



# Clark Capital Management Group, Inc.

SEC File Number 801-28445

Form ADV -- Part 2A Appendix 1 Wrap Fee Brochure

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Part 2A Appendix 1 of Form ADV is our “Wrap Fee Program Disclosure Brochure” or “Brochure” as required by the Investment Advisers Act of 1940 and is a very important document between you as a client and Clark Capital Management Group, Inc. (“Clark Capital” or the “firm”).

*This wrap fee program brochure provides information about the qualifications and business practices of Clark Capital. If you have any questions about the contents of this brochure, please contact Denise Williams at 215-569-2224 or at [dwilliams@ccmg.com](mailto:dwilliams@ccmg.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any State Securities Authority.*

*For additional information about Clark Capital Management you may go to the SEC’s website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (select “Investment Adviser Search,” then select “Investment Adviser Firm” and type in our firm name). You will have access to both Part 1 and 2 of our Form ADV.*

We are a registered investment adviser with the SEC. Our registration as an investment adviser does not imply any level of skill or training.

## Item 2 – Material Changes

This item discusses only material changes made since the last annual update of our brochure dated May 31, 2011 and incorporates all material changes made on subsequent amendments during 2011. The following material changes are reported:

Information on the Navigator Global Macro, which has been introduced as a portfolio which may be employed in the Navigator Unified Managed Solution, has been added to the Brochure.

Information on sub-advisors which may be used in the Advisor Directed and the Client Constructed accounts of the Navigator Unified Solution has been added to the Brochure.

Information regarding Clark Capital's financial industry activities and affiliations in the Additional Information section has been enhanced.

Accounts with the Navigator Sentry strategy may now include volatility exchange traded products in the portfolio.

We may, at any time, update this Brochure and either send you a copy or offer to send you a copy (either by electronic means or in hard copy form).

*You may obtain a complete copy of this Brochure, without charge, by downloading it from the SEC website as indicated on the prior page, or by contacting Advisor Support at 215-569-2224 or by email to [advisorsupport@ccmg.com](mailto:advisorsupport@ccmg.com).*

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## Item 4 – Services, Fees and Compensation

Clark Capital is an SEC-registered independent investment advisory firm that has been managing investor assets since 1986. We are a closely held employee-owned business located in Philadelphia, Pennsylvania, with all significant owners currently employed by the firm in key management, operations, portfolio management and sales capacities. The controlling ownership of the firm resides with Harry Clark, President and Chief Executive Officer. As of March 31, 2011 the firm managed \$2,469,651,837 in discretionary assets.

Our advisory services are offered through a variety of channels, including: (1) “wrap fee programs” sponsored by Clark Capital, (2) sub-advisory services to various wrap fee programs sponsored by other financial advisory firms, (3) the Navigator 401(k), and (4) the Navigator Equity Hedged Fund. This Brochure discusses the wrap fee programs that we sponsor (or act as “Program Sponsor” to). For more information on the other advisory services that we provide, please read our Form ADV Part 2A available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### OUR PHILOSOPHY

Clark Capital’s investment philosophy is driven by a single-minded focus: to add value for our clients. This focus requires us to produce institutional investment solutions that aim to consistently generate competitive risk-adjusted returns over full market cycles. It compels us to maintain a long-term perspective and provide innovative investment management solutions that add value for our clients. It also requires us to place an emphasis on risk management, because understanding and managing risk is critical to our clients’ investment success. We firmly believe that successful investment management rests not on the ability to excel through any one of these elements, but through the combined strength of all of them.

### ADVISORY SERVICES

#### General Information

With over 25 years experience providing wealth management solutions to investors, Clark Capital has navigated our clients’ wealth through a variety of investment environments. There is no substitute for experience, and our seasoned team of portfolio managers has allowed Clark Capital to successfully deliver on our investment management promise. We offer sophisticated investment solutions to individuals, institutions, financial services firms and their clients. These solutions are designed to be easy to implement and access. We provide the following investment advisory services to a broad range of individual and institutional clients.

