# Quarterly Review & Outlook

Prepared exclusively for
**Valued Client**

On Behalf of
**Valued Advisor**
**ABC Investments**

This presentation is intended for one-on-one presentations with a financial advisor present.

August 2021

# Agenda

- Any specific topic you would like to cover
- Market commentary & outlook
- Account performance & asset allocation
- Follow-up items

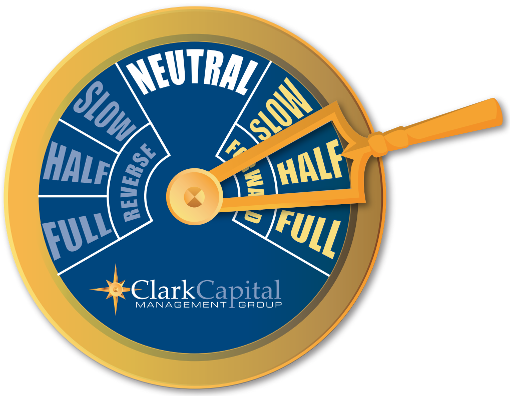
# The Clark Capital Commitment

- We are committed to providing clients with customized investment strategies to meet their goals.
- We strive to provide a great investor experience by focusing on superior investment returns through meaningful diversification, risk management and active portfolio management all while delivering unparalleled client service.

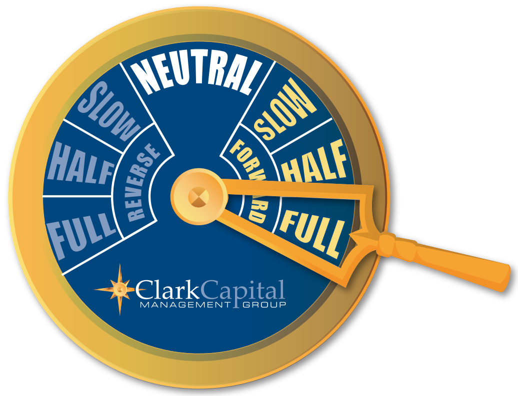
# Economic & Capital Market Outlook

# Second Quarter Economic Review & Outlook 2021

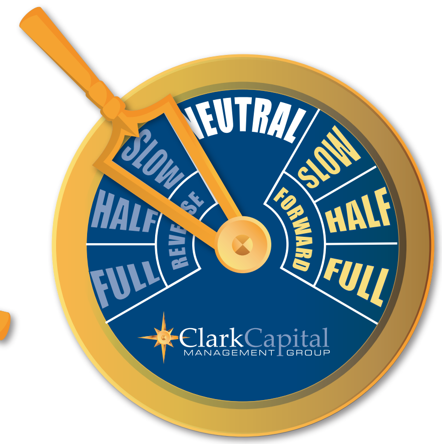
These 5 gauges in turn drive our expectations for the stock market. Recall 12:00 is neutral, anything to the right of 12:00 is positive for stocks, anything to the left of 12:00 is negative.



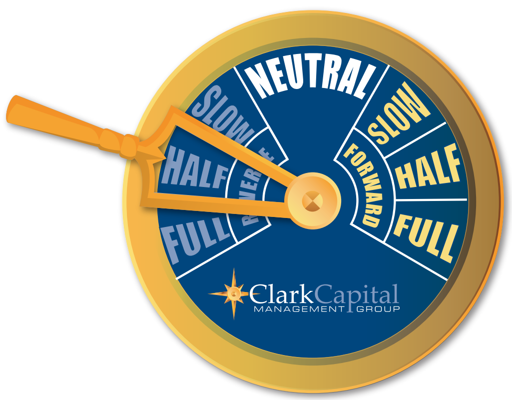

Economy



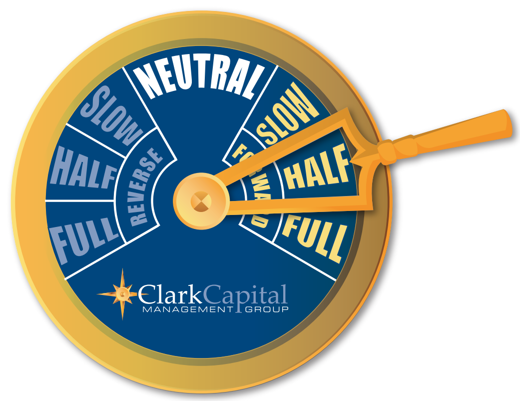

Monetary Policy




Valuations




Investor Sentiment




Interest Rates

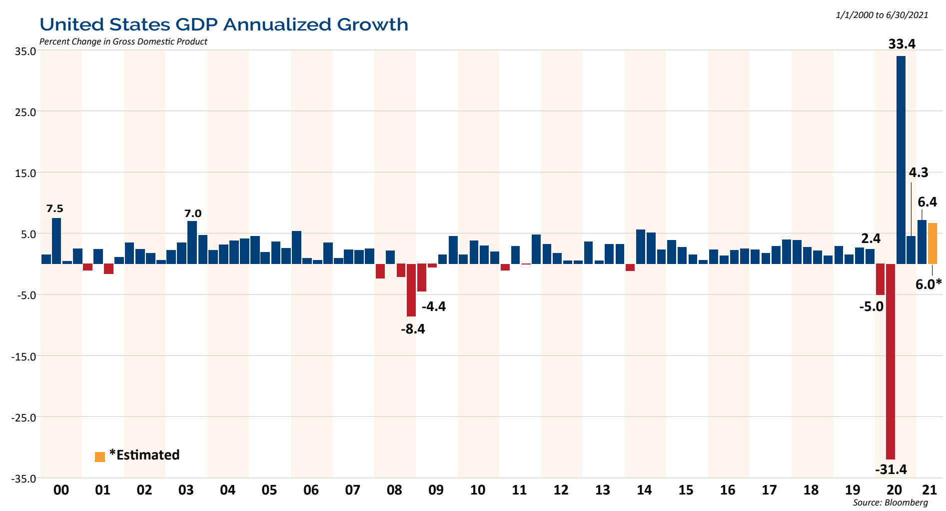
# U.S. Economy


Economy

As we move into the second half of 2021, we believe that our gauges are positioned appropriately, and as a result, we are not making any changes to the gauges this quarter. However, we will recap the current positioning and why we feel these positions remain appropriate.

