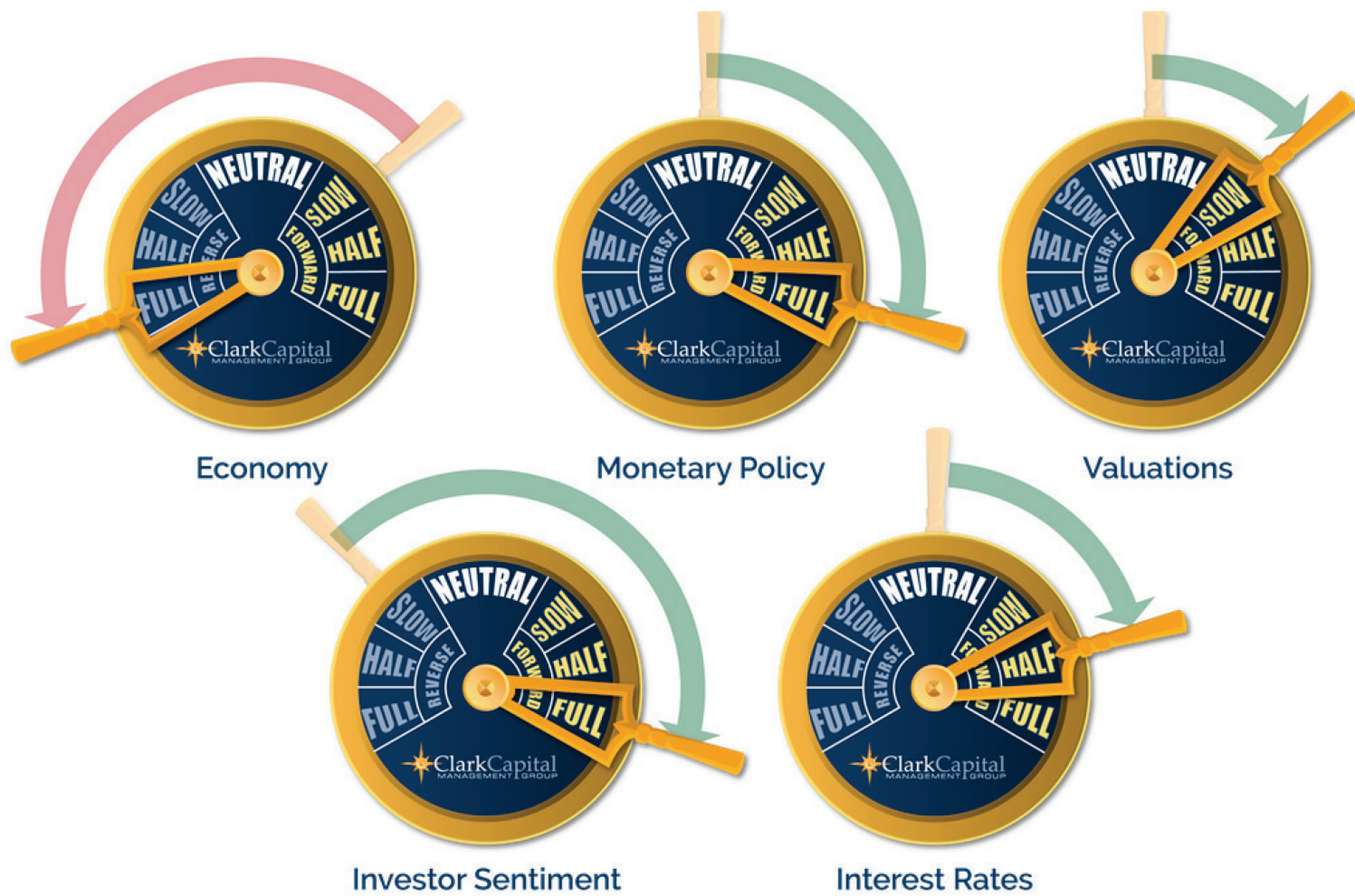


Q1 2020 Review & Outlook

Peter J. Eisenrich, CFA®



Economic Gauges



The gauges reflect the degree of Clark Capital's positive (forward) or negative (reverse) outlook on the corresponding economic factors.