#### Wrap Fee Programs Sponsored by Clark Capital

Clark Capital is the Program Sponsor of two wrap fee programs or “wrap programs”: Navigator Unified Solutions and Navigator Master.<sup>1</sup> In our wrap fee programs, our investment advisory services, the cost of transactions and custodial fees are all “wrapped” into a single annual Investment Advisory Fee based on the value of your portfolio. Our wrap programs are generally made available through personal investment advisors hired by the client, although, in limited circumstances, the programs may be available to clients that do not use a personal investment advisor. With your personal investment advisor, we help you select one of the investment strategies listed below based upon your individual needs, stated objectives and guidelines as set forth in written agreements between you and Clark Capital. The investment strategy descriptions provided below are general in nature and may be customized and/or include reasonable investment restrictions imposed by our clients. In such instances and when feasible, Clark Capital (and, where applicable, any sub-advisors retained to manage a portion of your account) will refrain from buying certain securities or types of securities upon your instructions. However, you should note that we have full discretion to determine when your assets are invested, both when we begin to manage your account and upon receipt of additional contributions to your account. We reserve the right to limit the availability of any particular investment strategy at any given time based on various factors including asset class capacity, pre-existing relationships, minimum account sizes, fees and distribution channels. Certain investment strategies may be available only in certain channels. Clark Capital manages wrap accounts according to the general investment strategies described below. Other customized strategies may be

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<sup>1</sup> The Navigator Master program is no longer actively offered to investors, although we still actively manage assets for all Navigator Master legacy accounts as described in this Brochure.

offered from time to time. Our services include, without limitation, management of equity, fixed income, balanced and other specialty investment portfolios. We may contract with sub-advisors or act ourselves as a sub-advisor to your account. Clark Capital provides its services in single strategy accounts, multi-strategy accounts, separately managed accounts (SMA), and unified managed accounts (UMA).

### **Navigator Unified Solutions**

**Navigator Unified Solutions – Advisor Directed Account** is a core and explore asset allocation program that emphasizes diversification and utilizes Clark Capital's unified managed account platform (UMA). Clark Capital serves as overlay manager to Unified Solutions. Clark Capital combines multiple investment products, coordinates portfolio administration and allocates the assets of the portfolio at its sole discretion. From time to time, Clark Capital will reallocate portfolios. Portfolio allocations are selected from the following asset classes: U.S. equities, international equities, fixed income, and alternative investments. Portfolios are constructed drawing upon the following: mutual funds; exchange traded funds; sub-advisors (including Clark Capital); fixed income securities; and alternative investments including real estate, commodities, precious metals, currencies and absolute return/hedge strategies. Portfolios of sub-advisors other than Clark Capital are composed of U.S. and international equities and emphasize a range of styles.

Clark Capital, in our sole discretion, selects the sub-advisors for the Navigator Unified Solutions program. We monitor the performance of the sub-advisors on an ongoing basis, and from time to time may replace any of these sub-advisors if their characteristics are no longer consistent with the goals of the program.

Core and explore asset allocation is employed in the segments of the portfolio holding U.S. equities, international equities, and fixed income. The core segment is focused upon market diversification across market capitalizations and styles and explore is focused upon economic sectors and world markets that are believed to have the potential of producing excess performance. Clients in this program may customize their account with the following options:

#### *Advisor Directed Account Options*

- **Active Core Allocation:** At the client's option, the core portion of the portfolio will utilize actively managed sub-advisors and mutual funds.
- **Passive Core Allocation:** At the client's option, the core portion of the portfolio will utilize index exchange traded funds allocated to replicate the market exposure of the account.
- **Sentry Strategy:** Clients may choose to have the Sentry strategy applied to the Unified Solutions portfolio. Designed and implemented by Clark Capital, this institutional hedging strategy is used in an effort to curb volatility and limit portfolio loss during major market declines through the use of volatility exchange-traded products and/or put options on the S&P 500.