The first gauge covers the U.S. economy. We continue to keep this gauge at a half forward position heading into the second half of the year, reflecting our expectation of above trend economic growth in 2021, and we expect GDP growth around 5% for the second half of the year. This follows Q1 growth of 6.4% and an estimated 8.6% growth rate in the second quarter based on the Atlanta Fed's GDPNow gauge (as of 7/1/21).

We believe we are still in the "V-shaped" portion of this economic recovery, but the outsized growth numbers in recent quarters will likely be the high point in this recovery and we therefore keep the gauge in a half forward position. We are moving past peak economic growth. As the vaccine becomes more widely available in 2021, and the economy moves ahead with the reopening process, we expect above trend economic strength to continue well into next year, but at a slower pace than experienced in the first half of 2021.

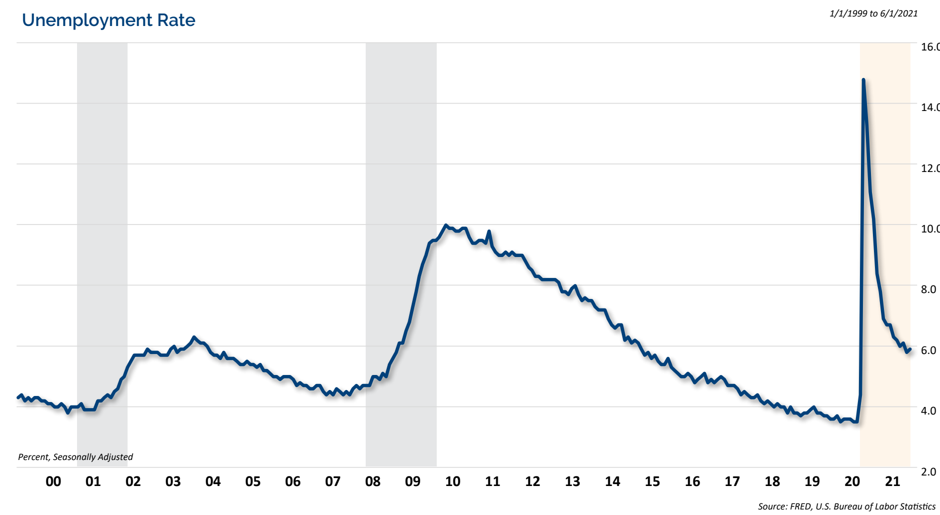



*Projections or other forward looking statements regarding future financial performance of markets are only predictions and actual events or results may differ materially.*

Ongoing challenges persist such as supply chain disruptions as well as the new Delta variant of the virus. It looks like we might get a final fiscal stimulus boost with a tentative agreement between the White House and both parties in the Senate on an infrastructure plan valued around $1.2 trillion. If this plan does come to fruition, this fiscal measure should continue to provide a solid tailwind to the U.S. economy through the balance of 2021 and into 2022.

The job market has bounced back strongly from layoffs suffered early in the pandemic crisis and progress continues to be made on this front. The unemployment rate was at 5.9% in June, near the lowest level since prior to the pandemic.

Hopefully, as the reopening gains momentum in the summer, more workers will be hired, and job market progress will continue to regain some momentum. Record job openings exist, and we believe that as the extended unemployment benefits expire, more workers will rejoin the labor force. Consumer spending is roughly 70% of the U.S. economy, so ongoing job gains will be an important driver of economic progress.



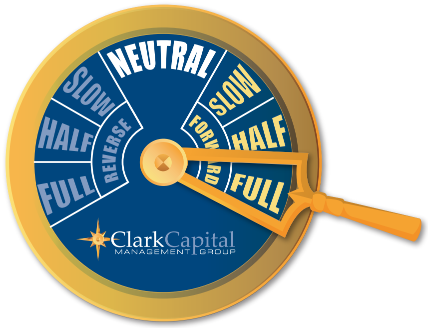

*For illustrative purposes only. Past performance is not indicative of future results..*

Housing has been a real source of strength in the economic rebound (quite a contrast to the Credit Crisis period in 2008). Although interest rates went up markedly in the first quarter of 2021, they declined from those elevated levels through the second quarter. Housing prices continue to rise, driven primarily by low inventories and high consumer demand. We will continue to monitor the housing market, particularly as home prices rise at record rates to see if that starts to cool off some of the housing momentum. Furthermore, monitoring the general interest climate and how that impacts mortgage costs will be an important factor to watch as well.

We believe the economic recovery will continue throughout 2021 and well into 2022. We anticipate the recovery will encounter some bumps along the way, but we believe the U.S. economy is headed in the right direction. As the reopening progresses and consumers feel more confident going back to some regular activities, the economy should enjoy above trend growth through this year and well into 2022.

## Monetary Policy

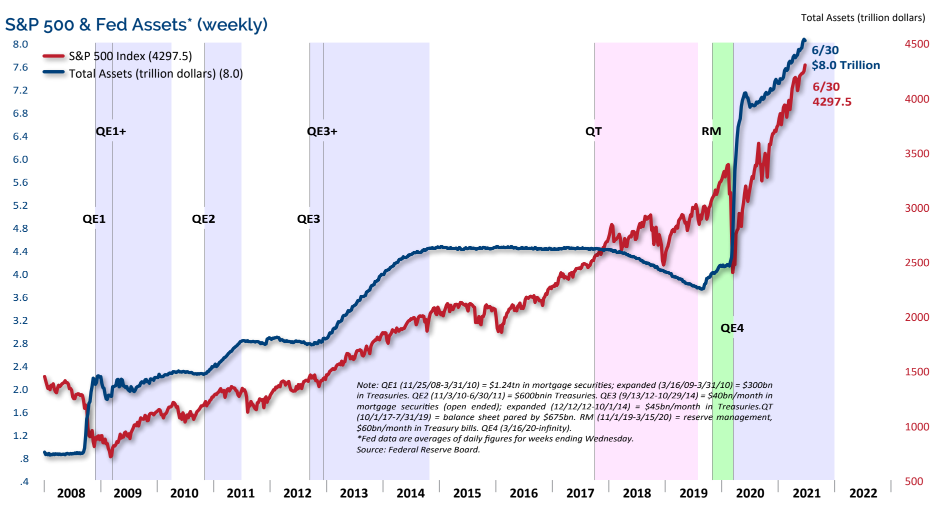
The economic recovery continues to be supported by ongoing, stimulative Monetary Policy, which is our next gauge. We keep this gauge in a full forward position.