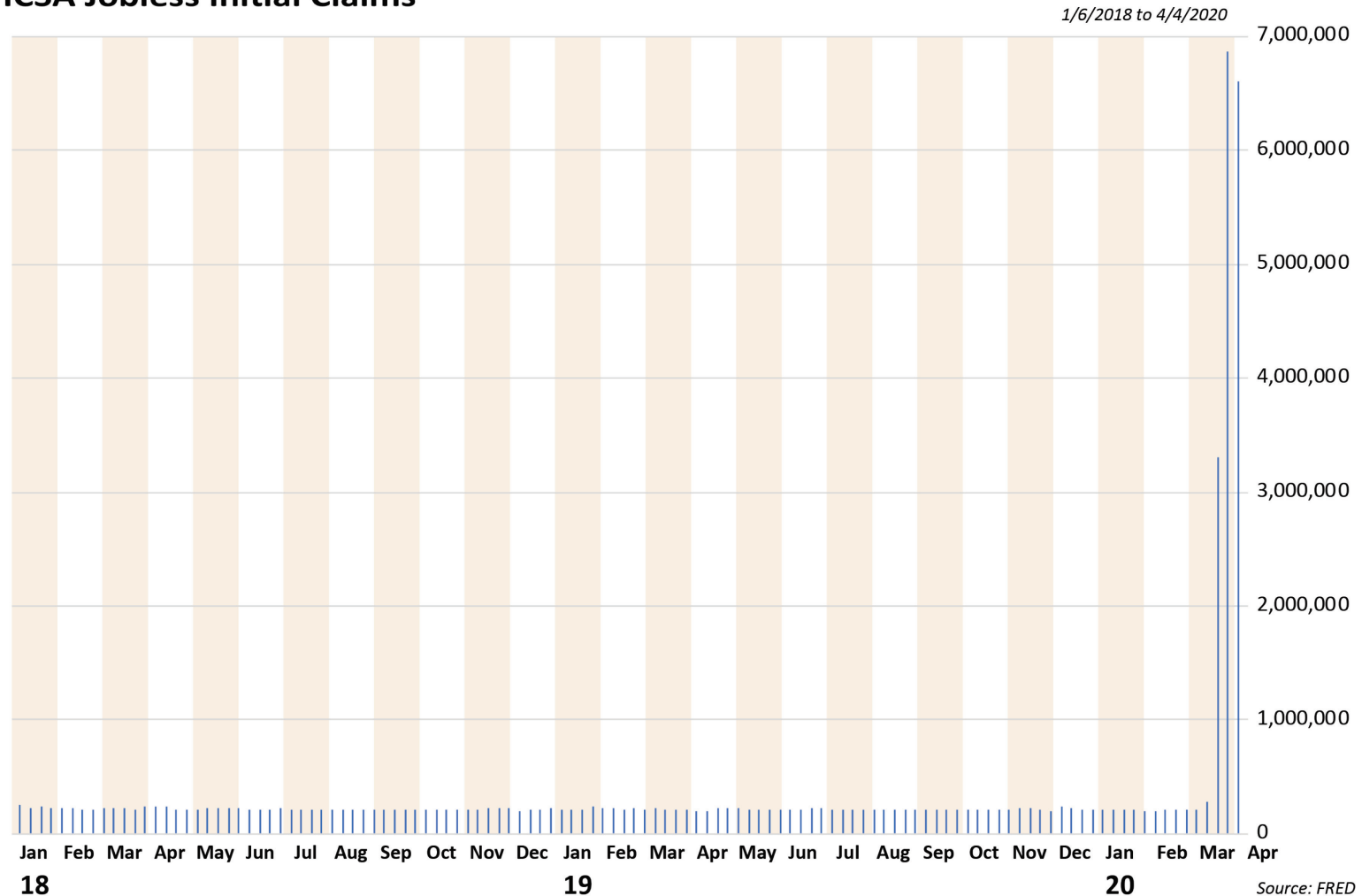
Executive Summary

- The COVID-19 outbreak has brought the global economy to a standstill, going from conditions that were broadly favorable to a global recession in just a couple of months.
- We expect there will be a significant impact to GDP in the 2nd quarter, with unemployment skyrocketing and consumer activity plummeting. However, we feel that by the 4th quarter we should begin to see markedly improving economic conditions.
- Market conditions are representing dislocations that we have not witnessed since 2008, in some cases we are seeing areas of stress that have even surpassed the financial crisis.
- Investor behavior has reached extreme pessimism and there have been record outflows from mutual funds.
- The Fed has brought out the playbook from the 2008 crisis and has rapidly implemented programs to inject massive amounts of liquidity into the markets. In concert with the Fed, the largest fiscal stimulus package in US history was passed to provide economic relief during the shutdown.



Weekly Initial Jobless Claims Skyrocket

ICSA Jobless Initial Claims

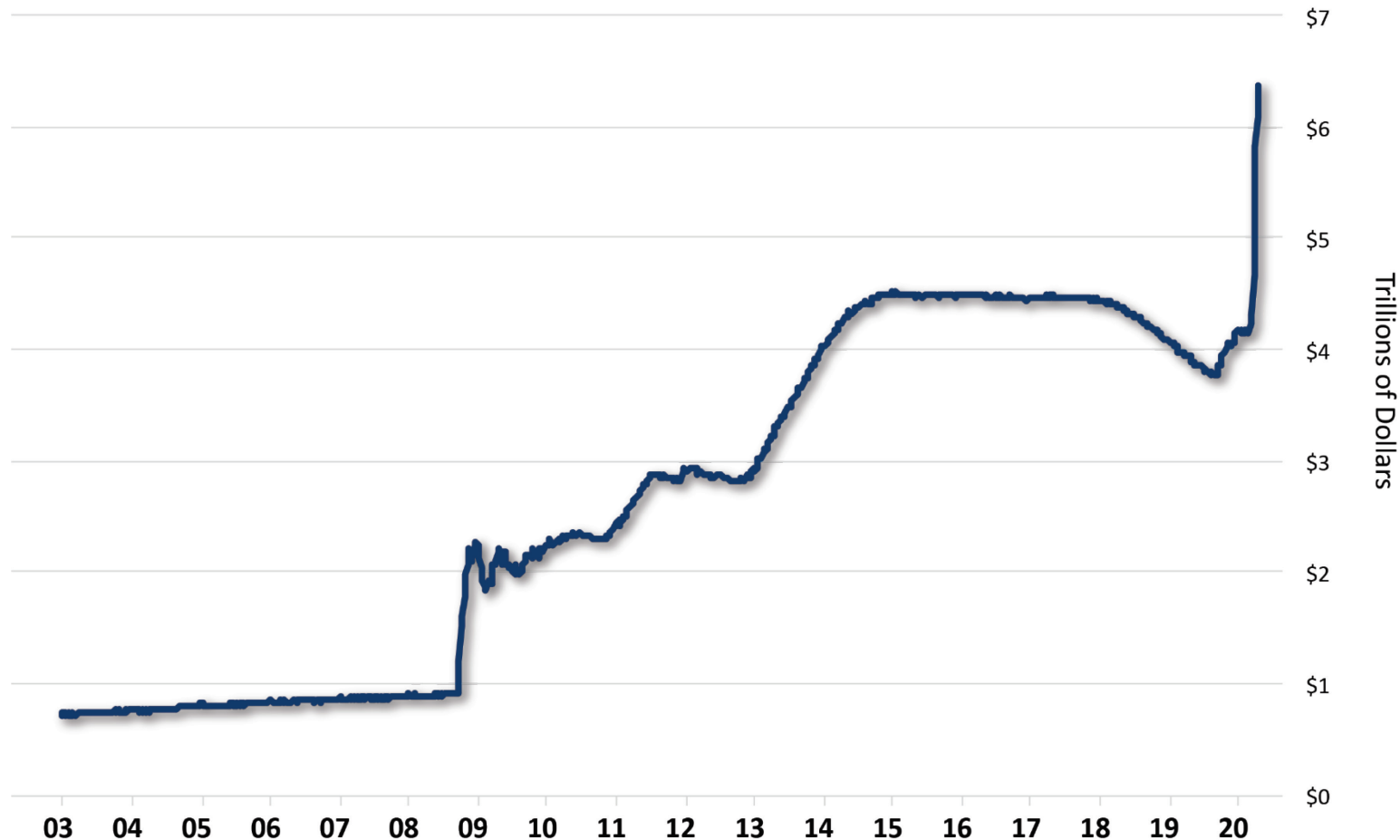


Fed Balance Sheet Expanding

Assets: Total Assets:

12/18/2002 to 4/15/2020

Total Assets (Less Eliminations From Consolidation): Wednesday Level



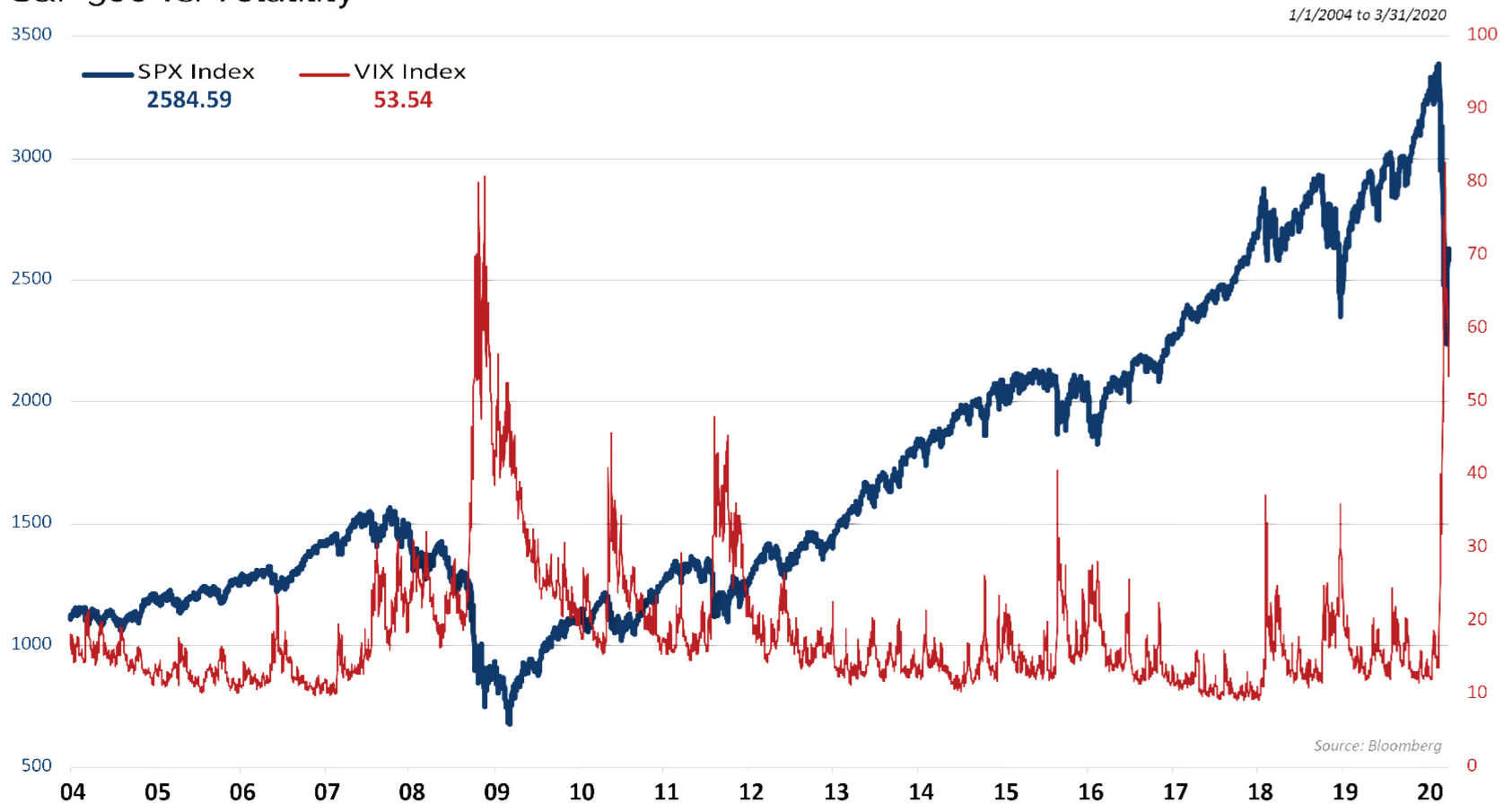
Source: FRED, Federal Reserve Bank of St. Louis



