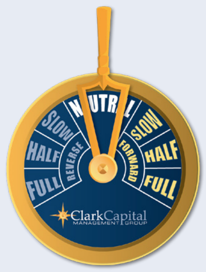
April 2023

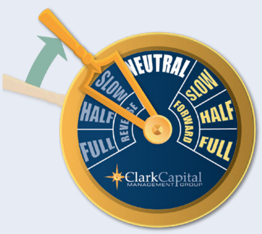
Monthly Moves

Charting Our Strategies

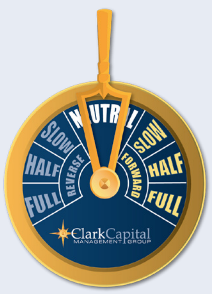
Economic Gauges



Economy



Monetary Policy



Valuations

Investor Sentiment

Interest Rates

Clark Capital's Bottom-Up, Fundamental Strategies

Equity markets moved little in April as both the 10-year Treasury yield and credit spreads remained relatively stable. Small-cap stocks, mirroring the weakness in their earnings expectations, declined nearly 2% while other major indices gained 1-2%. Job cuts and cost cutting by the large-cap Tech growers have already begun to show up in reported earnings and expectations moving forward.

Margin expectations are moving up, and the antifragile growth monopolies are reasserting themselves as well-managed, profit focused enterprises. Our exposure to those names has been increasing and many of them still appear attractively priced. Year to date, four companies in the S&P 500 Index represent 60% of the gain including Meta Platforms, Inc., Nvidia Corp., Apple Inc., and Microsoft Corp. We believe the market continues to reward profitability over valuation and large to mega-cap at the expense of small-caps.

There was no Federal Reserve meeting during the month of April and the Fed's preferred inflation measure, The Personal Consumer Expenditure Index (PCE), continued to trend lower. This led to the market trading in a very tight range with the 10-year Treasury, which closed the month 3 basis points lower than where it started, finishing at 3.43%. Corporate credit spreads followed what Treasuries did and traded in a tight range during the month. Within the fixed income portfolios, the focus was on taking advantage of the stable markets and continuing to move into what we believe are higher quality, more stable names.

Below are strategy updates from April:

All Cap Core U.S. Equity

- Navigator® All Cap is positioned with approximately 69.3% in large-cap stocks and the remainder in mid/small-cap companies and cash.
- During the month, we added a REIT to the portfolio. We exited our positions in a different REIT, a financial services company, and a machine industry company.
- Albeit underweight to the benchmark, Information Technology remains the largest sector weight in the strategy at 21.9%.

High Dividend Equity

- The United States is the largest country weight at 90.7%, followed by Britain at 3.1% and Ireland at 2.1%. Large-cap represents 89.6% of the portfolio, mid-cap represents 8.4%, small-cap represents 0.9%, and the remainder is positioned in cash.
- We sold a security systems services company due to what we believe were weaker sales and declining business momentum.
- Sale proceeds and cash were invested in existing positions in a supplemental health and life insurance provider, a multinational technology corporation, a pharmaceutical and consumer goods manufacturer, an American energy company, and a multinational managed healthcare and insurance company.

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

One Liberty Place ✦ 1650 Market Street ✦ 53rd Floor ✦ Philadelphia, PA 19103 ✦ 800.766.2264 ✦ ccmg.com

ClarkCapital MANAGEMENT GROUP

Monthly Moves

Charting Our Strategies

- Financials represent the largest sector weight at 17.6%, but below the benchmark at 20.4%. The next three largest portfolio weights are Healthcare, Information Technology, and Industrials at 15.8%, 11.7% and 11.5%, respectively.

International Equity ADR

- Navigator® International Equity/ADR is positioned with 14.5% in emerging markets with the balance in developed economies and cash. Britain, Canada, France, and Japan are the strategy's largest country weights, all ranging between 9% and 12%.
- During the month, we added a British multinational banking and financial services company, a semiconductor manufacturer, and a German diversified industrial conglomerate.
- We exited a Swiss multinational investment bank and financial services company, a Swiss food and beverage company, and a Canadian transportation and logistics company.
- ADR's exposure to China is now 4.8% and below its 7.6% weighting in the All-Country World less US benchmark.
- Consumer Discretionary, Financials, Industrials and Information Technology are our largest sector weights.