**Navigator Unified Solutions – Client Constructed Account (SMA)** incorporates an investment strategy featuring one or more portfolios which utilize different investment styles, strategies, and investment vehicles. Portfolio allocations are selected from the following asset classes: U.S. equities, international equities, fixed income, and alternative investments. Portfolios draw upon the following: mutual funds; exchange traded funds; fixed income securities; and alternative investments including real estate, commodities, precious metals, currencies and absolute return/hedge strategies.

### **Unified Solutions Account Components**

We allocate assets to one or more of the following strategies (also referred to as portfolios) for Navigator Unified Solutions accounts:

#### **Navigator U.S. Equity Core**

**Component Minimum \$50,000**

Navigator U.S. Equity Core seeks to provide broad U.S. equity market diversification through a blended investment style that combines investments in stocks across all capitalizations – large-cap, mid-cap and small-cap – and establishes a balance between value and growth stocks. While limited emphasis may be placed on certain market segments, the portfolio will always have exposure to all market capitalizations and equity styles. The objectives of the portfolio are to provide broad-based U.S.

equity exposure and to attempt to provide competitive risk adjusted returns over market cycles. The portfolio is invested in mutual funds that are actively managed. See also Item 6, Methods of Analysis, Investment Strategies & Risk of Loss.

**Navigator U.S. Equity Passive Core**

**Component Minimum \$50,000**

Navigator U.S. Equity Core seeks to provide broad U.S. equity market diversification through a blended investment style that combines investments in stocks across all capitalizations – large-cap, mid-cap and small-cap – and establishes a balance between value and growth stocks. While limited emphasis may be placed on certain market segments, the portfolio will always have exposure to all market capitalizations and equity styles. The objectives of the portfolio are to provide broad-based U.S. equity exposure and to attempt to provide competitive risk adjusted returns over market cycles. The portfolio is invested in exchange traded funds (ETFs), which track a passive index. See also Item 6, Methods of Analysis, Investment Strategies & Risk of Loss.

**Navigator U.S. Equity Income Core**

**Component Minimum \$50,000**

Navigator U.S. Equity Income Core seeks to provide broad U.S. equity market diversification through a blended investment style which includes stocks across all capitalizations – large-cap, mid-cap and small-cap – and establishes a balance between value and growth. The portfolio has an emphasis on larger capitalization, dividend paying stocks. The objective of the portfolio is to provide broad-based U.S. equity exposure with a moderate income component. The portfolio is invested in mutual funds/exchange traded funds (ETFs). See also Item 6, Methods of Analysis, Investment Strategies & Risk of Loss.

**Navigator U.S. Equity Income Passive Core**

**Component Minimum \$50,000**

Navigator U.S. Equity Income Core seeks to provide broad U.S. equity market diversification through a blended investment style that includes stocks across all capitalizations – large-cap, mid-cap and small-cap – and establishes a balance between value and growth. The portfolio has an emphasis on larger capitalization, dividend paying stocks. The objective of the portfolio is to provide broad-based U.S. equity exposure with a moderate income component. The portfolio is invested in exchange traded funds (ETFs). See also Item 6, Methods of Analysis, Investment Strategies & Risk of Loss.

**Navigator International Equity Core**

**Component Minimum \$50,000**

Navigator International Equity Core seeks to provide broad-based international equity exposure through a blended investment style that integrates equity investments, both value and growth including emerging markets, in an international portfolio. The portfolio is invested in mutual funds/exchange traded funds (ETFs). See also Item 6, Methods of Analysis, Investment Strategies & Risk of Loss.

**Navigator International Equity Passive Core**

**Component Minimum \$50,000**

Navigator International Equity Passive Core seeks to provide broad-based international equity exposure through a blended investment style that integrates equity investments, both value and growth including emerging markets, in an international portfolio. The portfolio is invested in exchange traded funds (ETFs). See also Item 6, Methods of Analysis, Investment Strategies & Risk of Loss.