Monetary Policy

The massive support from the Fed that began in March 2020 with unlimited quantitative easing and a whole host of other programs has continued in 2021. The Fed has reiterated repeatedly that it will continue to support the proper functioning of the financial markets and their actions have backed this up.

Currently, the Fed is buying $120 billion a month in bonds and it has pegged its policy rate (the Fed Funds Target Rate) to between 0% to 0.25%. The Fed's balance sheet, which had been slowly declining prior to the pandemic, increased by nearly $4 trillion dollars in the last year and a half. As of the end of June, the Fed's balance has just crossed above $8 trillion.

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Ultimately, this massive stimulus by the Fed helped support capital markets from the early days of the pandemic crisis period. We have seen over the past decade that when the Fed is increasing its balance sheet, stocks have reacted favorably and subsequently, both stocks and bonds enjoyed a powerful rebound from the crisis lows through year-end and well into 2021.

Inflation has become a bigger topic of late driven in part by the massive increase in public debt responding to the pandemic crisis. Furthermore, the reopening of the economy has led to some supply/demand imbalances, which has caused prices to rise sharply in some areas. The FOMC acknowledged at its June meeting that inflation might be higher over the next couple of years, and it increased its forecast for inflation for 2021 from 2.4% to 3.4%. However, the Fed still believes the higher prices are more transitory and officials expect inflation to move back toward the 2% policy target over the next few years.

We know this will be a choppy reopening process, but the Fed is providing unwavering support and we therefore keep this gauge in the full forward position. We will pay close attention to the annual Jackson Hole Wyoming Symposium for some deeper insight on when the Fed might begin to reduce or taper its bond buying program – big announcements have historically been made at this August event. We still believe an increase to policy rates is still several quarters away and would not occur until the Fed is well into a tapering program, which has not yet begun.

## Valuations

Next are valuations, which we keep in a slow reverse position. Needless to say, the rally in the stock market from the lows in March has been strong, pushing the forward price to earnings or P/E ratio of the S&P 500 to its highest level in about 20 years.


Valuations

Although valuations remain elevated, the P/E ratio of the S&P 500 has improved modestly, with earnings strength outpacing price gains on a relative basis during 2021. The S&P 500, NASDAQ Composite, and Dow Jones Industrial Average all hit new all-time highs in the second quarter of 2021 as the economy rebounded and business recovered. The Russell 2000 Index hit a new high in the first quarter, but it was not able to top that level in the second quarter.

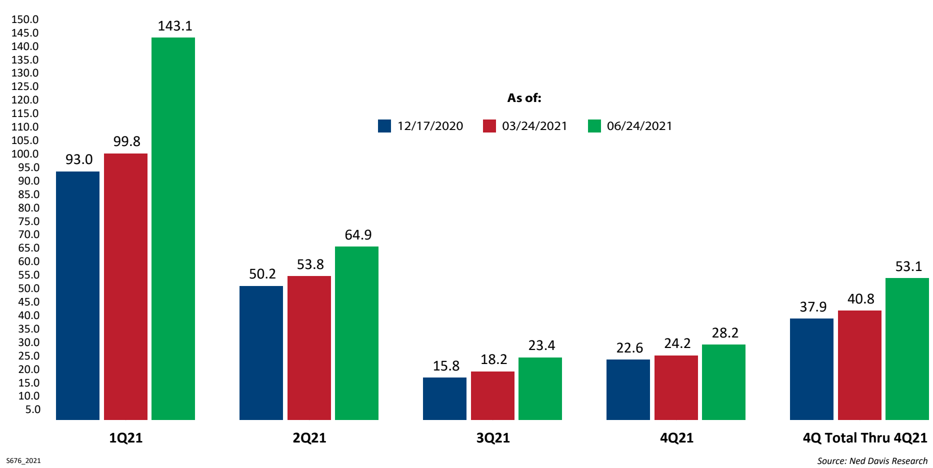
## S&P 500 Forward vs. Trailing Price/Earnings Ratios

*Monthly Data 1983-02-28 to 2021-06-30*


*For illustrative purposes only. Past performance is not indicative of future results.*

While stock prices have continued to rise in 2021, earnings have bounced back strongly since the shutdown period last Spring. In fact, Operating earnings for the S&P 500 more than doubled in Q1 2021 since the pandemic low in Q1 2020, but this will likely be the peak earnings growth period from a year-over-year perspective. Earnings growth will still be strong over the next few quarters in 2021, but not to the same degree as from the pandemic low. We believe we are likely moving past peak earnings growth.

## S&P 500 Consensus Operating EPS Estimates (Year/Year % Change) - 2021

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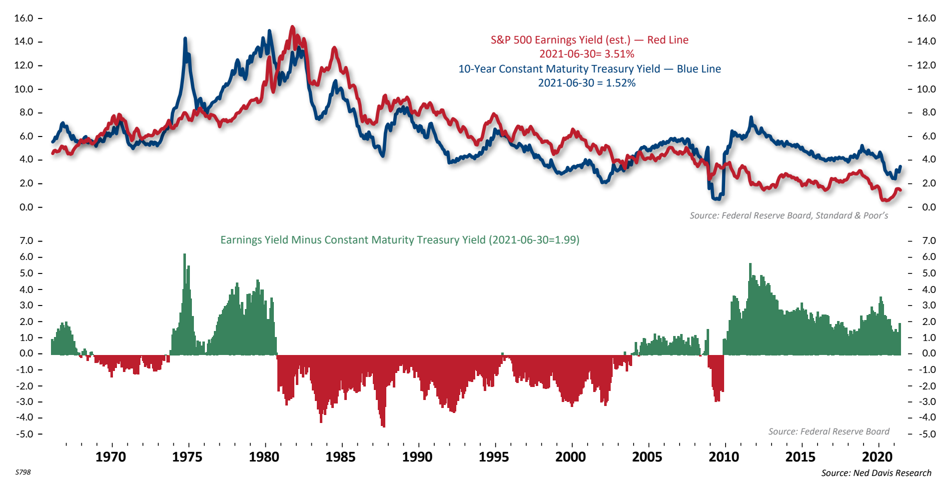
In 2021, we have seen a broader stock market rally with small and mid-cap stocks outperforming large-caps, and value outperforming growth. The large-cap, growth rally, which dominated much of 2020, has paused somewhat in 2021 as other pockets of the equity market improve. The NASDAQ Composite has lagged so far in 2021, but it ended the second quarter strongly with among the best index returns for the month of June as growth made a comeback.