Taxable Fixed Income

- Within the portfolio, the focus was to take advantage of the stable markets and continue to move into what we believe are higher quality, more stable names.
- The last of the small Financial names were sold during the month as the move away from smaller Financial firms continued.
- The portfolio also continued to add to the more defensive Utilities sector as well as to Healthcare/Pharmaceutical names.
- These trades increased the defensive positioning of the portfolio while also increasing duration exposure in the 10-year part of the interest rates curve. This brings the portfolio from an underweight position in that part of the curve to roughly index weighted.

Tax-Free Fixed Income

- Flows, as reported by ICI, were negative for the month as investors withdrew over $230 million from the municipal bond asset class during April (as of 04/19/2023).
- Our focus continues to center on consolidating positions to achieve better economies of scale and increasing block size to enhance liquidity.
- Since late December, we have been repositioning our portfolio exposures to align more closely with benchmark weightings and we remain committed to this approach.

Navigate Your Future. Enjoy the Journey.

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

Clark Capital MANAGEMENT GROUP

Monthly Moves

Charting Our Strategies

- In April, we started investing excess cash and took advantage of seasonal market weakness, not only to benefit from higher rates, but also to negotiate better coupons on new issues, thereby increasing our current yield.
- Recent sell-side reports predict a surge in negative net issuance, where demand exceeds supply, through August. If this view proves correct, we believe munis could be positioned to perform well throughout the summer.

Clark Capital's Top-Down, Quantitative Strategies

The markets remain very resilient with the S&P 500 closing just off its high for the year. Credit conditions are stable and trends in global indices continue to improve. Our credit models are fully risk-on, so our tactical bias is overweight equity and credit.

We believe there are still risks to the near-term outlook. Issues in the banking system persist with another regional bank failure and a takeover by a larger bank. The debt ceiling and threat of default is something that will occupy the markets into the summer. Treasury Secretary Yellen said the other day that the government will run out of money by June 1st if a deal to raise the debt limit ceiling isn't struck.

Below are strategy updates from April:

Alternative

- Long-short equities, long-short real estate, and options-based strategies are performing well in the mutual fund core, while managed futures strategies have lagged.
- Recent tactical trades reduced our exposure to commodities and commodity equities, while increasing our cash position, which we believe now offers an appealing yield.

Fixed Income Total Return

- The portfolio remains invested 100% in high yield, with Treasuries and cash ranking clearly below high yield in our models.
- High yield spreads stand out as remarkably stable, particularly given the continual stresses in the banking sector.

Global Tactical

- The portfolio is 100% risk-on, owning equities.
- U.S. large-caps and international stocks are performing relatively well, while U.S. small-caps have lagged since February.
- Credit markets are surprisingly resilient (thus making our risk models solidly positive), and the stresses within the banking system are so far not spreading elsewhere.

Navigate Your Future. Enjoy the Journey.

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

ClarkCapital MANAGEMENT GROUP

Monthly Moves

Charting Our Strategies

Author

K. Sean Clark, CFA®
Executive Vice President
Chief Investment Officer

Navigate Your Future. Enjoy the Journey.

Sector Opportunity

- The portfolio favors Technology, Communications Services, Homebuilders, and Aerospace.
- Recent additions also include Staples and medical devices. We believe Financials in particular, along with Energy and Materials, are to be avoided.

Style Opportunity

- The portfolio is positioned with approximately 42% in large-cap growth (via the Russell Top 200 Growth and the NASDAQ 100), with the other 56% of the portfolio indexed to the S&P 500.
- We believe large-cap value (and its Financials exposure), mid-caps and small-caps (and their Financials and Energy exposures) are to be avoided.

U.S. Strategic Beta

- The portfolio tilts slightly towards favoring large-cap growth over large-cap value. While that has helped performance, mid and small-cap exposure has been a detractor since February.
- As 2023 develops, we expect to increase defense in our portfolios, given the murky economic outlook.

Clark Capital Management Group

Monthly Moves

Charting Our Strategies

Navigate Your Future. Enjoy the Journey.

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