**Navigator U.S. Style Opportunity**

**Component Minimum \$50,000**

Navigator U.S. Style Opportunity actively manages an equity portfolio invested in the full spectrum of U.S. equities. The portfolio seeks to utilize style and capitalization rotation in an effort to take advantage of the performance differential between segments of the equity market under different market conditions. Portfolios are allocated relying upon relative strength analysis and research to allocate assets to large, mid-, and small capitalization and growth and value stocks. The portfolio is invested in exchange traded funds (ETFs). The strategy was formerly known as Navigator U.S. Style Explore. See also Item 6, Methods of Analysis, Investment Strategies & Risk of Loss.

**Navigator U.S. Sector Opportunity**

**Component Minimum \$50,000**

Navigator U.S. Sector Opportunity actively manages a portfolio invested in the full spectrum of U.S. equities. The portfolio utilizes strategic rotation among U.S. sectors, industries, and styles to take advantage of those sectors, industries or styles that appear to have the potential for exceptionally strong performance in the near future. Portfolios are allocated relying upon relative strength analysis and research. The portfolio is biased toward large-cap equities and is weighted to pursue maximum returns. Security weightings are adjusted to take advantage of emerging opportunities. The portfolio is invested in exchange traded funds (ETFs). The strategy was formerly known as Navigator U.S. Sector Explore. See also Item 6, Methods of Analysis, Investment Strategies & Risk of Loss.

**Navigator International Opportunity****Component Minimum \$50,000**

Navigator International Opportunity strategy is designed to deliver excess alpha over a full market cycle measured against a global equity benchmark. Alpha is a risk-adjusted measure of an investment's return. It is the return in excess of what is expected on the basis of the portfolio's risk. The strategy seeks long-term capital appreciation. The International Opportunity strategy utilizes a disciplined, quantitative relative strength research process that targets opportunistic international equity investments. Based upon Clark Capital's research, the strategy dynamically allocates to the countries and regions that are exhibiting superior relative strength. This analysis is employed to identify the strongest performing securities compared to their peer group. The strategy is designed to be a disciplined pursuit of alpha, with concentrated allocations to the favored international countries and regions without preference to developed or emerging markets. Portfolios are implemented using exchange traded funds (ETFs). The strategy was formerly known as Navigator International Explore. See also Item 6, Methods of Analysis, Investment Strategies & Risk of Loss.

**Navigator ETF Explore****Component Minimum \$50,000**

Navigator ETF Explore actively manages a portfolio targeting U.S. equity styles, market capitalizations and sectors and international countries and regions. Portfolio management combines strategies employed in Navigator U.S. Style Opportunity, Navigator U.S. Sector Opportunity and Navigator International Opportunity. Portfolios may include fixed income securities utilizing Clark Capital's Navigator Fixed Income Total Return. Portfolios are allocated relying upon relative strength analysis and research. ETF Explore offers two portfolios of differing risk levels: conservative and maximum. The portfolio is invested in exchange traded funds (ETFs). See also Item 6, Methods of Analysis, Investment Strategies & Risk of Loss.

**Navigator Global Equity ETF****Component Minimum \$50,000**

Navigator Global Equity ETF seeks to optimize performance through the active management of a meaningfully diversified portfolio. The portfolio's asset allocation is focused on three equity components centering on U.S. styles, U.S. sectors, and international issues, each opportunistically constructed. The portfolio's U.S. domestic equity components provide exposure to large-, mid-, and small-cap issues without a bias to growth or value and to economic sectors focused on the ten S&P industry sectors. An international portfolio component pursues advantageous international opportunities through a disciplined process not confined to any specific countries or regions. Security selection is achieved through rigorous relative strength quantitative analysis that seeks to identify the strongest performing securities compared to their peer group. Navigator Global Equity ETF offers nine portfolios with varying risk levels: Conservative Growth, Moderate Growth, Maximum Growth and six Balanced portfolios offering different risk profiles. The portfolio is invested in exchange traded funds (ETFs). The Navigator Global Equity ETF portfolio was formerly known as ETF Explore Moderate Growth. See also Item 6, Methods of Analysis, Investment Strategies & Risk of Loss.