While valuation multiples are high, low interest rates help offset that. Interest rates moved sharply higher in the first quarter, but from a longer-term perspective, rates are still at low levels and the yield on the 10-year U.S. Treasury moved lower each month of the second quarter.

The 10-year U.S. Treasury yield was at 0.93% at year end, but it closed the first quarter at 1.74% and it closed June at 1.45%. When comparing the earnings yield of the S&P 500 (which is the inverse of the P/E ratio) to the yield on the 10-year Treasury, it shows us that on a relative basis, stocks are more attractive than bonds even with the move higher in rates in 2021.

## S&P 500 Earnings Yield vs. 10-Year Treasury Yield

*Monthly Data 1966-01-31 to 2021-06-30*

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When interest rates are low, it supports higher stock market valuations. Simply said, the low yields of bonds are not providing a lot of competition to stocks. So, ultimately, we decided to keep this gauge in the slow backward position with valuations still elevated and peak earnings growth likely behind us. Interest rates remain low, so on a relative basis, stocks are still attractive relative to bonds.

And remember, as an active manager, we look at valuations on a company-by-company basis. As the market rally has broadened, it has provided us an opportunity to seek out high quality companies at good prices and we continue to make very purposeful investments in both stocks and bonds.

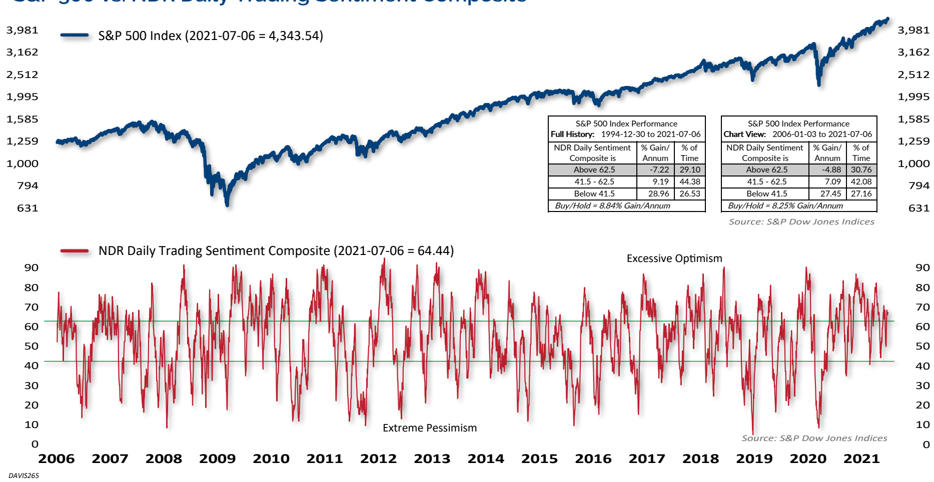
## Investor Sentiment

The next gauge is Investor Sentiment, which can be thought of as a measure of speculation or pessimism in the market. Recall, this gauge is a contrarian indicator, so extreme pessimism is a positive from a market perspective and extreme optimism is just the opposite. We keep this gauge in the half backward position as there still appears to be some speculation in the market as equities continue to put in new all-time highs.


Investor Sentiment

This gauge is very sensitive and can change quickly, but at this point the market has shifted back toward the excessive optimism zone when looking at trading sentiment.

### S&P 500 vs. NDR Daily Trading Sentiment Composite




S&P 500 Index Performance
**Full History:** 1994-12-30 to 2021-07-06

| NDR Daily Sentiment Composite is | % Gain/ Annum | % of Time |
|---|---|---|
| Above 62.5 | -7.22 | 29.10 |
| 41.5 - 62.5 | 9.19 | 44.38 |
| Below 41.5 | 28.96 | 26.53 |
| *Buy/Hold = 8.84% Gain/Annum* | | |

S&P 500 Index Performance
**Chart View:** 2006-01-03 to 2021-07-06

| NDR Daily Sentiment Composite is | % Gain/ Annum | % of Time |
|---|---|---|
| Above 62.5 | -4.88 | 30.76 |
| 41.5 - 62.5 | 7.09 | 42.08 |
| Below 41.5 | 27.45 | 27.16 |
| *Buy/Hold = 8.25% Gain/Annum* | | |

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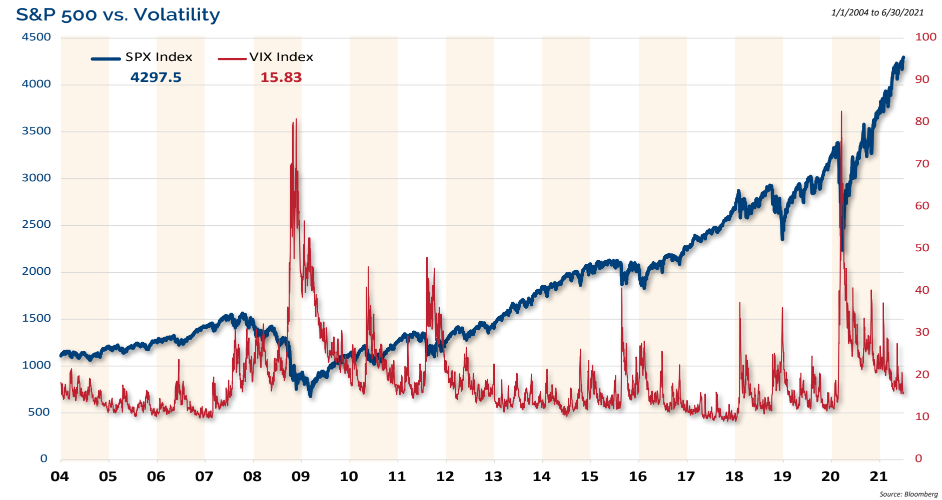
Another indicator, which we discuss often as a measure of fear in the market, is the CBOE Volatility Index or VIX Index. The VIX Index, which can be volatile, spiked briefly above 25 in May and briefly above 20 in June, but it settled below 16 at the end of the second quarter. While not back to pre-pandemic levels, the VIX Index is near its lowest levels since the pandemic began and put in a 52-week low in late June. The low level of the VIX might be indicating some complacency in the market, which further compels us to keep the Investor Sentiment gauge back in the half backward position.

