Non-US Stock – MSCI EAFE Index, Bonds – Bloomberg US Aggregate Bond Index, and Cash – US Treasury T-Bill Auction Average 3-Month Index.

Benchmark utilized in this report for comparison:

<b>Custom Benchmark: AutoBench by Asset Allocation</b>	Allocation %
USTREAS T-Bill Auction Ave 3 Mon	15.85
S&P 500 TR USD	39.71
MSCI EAFE NR USD	14.17
Bloomberg US Agg Bond TR USD	30.27



## Disclaimer - continued

### Glossary of Terms

Capital gains are "realized" (and subject to tax) when you sell investments that have increased in value. Capital gains are subject to different tax rates depending on how long you owned the investment. Gains that are "on paper" only are called "unrealized gains." For example, if you bought a share for \$10 and it's now worth \$12, you have an unrealized gain of \$2. You won't pay any taxes until you sell the share. When you buy shares of a mutual fund or ETF (exchange-traded fund), you're also "buying" any unrealized gains it has—and you'll be subject to their eventual taxation.

Coupon rate is the annual coupon payments (interest) paid by the issuer relative to a bond's face or par value.

Current yield is the investment's annual income divided by the current price of the security.

The S&P Credit Rating is an opinion about credit risk. Ratings can express a forward-looking opinion about the capacity and willingness of an entity to meet its financial commitments as they come due, and also the credit quality of an individual debt issue, such as a corporate or municipal bond, and the relative likelihood that the issue may default. Credit Ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest). "NR" is used to classify securities for which a rating is not available.

Yield to maturity is the percentage rate of return for a bond assuming that the investor holds the asset until its maturity date. It is the sum of all of its remaining coupon payments. A bond's yield to maturity rises or falls depending on its market value and how many payments remain to be made.

Years to Maturity shown is the number of years the security matures (i.e., is due and payable), the number of years the interest rate on those securities is reset, or the number of years those securities can be redeemed through demand.

Yield to worst (YTW) is a measure of the lowest possible yield that can be received on a bond that fully operates within the terms of its contract without defaulting as of quarter-end. YTW is based on a portfolio's current holdings on one specific day, is gross of all portfolio expenses, and is calculated based on assumptions that prepayment occurs if the bond has call or put provisions and the issuer can offer a lower coupon rate based on current market rates. If market rates are higher than the current yield of a bond, the YTW calculation will assume no prepayments are made, and YTW will equal the yield to maturity. The YTW will be the lowest of yield to maturity or yield to call (if the bond has prepayment provisions). The YTW of a bond portfolio is the market-weighted average of the YTWs of all the bonds in the portfolio.

Effective duration is the duration calculated using the approximate duration formula for a bond with an embedded option, reflecting the expected change in the cash flow caused by the option. Effective duration measures the responsiveness of a bond's price, taking into account that expected cash flows will change as interest rates change due to the embedded option. Effective duration is expressed as a factor which represents the percentage change in value that is expected for a specific unit change in yield.

Capital gains are "realized" (and subject to tax) when you sell investments that have increased in value. Capital gains are subject to different tax rates depending on how long you owned the investment. Gains that are "on paper" only are called "unrealized gains." For example, if you bought a share for \$10 and it's now worth \$12, you have an unrealized gain of \$2. You won't pay any taxes until you sell the share. When you buy shares of a mutual fund or ETF (exchange-traded fund), you're also "buying" any unrealized gains it has—and you'll be subject to their eventual taxation.