**Navigator Global Equity ETF Hedged****Component Minimum \$50,000**

Navigator Global Equity ETF Hedged incorporates the Navigator Sentry strategy with the Navigator Global Equity ETF strategy. Portfolios are hedged according to investment policy using the Sentry strategy, an institutional hedging strategy, in an effort to curb volatility and limit portfolio loss during major market declines through the use of volatility exchange-traded products and/or put options on the S&P 500. Navigator Global Equity ETF Hedged was formerly known as Navigator ETF Explore with Sentry. See also Item 6, Methods of Analysis, Investment Strategies & Risk of Loss.

**Navigator Global Macro****Component Minimum \$50,000**

Navigator Global Macro is a tactical asset allocation strategy constructed from a wide range of asset classes including U.S. equities, international equities, fixed income, precious metals, real estate, commodities and currencies. The objective of the portfolio is to provide capital appreciation through an opportunistic tactical investment approach. Portfolios are allocated relying upon relative strength analysis and research. Reallocations are made in an effort to take advantage of the strengthening prospects of certain asset classes and to de-emphasize or short those with declining prospects. The portfolio is invested in exchange traded funds (ETFs). See also Item 6, Methods of Analysis, Investment Strategies & Risk of Loss.

**Navigator Alternative****Component Minimum \$50,000**

Navigator Alternative actively manages a diversified portfolio focused on real estate, commodities and precious metals, currencies, energy and absolute/hedge strategies as well as traditional equity and fixed income asset classes. The objective of the portfolio is to provide capital appreciation independent of the direction of the traditional equity markets through investment in

noncorrelated asset classes (the performance of noncorrelated asset classes moves opposite each other). Portfolios are allocated relying upon relative strength analysis and research. Reallocations are made to take advantage of the strengthening prospects of certain asset classes and strategies and to de-emphasize those with declining prospects. The portfolio is invested in mutual funds/exchange traded funds (ETFs). See also Item 6, Methods of Analysis, Investment Strategies & Risk of Loss.

#### **Navigator Fixed Income Total Return**

**Component Minimum \$50,000**

Navigator Fixed Income Total Return strategy is designed to deliver excess alpha over a full market cycle measured against a fixed income benchmark. Alpha is a risk-adjusted measure of an investment's return. It is the return in excess of what is expected on the basis of the portfolio's risk. The strategy seeks total return with a secondary goal of current income. The strategy utilizes a disciplined, quantitative relative strength research process that targets opportunistic fixed income exposure in three areas: high yield bonds, high-quality government and corporate bonds and short-term treasuries. Based upon Clark Capital's research, the strategy dynamically allocates to the fixed income sector and yield curve area that is exhibiting superior relative strength. The strategy is designed to be a disciplined pursuit of alpha, with concentrated allocations to the favored fixed income sector. Portfolios are implemented with U.S. Treasury-based exchange traded funds (ETFs), high-grade government and corporate bond ETFs and high-yield bond institutional class mutual funds and ETFs. The portfolio is continuously monitored and adjusted in response to changing market conditions and emerging opportunities. Navigator Fixed Income Total Return was formerly known as Navigator Fixed Income Explore. See also Item 6, Methods of Analysis, Investment Strategies & Risk of Loss.

#### **Navigator Taxable Fixed Income Core**

**Component Minimum \$50,000**

Navigator Taxable Fixed Income Core actively invests across the full maturity and investment grade spectrum of U.S. fixed income sectors and securities. The portfolio seeks to add value through taking advantage of market inefficiencies and an opportunistic approach to capitalize upon shifting market themes, yield curve inefficiencies and undervalued maturities. Attractive opportunities are actively sought. Portfolios tend to be fully invested at all times and are diversified among corporate, government and mortgage securities. An effort is made to control risk by actively managing portfolio duration. The portfolio is invested in mutual funds/exchange traded funds (ETFs). See also Item 6, Methods of Analysis, Investment Strategies & Risk of Loss.