### S&P 500 vs. Volatility

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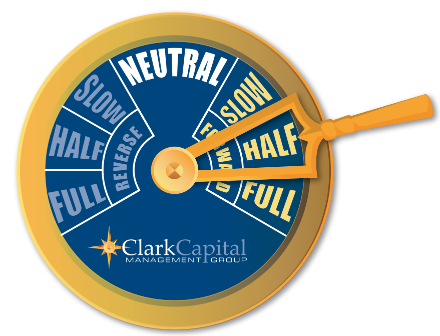
Based on the cumulative data we analyze for investor sentiment; we believe this gauge is positioned correctly as we move into the second half of 2021 and believe it is important for investors to be prepared for some increased volatility moving through the summer and into the fall.

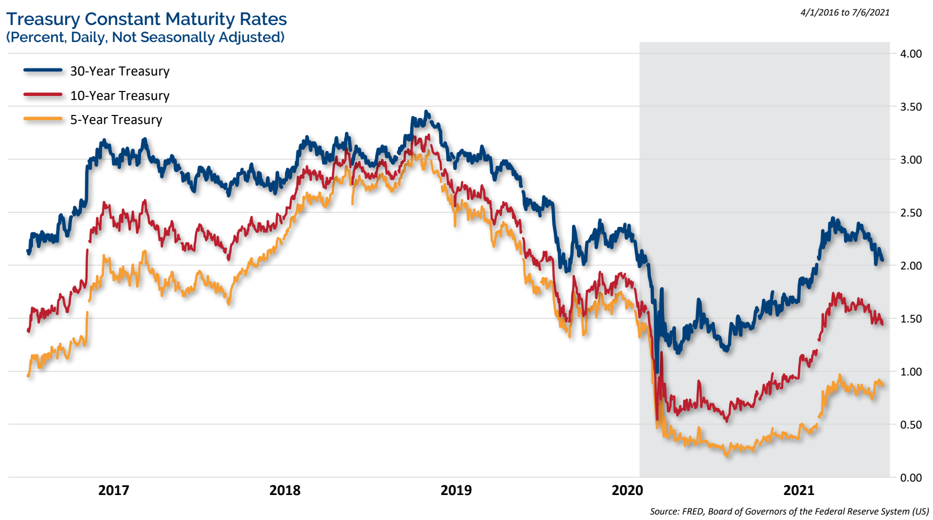
## Interest Rates

Interest rates are the final gauge, and we keep this in the half forward position. We believe this position remains appropriate as the Fed continues to keep policy rates low, which is supportive of economic activity, but also reflecting the move higher in yields so far in 2021.




Interest Rates

Comments by the Fed, along with actions it is taking in the market, lead us to believe we will be in a lower for longer interest rate environment for the foreseeable future. However, the market has more control on longer-term rates and has moved them higher in 2021. The move higher in yields was primarily a first quarter story as yields have slid lower from those recent highs during the second quarter.

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With the Fed anchoring shorter-term yields at low levels, but yields rising further out on the curve, we call this a steepening of the yield curve. Although rates moving higher might hurt bond prices in the near term, the opportunity to buy bonds at higher yield levels as the yield curve steepens is a positive moving forward. As the yield curve is steepening and the Fed continues to be heavily involved in the market, we believe it is imperative to have an active approach to bond management. This environment also is supportive of tilting towards credit in the portfolio and away from pure interest rate risk. We believe we are positioned well at Clark Capital to navigate through this more dynamic time in the bond market.

Despite rates moving higher so far in 2021, we are still in a low interest rate environment from a historical perspective. Ultimately, lower rates should be helpful to the economy as they reduce the cost of capital. This gauge remains comfortably in the positive zone from our perspective, but not at the full forward position because of the rise in rates in 2021.

## Conclusion

We know these remain challenging times, but the good news is that the U.S. economy has rebounded strongly, and the vaccine has begun to roll out more broadly across the United States. We continue to believe that the U.S. economy and corporate America will continue to fight through this crisis and corporate earnings so far in 2021 have rebounded strongly.

We also acknowledge there could still be some bumps in the road to recovery from both an economic and stock market perspective, but we believe we are heading in the right direction. We expect economic improvement to continue as the vaccine becomes more widely available and consumers unleash pent-up demand. We continue to urge clients to stick to their financial plans and not make decisions based on short-term movements in the market.

# Performance Focus

# Navigator® Global Tactical

## 2Q2021 Commentary

- The methodology of the portfolio uses broad domestic and international equity ETFs as vehicles to own equity risk when our indicators favor taking risk, and defensive U.S. Treasuries or cash to play defense.
- The portfolio was positive on equities and thus held onto its two U.S. and two international equity ETFs. The following were their portfolio weights: S&P 500 Index ETF; small-cap; broad international ex-U.S. ETF; and international small-cap.
- U.S. large-caps took back the lead from small-caps on the quarter, and large-cap growth in particular has taken off since the Fed indicated in late June that tapering would eventually be on the table.
- The S&P 500 Index ETF was the largest weight and largest contributor, while the International Small Cap ETF was the smallest weight and the largest detractor.
- When the portfolio owns equity, it owns a suite of ultra-low cost, broad ETFs with a 70% U.S. to 30% international equity weighting. The portfolio will include U.S. large-caps, U.S. small-caps, broad large-cap international equity, and small-cap international equity.
- We remain bullish for now, but ready to pull in the reins when market confidence turns.