VIX Index All-Time High

VIX Index All-Time High
March 16, 2020

S&P 500 vs. Volatility



VIX Index: Into Rare Territory

Closed at 82.69 on March 16, 2020 – An All-Time High

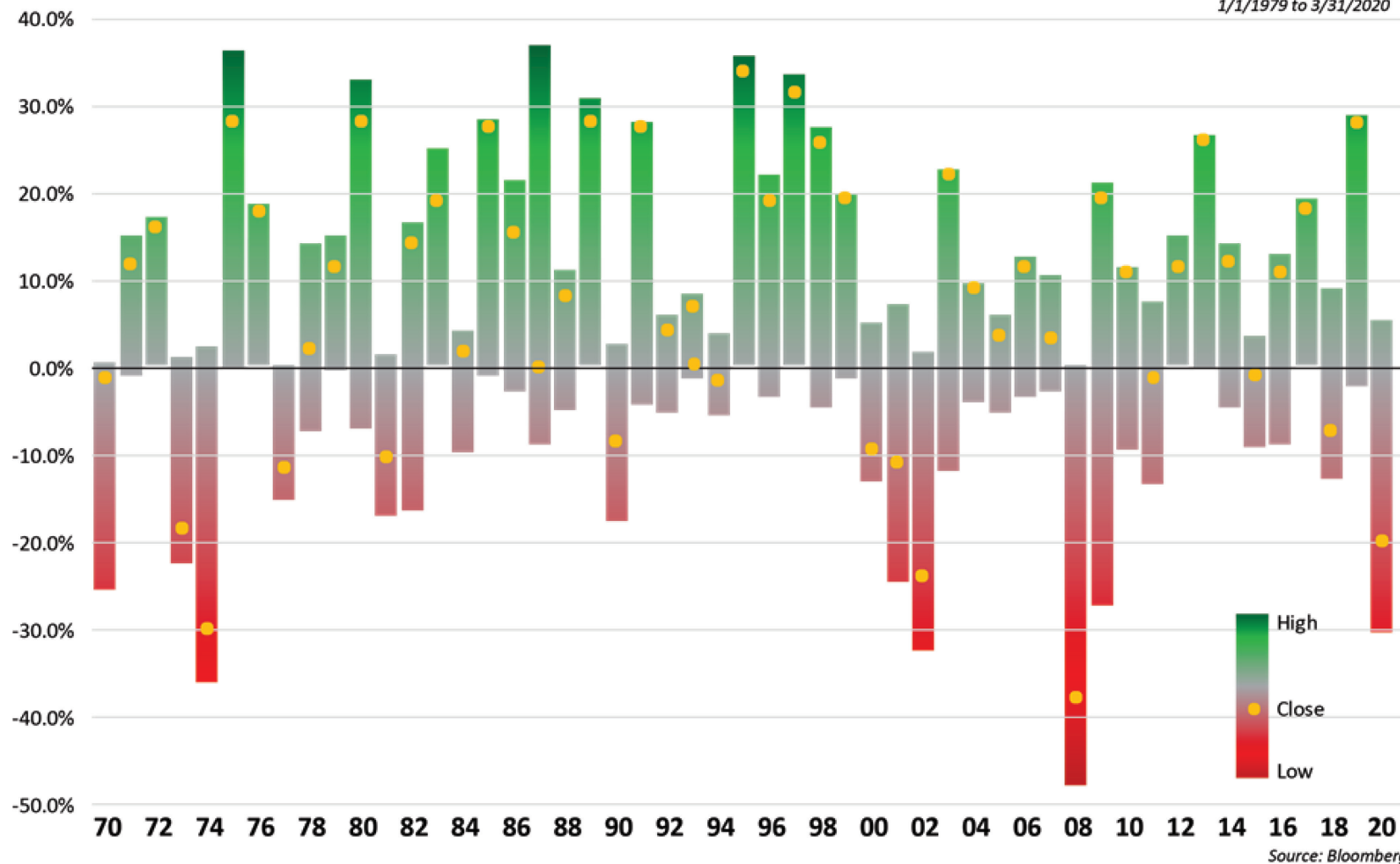
Vix Level	Frequency	%
0-10	68	0.9%
10-20	4806	63.0%
20-30	2139	28.0%
30-40	421	5.5%
40-50	121	1.6%
50-60	36	0.5%
60-70	27	0.4%
70-80	8	0.1%
>80	3	0.04%
	7629	



Most Years Are Negative at Some Point

S&P Historical Yearly Range 1970-2020

1/1/1979 to 3/31/2020



Source: Bloomberg



Corrections Are Normal — Frequency of Declines


S&P 500 Declines	Occurrences Per Year	Frequency Average	Probability of Decline Moving to Next Stage	Mean Decline
-5% or more	3.4	Every 14 weeks	32%	-10.9%
-10% or more	1.1	Every Year	45%	-19.5%
-15% or more	0.5	Every 2 years	58%	-28.2%
-20% or more	0.3	Every 3 years	N/A	-35.7%



Worst Trades Ever? “Time In”, Not “Timing”

If you bought in at the market highs just prior to a major downturn...