#### **Navigator Tax-Free Fixed Income Core**

**Component Minimum \$50,000**

Navigator Tax-Free Fixed Income Core actively invests across the full maturity and investment grade spectrum of the municipal bond market. The portfolio seeks to add value through taking advantage of market inefficiencies and an opportunistic approach to capitalize upon shifting market themes, yield curve inefficiencies and undervalued maturities. Attractive opportunities are actively sought. Portfolios tend to be fully invested at all times. An effort is made to control risk by actively managing portfolio duration. The portfolio is invested in mutual funds/exchange traded funds (ETFs). See also Item 6, Methods of Analysis, Investment Strategies & Risk of Loss.

#### **Navigator Holding Account**

**Component Minimum \$50,000**

Navigator Holding Accounts are invested in money market accounts and securities that are unmanaged. See also Item 6, Methods of Analysis, Investment Strategies & Risk of Loss.

#### **Navigator Global Opportunity**

**Component Minimum \$100,000**

Navigator Global Opportunity seeks broad and meaningful diversification utilizing domestic and foreign equities, fixed income, real estate, commodities, currencies, and absolute return hedge strategies. The objective of this program is to provide consistent, competitive investment returns over time independent of the direction of the markets by capitalizing on a broad range of investment opportunities. The strategy has no limitation on percentage allocations to different asset classes. The investment process is driven by quantitative relative strength research and analysis. This dynamic process determines the portfolio allocation, sector allocation and security selection. Without restraints on allocation, capital can be allocated globally to opportunities where the potential for advantageous returns is strongest. The aim is to combine assets opportunistically and to maximize the benefits of diversification. The portfolio is invested in mutual funds/exchange traded funds (ETF). See also Item 6, Methods of Analysis, Investment Strategies & Risk of Loss.

#### **Navigator Global Balanced**

**Component Minimum \$100,000**

The Navigator Global Balanced strategy is designed to deliver excess alpha over a full market cycle with less volatility when compared to a balanced benchmark. Alpha is a risk-adjusted measure of an investment's return. It is the return in excess of



what is expected on the basis of the portfolio's risk. The strategy seeks long-term capital appreciation with an eye on preservation of capital and global purchasing power. The strategy combines the Navigator Global Equity ETF strategy with the Navigator Fixed Income Total Return strategy. The strategy utilizes a disciplined, quantitative relative strength research process that attempts to identify the strongest performing securities compared to their peer group. Four areas are targeted: U.S. market capitalizations and styles, industry sectors and sub-groups, international countries and regions and U.S. fixed income. The asset allocation is designed to be a disciplined pursuit of alpha and is strategically managed in response to our quantitative analysis of market conditions. Navigator Global Balanced offers four portfolios of equity components and fixed income with differing risk levels: 80/20%, 60/40%, 40/60%, and 20/80%. The portfolio is invested in exchange traded funds (ETFs)/mutual funds. See also Item 6, Methods of Analysis, Investment Strategies & Risk of Loss.

#### **Navigator All Cap Core U.S. Equity**

**Component Minimum \$100,000**

The Navigator All Cap Core U.S. Equity portfolio is sub-advised by Palliser Bay Investment Management. The strategy analyses a universe of stocks on the basis of value, earnings and momentum characteristics with a quality overlay to construct a portfolio of large-cap, mid-cap and small-cap stocks. In special situations, American Depositary Receipts (ADRs) may be used. Security selection tends to focus on companies that have attractive valuations, have demonstrated strong relative strength characteristics in the past and are likely to achieve earnings growth in the future, have sales and earnings momentum, have high sales yield valuation metrics and are positioned in growth industries or have an ability to grow earnings through new products or sensible acquisitions. The selection process uses disciplined quantitative and qualitative techniques to construct a diversified portfolio of companies that exhibit both significant relative value and relative growth. Portfolio holdings are monitored continuously and incremental shifts in portfolio construction are made as security attractiveness diminishes or portfolio diversification is impaired. See also Item 6, Methods of Analysis, Investment Strategies & Risk of Loss.