# Navigator® Taxable Fixed Income

## 2Q2021 Commentary

- Inflation became the topic of the quarter. Is inflation transitory as a result of a disrupted supply chain from COVID, while demand returns to pre-COVID levels? The 10-year U.S. Treasury yield peaked at 1.75% on March 31st and then began a rally to finish the quarter at 1.44%.
- The rally was flying in the face of inflationary talk. Inflation means higher interest rates to the retail investor, but we saw the exact opposite reaction in the bond market. The market interpreted this as a sign of a slowing economy sooner than expected. The yield curve flattened as 30-year bonds rallied to close the quarter at 2.08%. The lower for longer interest rate theme continues to drag on interminably and volatility continues to be muted.
- We continue to stay slightly neutral to the benchmark duration of 4 years. We are buying investment grade bonds longer than 4 years in case the yield curve continues to flatten. We are also buying short call BB bonds that that keep the portfolio's duration around the 4-year level.
- As oil started to move above $60, we increased Energy exposure in the portfolio and by quarter end, oil was over $70. Financials acted as a drag on performance, and specifically our holdings in the 3 to 4-year duration range. Corporate credits were sound, and any laggards were a result of yield curve positioning.
- We believe there are some potential risks to the market: China continues rhetoric about unifying Taiwan. Does the Fed taper too early if the economy really overheats? The infrastructure deal falls apart and is not passed. Some unknown Fed speak that comes in August at Jackson Hole. Can the Fed ever extricate itself from the markets and not cause a tantrum in stocks and bonds?
- As active managers, we will keep an eye on these conditions and adjust as needed.

# Navigator® Fixed Income Total Return

## 2Q2021 Commentary

- Credit has remained very resilient as interest rates rose early in the year, and even now as rates have declined. The positive economic momentum and accommodative stance of monetary policy have supported the risk appetite for credit.
- The strategy was invested with a risk-on bias throughout the quarter and remained fully invested in high yield bonds. In fact, it has remained allocated to high yield bonds for 11 months.
- Risk assets performed very well through the first half of the year. Coming into 2021, we expected the market and economic gains to be front-loaded, and they certainly have been. As we get further into the second half of the year, we could see some volatility as we pass peak earnings growth, peak economic growth, and the economic re-opening is largely completed.
- As far as credit is concerned, the backdrop is fairly benign. New issuance of corporate debt is up and on pace for another record year and the market is absorbing it. We are still in the economic recovery phase and in an environment of strong earnings growth, low default volumes, upward rating migration, and tighter spreads.
- Inflation is front and center, and the next couple months will provide a lot of information on supply chain issues and labor shortages. We expect that the inflation we are seeing now is more cyclical than structural.

# Navigator® International Equity/ADR

## 2Q2021 Commentary

- Intermediate and long-term inflation expectations cooled this quarter as supply/demand imbalances corrected across a few material sectors such as corn, soybeans, copper, platinum, and lumber.
- The U.S. Central Bank slightly altered its monetary stance from "not talking about even talking about tapering or tightening, to talking about tapering or tightening." This nuance in policy change plus the reduction in overall longer-term inflation expectations has pushed 10-year U.S. Treasury yields lower to 1.30% in early July from 1.75% in March and has shifted equity market style focus to growth from value.
- Our positioning in Industrials and Consumer Staples helped relative performance while positioning in Consumer Discretionary and Materials acted as a drag.
- Given mixed market conditions, we think diversification and balance between growth and value, large-caps and SMID caps remain our wisest choice. As the bull market reaches its later stages and many cyclicals have reached "full value," we need to redouble our focus on core undervalued, high quality companies with improving business momentum that are capable of compounding growth regardless of economic outcome.

# Navigator® High Dividend Equity

## 2Q2021 Commentary

- For the quarter, weakness in cyclical sectors was reflected in the Russell 1000 Value Index climbing only 4.1% versus the Russell 1000 Growth Index up 10.1%. We believe the reopening of the economy and improving vaccination rates will continue to drive strong, but decelerating growth during the current mid-cycle.
- Information Technology was one of the top sector contributors along with Basic Materials and Industrials. The largest sector performance detractors were Consumer Discretionary, Healthcare and Communications.
- The portfolio is positioned with approximately 97% in developed countries, 1% in emerging markets with the remainder in cash reserves. 85% of the portfolio is large-cap, 13% of the portfolio is mid-cap, and 1% of the portfolio is small-cap with the remainder in cash reserves.
- Financials remain the largest sector weight at 21.0 % which is overweight vs. the benchmark at 20.8%. The next two largest portfolio weights are Healthcare and Industrials at 12.8% and 11.5%, respectively.
- While stock selection has been concentrated in the U.S. large-cap area this year, we believe performance will broaden internationally as COVID-19 is contained across the globe.

# Navigator® Alternative

## 2Q2021 Commentary

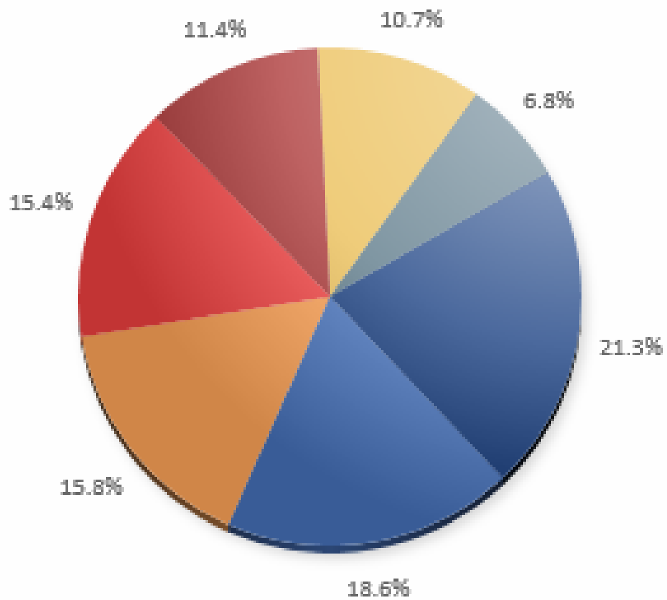
- The portfolio is designed to provide non-correlated alternative exposure and currently includes eight mutual funds, fourteen ETFs, and two REITs
- Asset classes represented include alternative credit, long/short equity, long/short commodity, currencies, managed futures, options-based, high yield muni bond, and merger arbitrage areas.
- Long/short equity, long/short commodity, and long-term Treasuries have been top performers.
- Though they took a hit in June, we continue to hold cyclical commodity equity plays. We continue to own gold and precious metals, but have sold out of crypto, which has been in a bearish pattern.