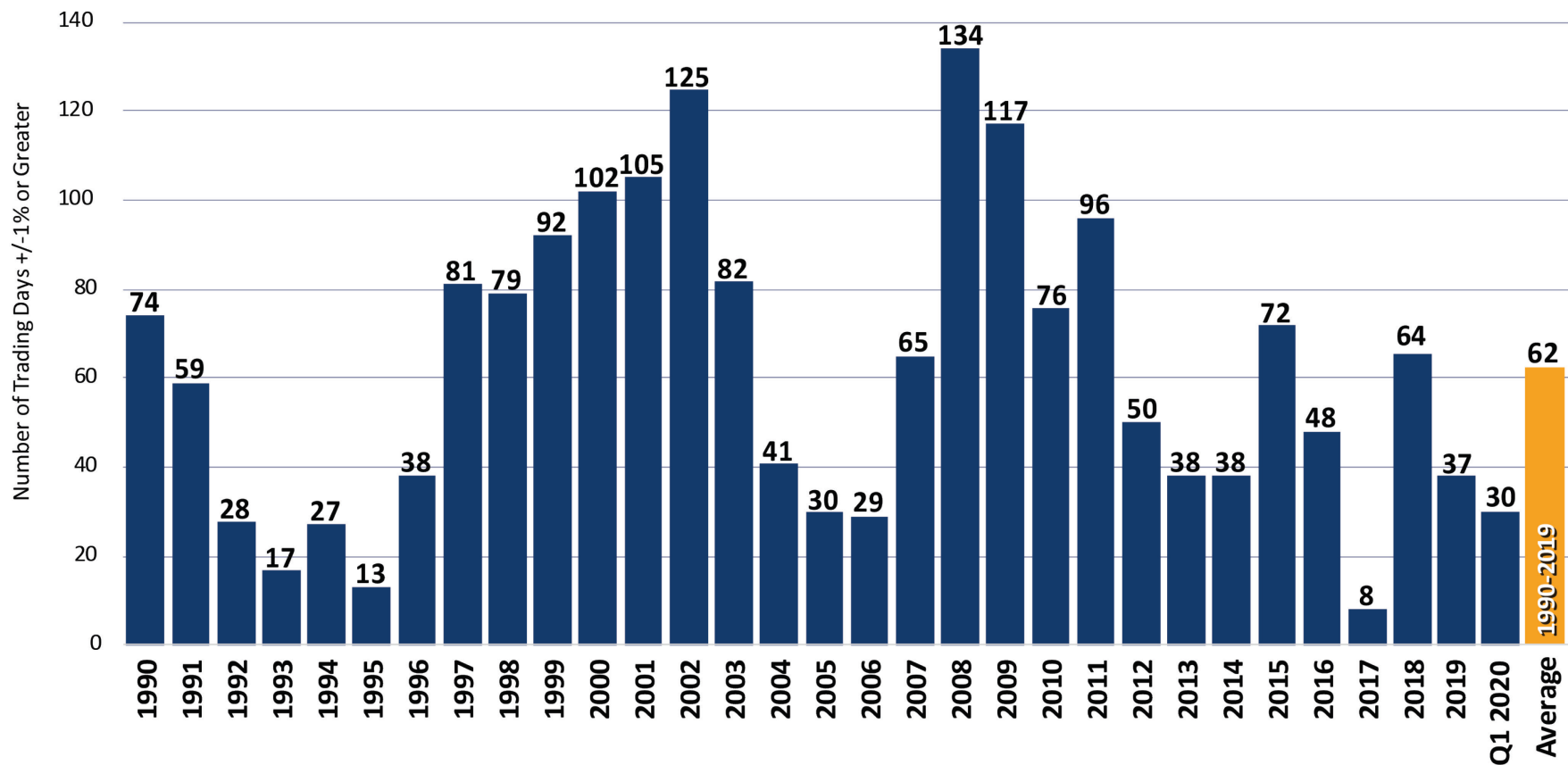
S&P 500 Index* Purchase Date	Return through 4/13/2020
March 24, 2000	81%
September 10, 2001	153%
October 9, 2007	76%

 *S&P 500 price only (not factoring in dividends). Economic and market forecasts presented herein reflect a series of assumptions and judgments as of the date of this presentation and are subject to change without notice. Forward-looking statements cannot be guaranteed.

Source: Bloomberg. For illustrative purposes only. Past performance is not indicative of future results.