# Navigator® All Cap Core US Equity

## 2Q2021 Commentary

- Intermediate and long-term inflation expectations cooled this quarter as supply/demand imbalances corrected across a few material sectors such as corn, soybeans, copper, platinum, and lumber.
- The U.S. Central Bank slightly altered its monetary stance from "not talking about even talking about tapering or tightening, to talking about tapering or tightening." This nuance in policy change plus the reduction in overall longer-term inflation expectations has pushed 10-year U.S. Treasury yields lower to 1.30% in early July from 1.75% in March and has shifted equity market style focus to growth from value.
- Our positioning in Financials and Communication Services helped relative performance while our positioning in Consumer Discretionary and Industrials Acted as a drag.
- During the quarter, the strategy was positioned approximately 67% in large-cap companies with the balance in small-cap/mid-cap companies and cash.
- Given mixed market conditions, which include a strong labor market and economy for the foreseeable future, some permanent inflation above 2%, an accommodative Fed leaning hawkish, and relatively high equity prices, we think diversification and balance between growth and value, large-caps and SMID caps remain our wisest choice.

# Portfolio Allocation




| Strategy Name | Weight | Amount |
|---|---|---|
| Navigator Global Tactical | 21.32% | $736,574.10 |
| Navigator Taxable Fixed Income | 18.61% | $643,041.34 |
| Navigator Fixed Income Total Return | 15.82% | $546,470.46 |
| Navigator International Equity/ADR | 15.41% | $532,468.58 |
| Navigator High Dividend Equity | 11.39% | $393,449.09 |
| Navigator Alternative | 10.66% | $368,205.33 |
| Navigator All Cap Core U.S. Equity | 6.79% | $234,483.15 |

# Valued Client

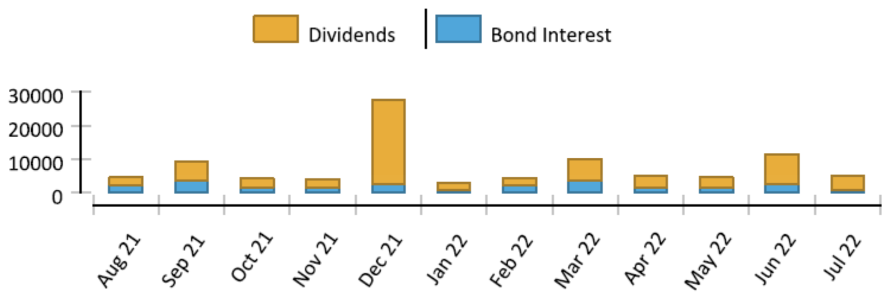
## Household Performance Summary

| | Inception Date | Market Value | 1 Month | 3 Month | Year to Date | 1 Year | 3 Year | 5 Year | Inception Cumulative | Inception Annual |
|---|---|---|---|---|---|---|---|---|---|---|
| XXXXXXX - Funding Sleeve (FUN) | Feb 11, 2016 | $0.00 | - | - | - | - | - | - | - | - |
| XXXXXXX - Navigator International ADR (ADR) | Feb 11, 2016 | $532,468.58 | 1.87% | 4.32% | 15.31% | 32.51% | 10.17% | 9.94% | 82.36% | 11.61% |
| XXXXXXX - Navigator All-Cap Core (ALL) | Feb 11, 2016 | $234,483.15 | 1.27% | 3.49% | 20.88% | 36.79% | 7.49% | 11.21% | 92.37% | 12.70% |
| XXXXXXX - Alternative Opportunity (ALT) | Feb 11, 2016 | $368,205.33 | -0.43% | 0.18% | 2.05% | 5.68% | 3.37% | 2.27% | 27.45% | 4.53% |
| XXXXXXX - High Dividend Equity 100-0 (HDE) | Feb 11, 2016 | $393,449.09 | 0.58% | 1.48% | 15.30% | 29.81% | 7.56% | 8.98% | 77.54% | 11.06% |
| XXXXXXX - Navigator Global Tactical (MAC) | Oct 28, 2020 | $736,574.10 | 0.08% | 2.77% | 14.62% | - | - | - | 35.02% | 35.02% |
| **XXXXXXX - VALUED CLIENT** | **Feb 11, 2016** | **$2,265,180.25** | **0.62%** | **2.56%** | **13.34%** | **27.88%** | **7.89%** | **8.74%** | **73.92%** | **10.65%** |
| XXXXXXX - Fixed Taxable Large (FTL) | Feb 12, 2016 | $643,041.34 | 0.39% | 1.38% | 0.29% | 2.69% | 5.42% | 3.55% | 23.74% | 3.97% |
| **XXXXXXX - VALUED CLIENT** | | | | | | | | | | |
| XXXXXXX - Fixed Income Total Return -- TAMP (FTR) | May 3, 2021 | $546,470.46 | -0.24% | - | - | - | - | - | 1.05% | 1.05% |
| **XXXXXXX - VALUED CLIENT** | | | | | | | | | | |
| **Total Household** | **Feb 11, 2016** | **$3,454,692.05** | **0.44%** | **2.11%** | **9.98%** | **21.47%** | **7.36%** | **7.48%** | **59.97%** | **8.97%** |

Performance is net of fees and is calculated using the Time Weighted Return method. Performance displayed on the line chart is on a cumulative basis. Periods less than one year are not annualized. Performance shown is actual performance. Please see the Important Disclosures section at the end of this report for additional information.

# Valued Client | Projected Annual Income

## Household Income Projection




| From Date | To Date | Bond Interest | Dividends | Total |
|---|---|---|---|---|
| **Monthly** | | | | |
| 8/1/21 | 8/31/21 | $2,322.75 | $2,317.61 | $4,640.36 |
| 9/1/21 | 9/30/21 | $3,656.38 | $5,628.56 | $9,284.94 |
| 10/1/21 | 10/31/21 | $1,604.75 | $2,742.58 | $4,347.33 |
| 11/1/21 | 11/30/21 | $1,457.00 | $2,573.84 | $4,030.84 |
| 12/1/21 | 12/31/21 | $2,451.50 | $25,061.06 | $27,512.56 |
| 1/1/22 | 1/31/22 | $885.50 | $1,956.48 | $2,841.98 |
| 2/1/22 | 2/28/22 | $2,322.75 | $2,051.29 | $4,374.04 |
| 3/1/22 | 3/31/22 | $3,656.38 | $6,357.49 | $10,013.87 |
| 4/1/22 | 4/30/22 | $1,604.75 | $3,542.21 | $5,146.96 |
| 5/1/22 | 5/31/22 | $1,457.00 | $3,234.51 | $4,691.51 |
| 6/1/22 | 6/30/22 | $2,451.50 | $8,947.80 | $11,399.30 |
| 7/1/22 | 7/31/22 | $885.50 | $4,087.74 | $4,973.24 |
| **Date to Date** | | | | |
| 8/1/21 | 7/31/22 | $24,755.75 | $68,501.17 | $93,256.92 |

Projected annual income is based on current holdings, at their current distribution rate, and presented gross of fees. Portfolio holdings and actual income are subject to change. The projection shown is hypothetical and provided solely for informational purposes. This illustration uses historical and current information to project future distributions and is no guarantee of actual income.

# Disclosures

This information is provided by Clark Capital Management Group ("Clark Capital") to recipients who are professional financial advisors for their use in a one-on-one setting with the client identified herein and this should not be distributed to other parties. It should not be assumed that any of the recommendations discussed will prove to be profitable, or that the investment recommendations or decisions made in the future will be profitable.

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The value of investments, and the income from them, can go down as well as up and you may get back less than the amount invested.

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 or 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).

Non-investment grade debt securities (high-yield/junk bonds) may be subject to greater market fluctuations, risk of default or loss of income and principal than higher-rated securities.

**Actual Performance**

This report may contain performance results that are designated as "actual performance." Unless otherwise indicated, actual performance shown is unaudited, and includes the reinvestment of dividends and other earnings. Actual fees may vary. For fee schedules, contact your financial professional. The performance data and certain other information for each strategy shown reflect Clark Capital's investment results in managing accounts and investment products in the same or substantially similar investment discipline. Past performance is not indicative of future results.

The Composite Index of Leading Indicators, otherwise known as the Leading Economic Index (LEI), is an index published monthly by The Conference Board. It is used to predict the direction of global economic movements in future months.

The ISM Manufacturing Index is a widely-watched indicator of recent U.S. economic activity. The index is often referred to as the Purchasing Manager's Index (PMI). Based on a survey of purchasing managers at more than 300 manufacturing firms by the Institute for Supply Management, the index monitors changes in production levels from month to month. The index is the core of the ISM Manufacturing Report.

# Disclosures

The S&P 500 measures the performance of the 500 leading companies in leading industries of the U.S. economy, capturing 75% of U.S. equities.

The 10 Year Treasury Rate is the yield received for investing in a US government issued treasury security that has a maturity of 10 year. The 10-year treasury yield is included on the longer end of the yield curve.

The 30 Year Treasury Rate is the yield received for investing in a U.S. government issued treasury security that has a maturity of 30 years. The 30-year treasury yield is included on the longer end of the yield curve and is important when looking at the overall U.S. economy.

Created by the Chicago Board Options Exchange (CBOE), the Volatility Index, or VIX, is a real-time market index that represents the market's expectation of 30-day forward-looking volatility. Derived from the price inputs of the S&P 500 index options, it provides a measure of market risk and investors' sentiments.

The Russell 1000 Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected growth values.

The Russell 2000 Value Index measures the performance of the large-cap growth segment of the U.S. equity. It includes those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values.

The Russell 2000 Growth Index measures the performance of the large-cap growth segment of the U.S. equity. It includes those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values.

The Russell 3000 Value Index measures the performance of the large-cap value segment of the U.S equity universe. It includes those Russell 3000 companies with lower price-to-book ratios and higher forecasted growth values.

The Russell Top 200 Index measures the performance of the 200 largest companies in the Russell 1000 Index, with a weighted average market capitalization of $186 billion. The median capitalization is $48 billion; the smallest company in the index has an approximate capitalization of $14 billion.

The ISM Non-Manufacturing Index is an economic index based on surveys of more than 400 non-manufacturing firms' purchasing and supply executives, within 60 sectors across the nation, by the Institute of Supply Management (ISM). The index monitors changes in production levels from month-to-month for non-manufacturing firms.

The forward P/E ratio is a current stock's price over its "predicted" earnings per share. If the forward P/E ratio is higher than the current P/E ratio, it indicates decreased expected earnings. Keep in mind, analyst estimates are not set in stone, and can often be wrong.

The price-to-book ratio compares a company's market value to its book value. The market value of a company is its shared price multiplied by the number of outstanding shares. Traditionally, any value under 10 is considered a good P/B for value investors, indicating a potentially undervalued stock.

The Barclays U.S. Aggregate Bond Index covers the U.S. investment-grade fixed-rate bond market, including government-related & investment grade U.S. corporate securities that have a remaining maturity of greater than one year.

The Barclay U.S. Corporate High-Yield Index covers the USD-denominated, non-investment grade, fixed-rate, taxable corporate bond market. Securities are classified as high-yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below.

# Disclosures

Barclays Capital 5 Year GO Municipal Bond Index. If it is, the disclosure would be – The index represents the performance of long-term, investment grade tax-exempt bonds with maturities ranging from four (4) to six (6) years.

The Bloomberg Commodity Index (BCOM) is a benchmark designed to provide liquid and diversified exposure to physical commodities via futures contracts.

The SG CTA Index is equal weighted, calculates the daily rate of return for a pool of CTAs selected from the larger managers that are open to new investment.

Index returns include the reinvestment of income and dividends. The returns for these unmanaged indexes do not include any transaction costs, management fees or other costs. It is not possible to make an investment directly in an index.