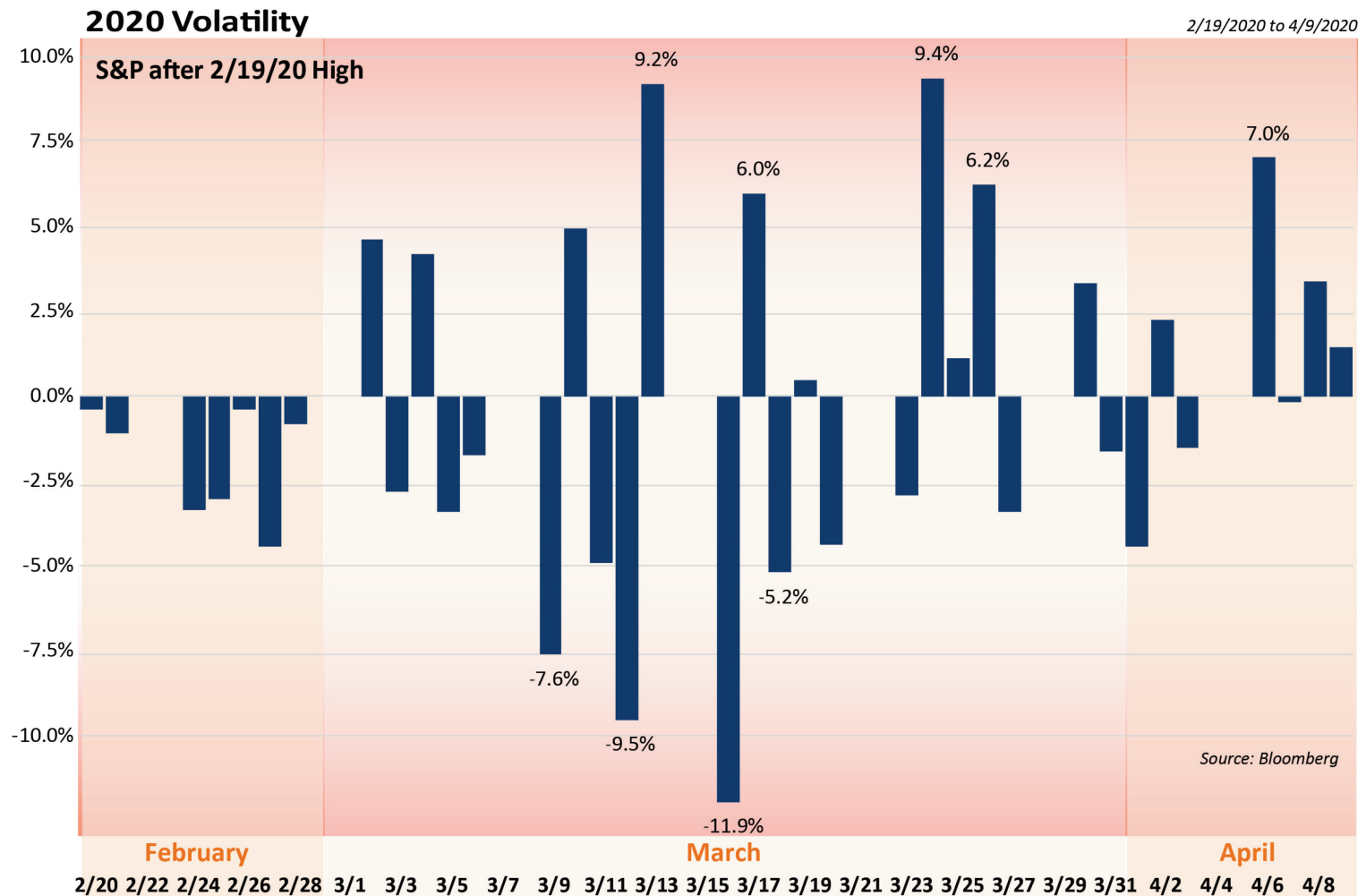
Volatility Rose Dramatically

Total Trading Days Greater than +/-1% Change



Volatility Extreme after Stock Market Highs

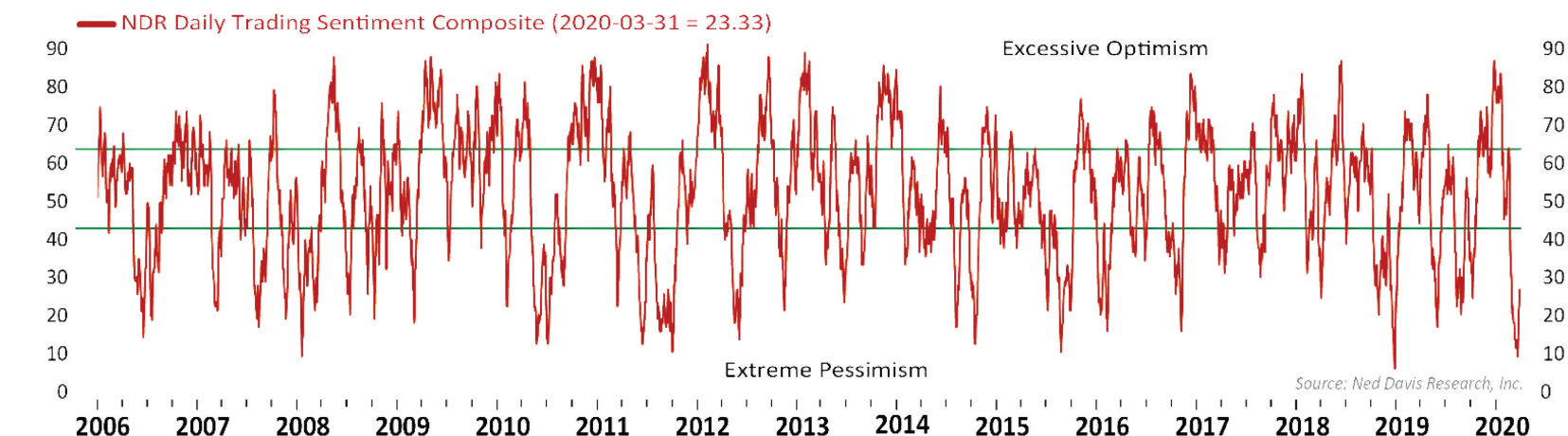
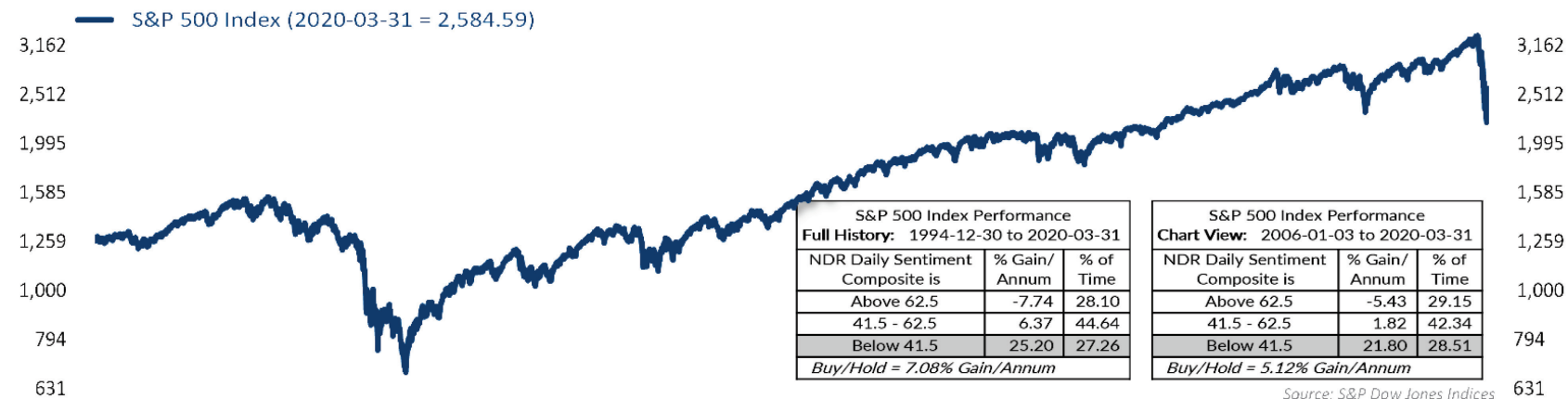
7-Weeks of Unprecedented Volatility



Sentiment Reflects Deep Pessimism

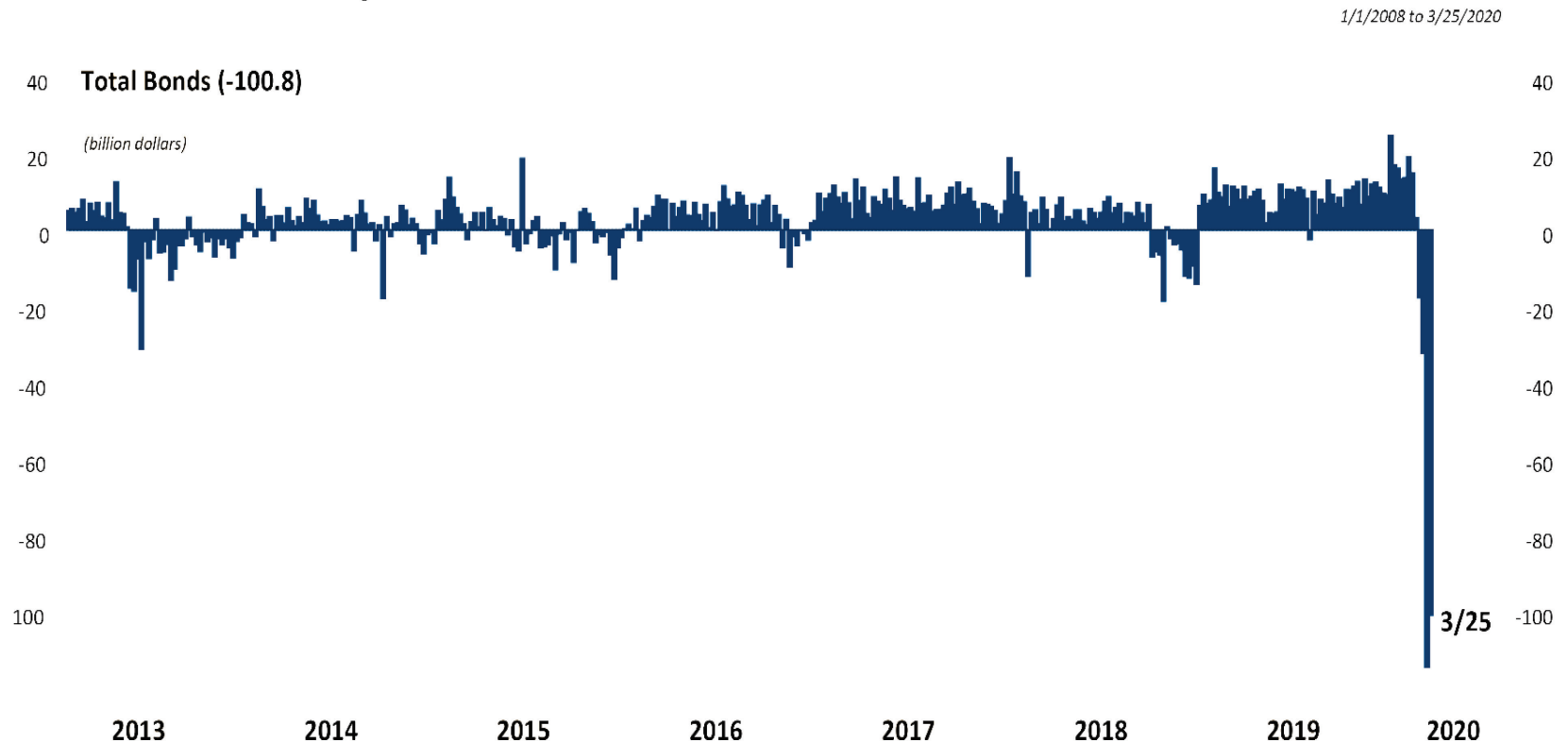
S&P 500 vs. NDR Daily Trading Sentiment Composite

Daily Data 2006-01-03 to 2020-03-31



Fund Flows Represent Broad Fear

Bond Mutual Funds & Exchange Traded Funds:
ICI Estimated Weekly Net New Cash Flow*



*ICI's weekly cash flows are estimated while actual net new cash flows are collected on a monthly basis. Source: Investment Company Institute.

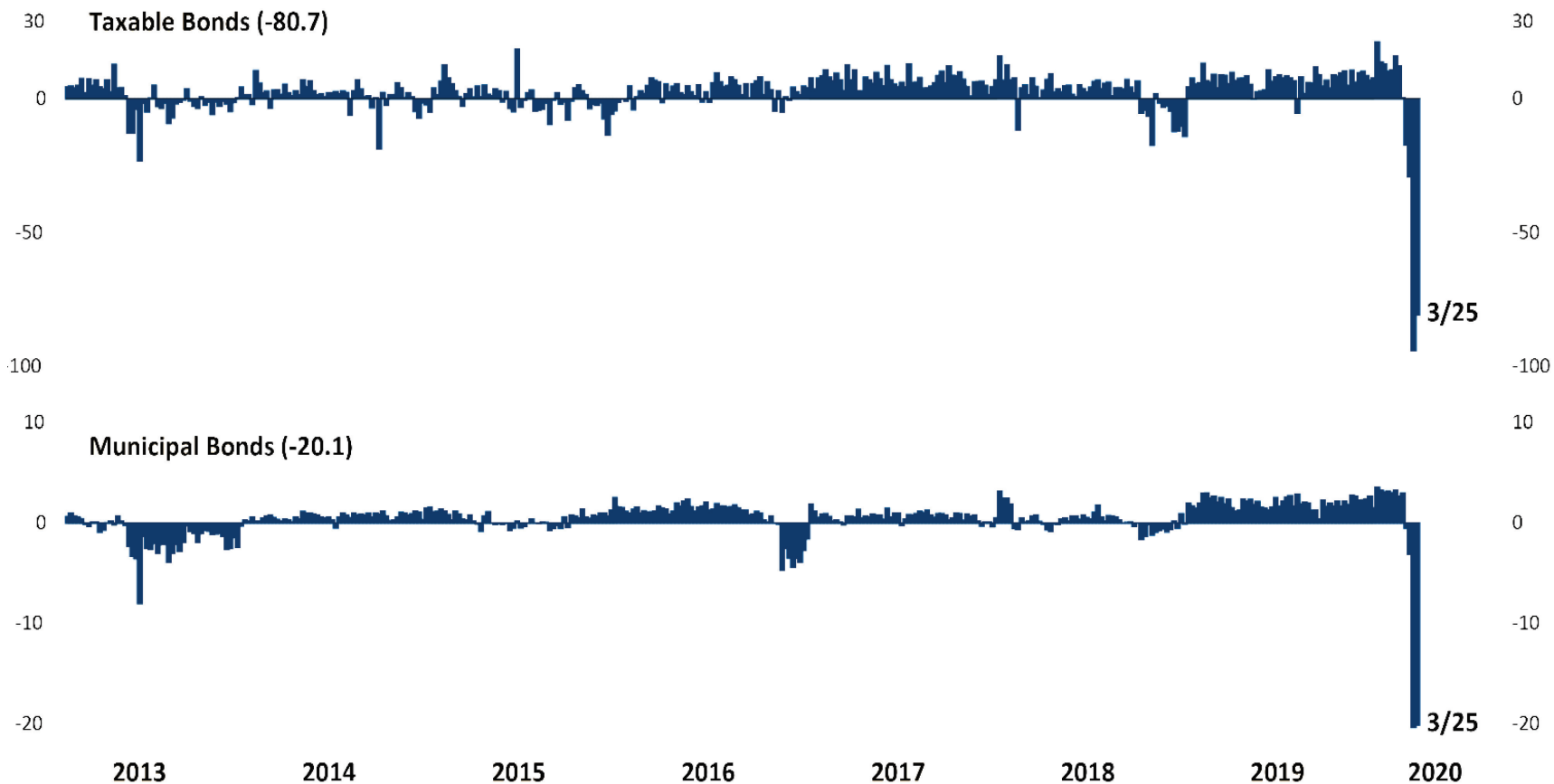
yardeni.com



Massive Bond Outflows

Taxable versus Municipal Bond Funds

1/1/2008 to 3/25/2020



*ICI's weekly cash flows are estimated while actual net new cash flows are collected on a monthly basis. Source: Investment Company Institute.

yardeni.com

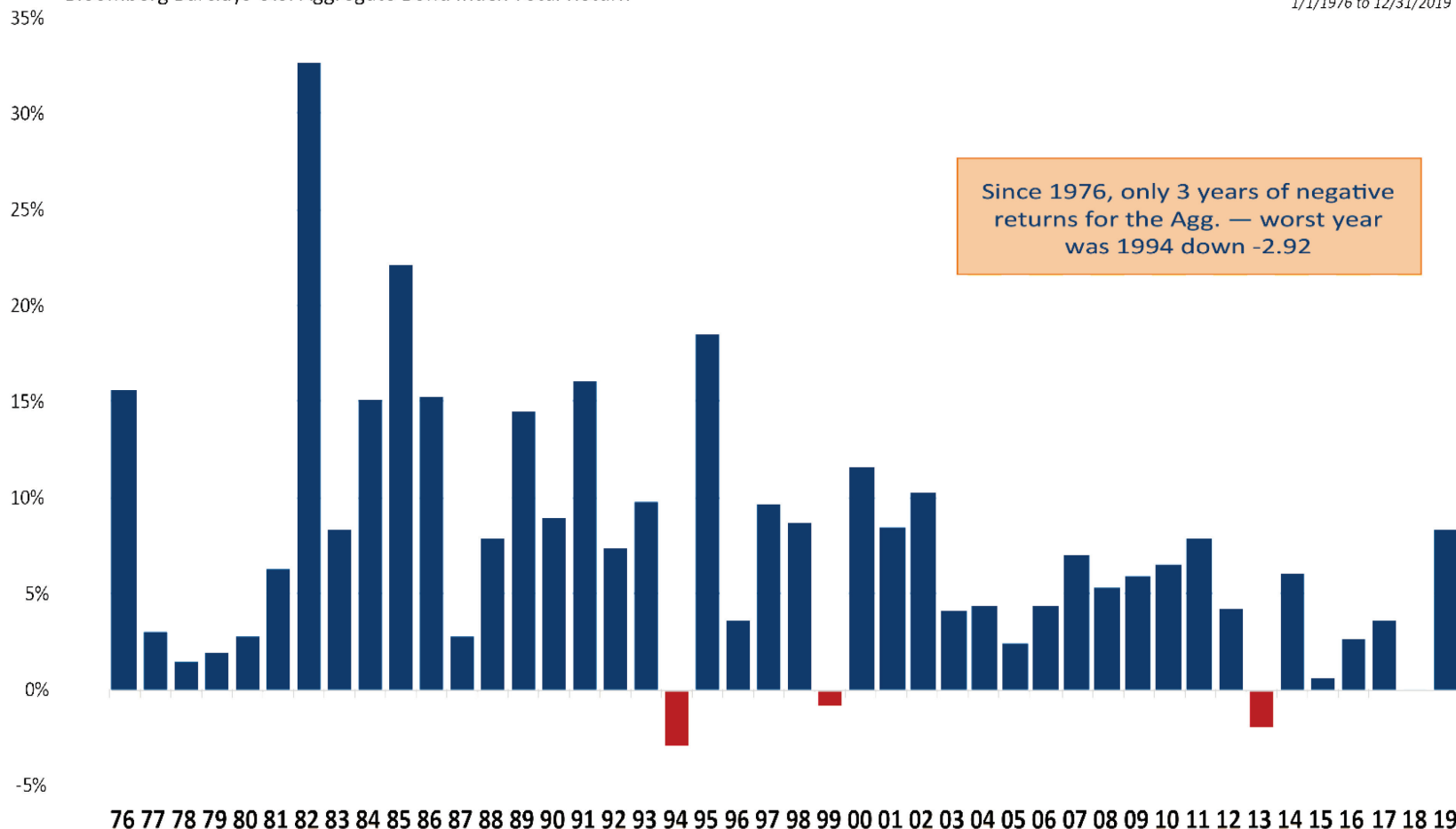


Bonds Typically a Safe Haven

A Bond Bear Market Is Not Like a Stock Bear Market

Bloomberg Barclays U.S. Aggregate Bond Index Total Return

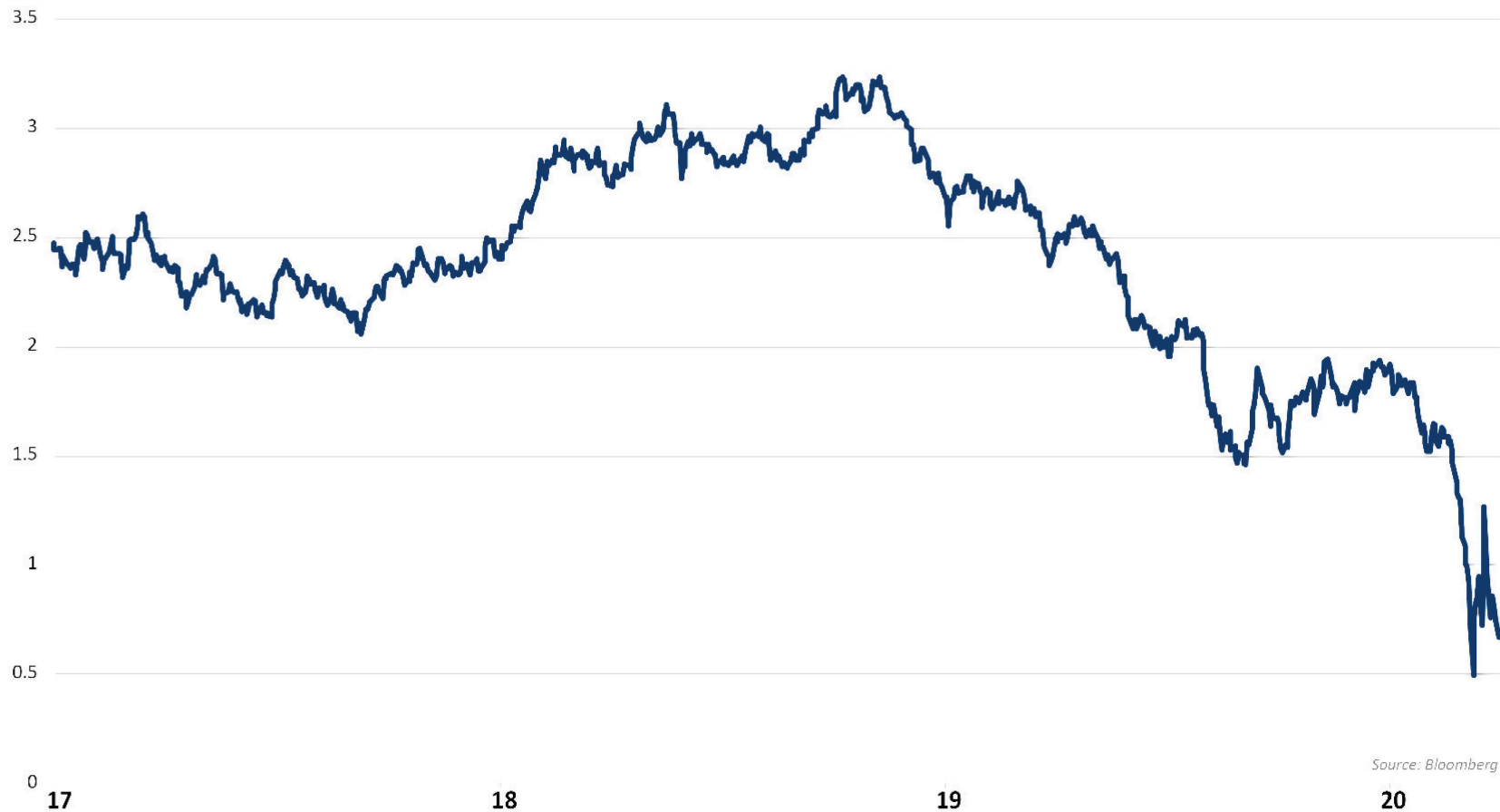
1/1/1976 to 12/31/2019



Treasury Yields Tumbled to All-Time Low

10 Year U.S. Treasury Yields

12/31/2016 – 3/31/2020



Source: Bloomberg

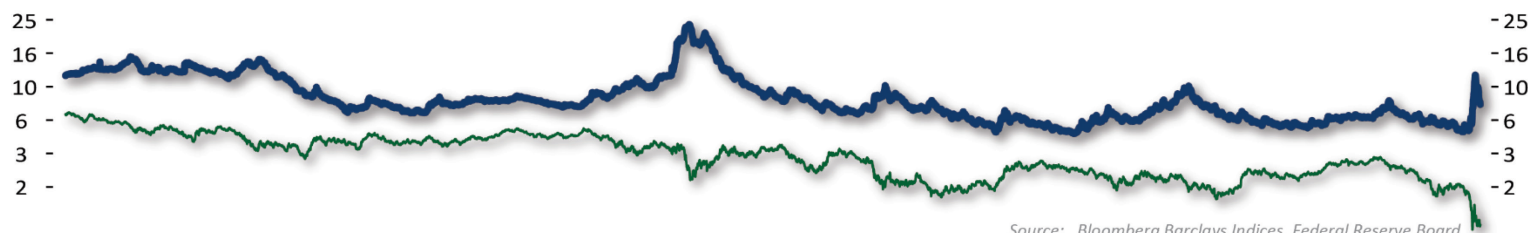


Credit Spreads Blew Out Amid Panic Selling

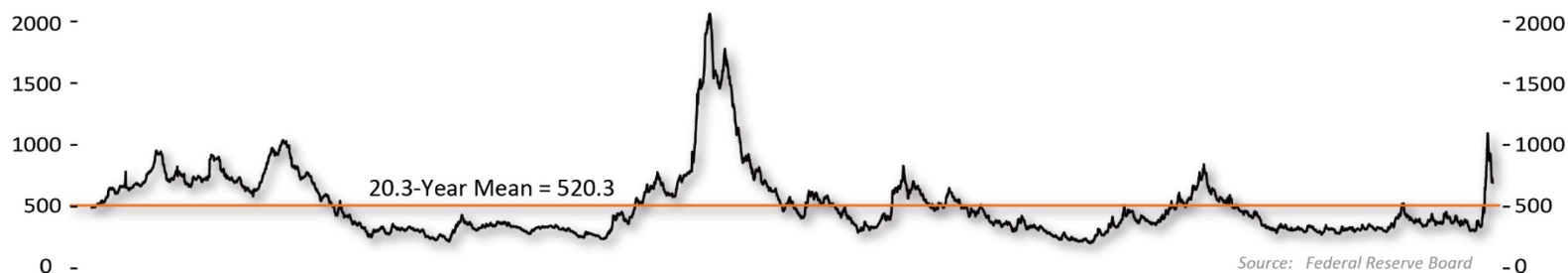
High Yield Corporate Spreads

Daily Data 2000-01-03 to 2020-04-17

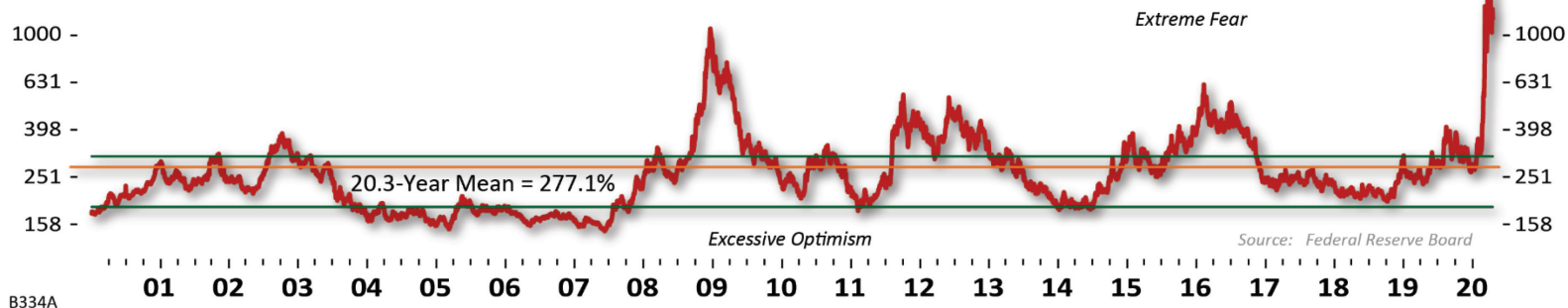
- Barclays High Yield Corporate Bond Yield (2020-04-17 = 7.66%)
- 10-Year Treasury Note Yield (2020-04-17 = 0.65%)



- High Yield Spread in Basis Points (High Yield minus 10-Year Treasurys) (2020-04-17 = 701 Basis Points)



- High Yield Ratio (High Yield divided by 10-Year Treasurys) (2020-04-17 = 1179.2%)



B334A

Q1 2020 Review

Domestic Equity		Q1 2020	2019
	S&P 500	-19.60%	31.49%
	Russell 1000	-20.22%	31.43%
	Russell 2000	-30.61%	25.52%
	Russell 3000	-20.90%	31.02%
	Russell 1000 Value	-26.73%	26.54%
	Russell 1000 Growth	-14.10%	36.39%
International Equity			
	MSCI Emerging Market	-23.60%	18.42%
	MSCI All Country World (ex US)	-23.36%	21.51%
Fixed Income			
	BBgBarc U.S. Aggregate Bond	3.15%	8.72%
	BBgBarc U.S. Treasury	8.20%	6.86%
	BBgBarc U.S. Corporate	-3.63%	14.54%
	BBgBarc U.S. Corporate High Yield	-12.68%	14.32%
	BBgBarc Municipal	-0.63%	7.54%

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

Q&A



Benchmark Descriptions

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 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 1000 Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 Index companies with higher price-to-book ratios and higher forecasted growth values.

The Russell 1000 Index measures the performance of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000® Index and includes approximately 1000 of the largest securities based on a combination of their market cap and current index membership. The Russell 1000 represents approximately 92% of the U.S. market.

The Russell 2000 Index measures the performance of the 2000 smallest U.S. companies based on total market capitalization in the Russell 3000, which represents approximately 10% of Russell 3000 total market capitalization.

The Russell 3000 Index measures the performance of the 3000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market.

The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The MSCI Emerging Markets Index consists of the following 21 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.

The MSCI World ex US Index is a market capitalization-weighted index designed to measure equity performance in 22 global developed markets, excluding the United States. The benchmark for this composite is used because the MSCI World Ex US Net Index is generally representative of international equities.

BBgBarc U.S. Aggregate Bond Index covers the U.S. investment-grade fixed-rate bond market, including government and credit securities, agency mortgage pass-through securities, asset-backed securities and commercial mortgage-based securities. To qualify for inclusion, a bond or security must have at least one year to final maturity, and be rated investment grade Baa3 or better, dollar denominated, non-convertible, fixed rate and publicly issued.

The BBgBarc US Treasury Index measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury. Treasury bills are excluded by the maturity constraint but are part of a separate Short Treasury Index. STRIPS are excluded from the index because their inclusion would result in double-counting. The US Treasury Index is a component of the US Aggregate, US Universal, Global Aggregate and Global Treasury Indices.

The BBgBarc US Corporate Bond Index measures the investment grade, fixed-rate, taxable corporate bond market. It includes USD-denominated securities publicly issued by US and non-US

industrial, utility and financial issuers. The US Corporate Index is a component of the US Credit and US Aggregate Indices, and provided the necessary inclusion rules are met, US Corporate Index securities also contribute to the multi-currency Global Aggregate Index.

The BBgBarc U.S. Corporate High-Yield Index covers the U.S. dollar-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.

The BBgBarc U.S. Municipal Index covers the USD-denominated long-term tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and prerefunded bonds.

The Global Manufacturing PMI™ indices are all seasonally adjusted. The seasonal adjustment is applied at the national level (as opposed to at the global aggregate level) in order to account for differing seasonal patterns in each of the nations included. Global Manufacturing PMI™ indices are weighted according to national contributions to global manufacturing gross value added. Weights for the global indices are derived from the latest available World Bank data on the gross value added of manufacturing for each of the nations covered. World Bank data on value added are in constant 2010 US\$, with all national currencies converted to 2010 US\$ by the World Bank using DEC alternative conversion factors.

The NDR Credit Conditions Indices (CCI) are designed to objectively measure credit conditions in the U.S. market, specifically the cost & availability of credit. The index consists of two equal-weighted components and historically evaluates business and consumer credit conditions.

NDR (Ned Daily Research) Daily Trading Sentiment Index is based on the S&P 500 Daily Sentiment Index which shows a short-term sentiment view of the S&P 500 Index

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 10-year Treasury note is a debt obligation issued by the United States government with a maturity of 10 years upon initial issuance. A 10-year Treasury note pays interest at a fixed rate once every six months and pays the face value to the holder at maturity.

The Dow Jones Industrial Average is the most widely used indicator of the overall condition of the stock market, a price-weighted average of 30 actively traded blue chip stocks, primarily industrials. The 30 stocks are chosen by the editors of the Wall Street Journal (which is published by Dow Jones & Company), a practice that dates back to the beginning of the century. The Dow is computed using a price-weighted indexing system, rather than the more common market cap-weighted indexing system.

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 any index.

The volatility (beta) of an account may be greater or less than its respective benchmark.



Disclosure

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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 of an investment), credit, prepayment, 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.

Municipal securities can be affected by adverse tax, legislative or political changes and the financial condition of the issuers of municipal securities.

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