#### **Navigator Small Cap Core U.S. Equity**

**Component Minimum \$100,000**

Navigator Small Cap Core U.S. Equity is sub-advised by Palliser Bay Investment Management. The strategy uses proprietary techniques to construct a small-cap core U.S. equity portfolio. Security selection tends to focus on those companies that have attractive valuations, have demonstrated strong relative strength characteristics in the past and are likely to achieve consistent earnings growth in the future, have sales and earnings momentum, have high sales yield valuations, are positioned in growth industries or have an ability to grow earnings through new products or sensible acquisitions. The equity selection process uses disciplined quantitative and qualitative techniques to construct a diversified portfolio of companies that exhibit both strong relative value and relative growth metrics. After portfolios are constructed, security holdings are monitored continuously and incremental shifts in portfolio construction are made as security attractiveness diminishes or portfolio diversification is impaired. See also Item 6, Methods of Analysis, Investment Strategies & Risk of Loss.

#### **Navigator Global Balanced Hedged**

**Component Minimum \$125,000**

The Navigator Global Balanced Hedged strategy combines the Navigator Global Equity ETF Hedged strategy or the Navigator Equity Hedged Fund (institutional share class) with the Navigator Fixed Income Total Return strategy. An institutional hedging strategy, the Sentry strategy, is used in an effort to curb volatility and limit portfolio loss during major market declines through the use of volatility exchange-traded products and/or put options on the S&P 500. The strategy offers four portfolios of differing risk levels and is implemented using Navigator Global Balanced Hedged portfolio or the Navigator Equity Hedged Fund. The Navigator Equity Hedged Fund, which is sub-advised by Clark Capital, mirrors the investment philosophy, process and security selection of the Navigator Global Equity ETF Hedged portfolio. See also Item 6, Methods of Analysis, Investment Strategies & Risk of Loss.

#### **Navigator All Cap Core U.S. Equity Hedged**

**Component Minimum \$125,000**

Navigator All Cap Core U.S. Equity Hedged is sub-advised by Palliser Bay Investment Management. The strategy combines the Navigator All Cap Core U.S. Equity with the Sentry hedging strategy. Portfolios are hedged according to investment policy using the Sentry strategy, an institutional hedging strategy, in an effort to curb volatility and limit portfolio loss during major market declines through the use of volatility exchange-traded products and/or put options on the S&P 500. The S&P put allocation is continuously monitored and can change when market volatility spikes. From inception, there is a performance drag in generally rising markets and conversely the puts assist in reducing significant volatility during falling markets. The end result is a semi-concentrated portfolio implementing a risk controlled S&P put overlay with exposure to all Russell 3000 sectors while maintaining a market cap agnostic discipline. See also Item 6, Methods of Analysis, Investment Strategies & Risk of Loss.

**Navigator Traditional Balanced****Component Minimum \$150,000**

Navigator Traditional Balanced actively manages a portfolio targeting U.S. equity styles, market capitalizations, and sectors and international countries and regions. Portfolio management combines strategies employed in Navigator U.S. Style Opportunity, U.S. Sector Opportunity, and Navigator International Opportunity. Portfolios may include fixed income securities. Portfolios are allocated relying upon relative strength analysis and research. Navigator Traditional Balanced offers three portfolios of equity components and fixed income with differing risk levels: 80/20%, 70/30%, and 60/40%. The portfolio is invested in exchange traded funds (ETFs). See also Item 6, Methods of Analysis, Investment Strategies & Risk of Loss.

**Navigator Traditional Balanced with Sentry****Component Minimum \$150,000**

Navigator Traditional Balanced with Sentry actively manages a portfolio targeting U.S. equity styles, market capitalizations, and sectors and international countries and regions. Portfolio management combines strategies employed in Navigator U.S. Style Opportunity, U.S. Sector Opportunity and Navigator International Opportunity. Portfolios may include fixed income securities. Portfolios are allocated relying upon relative strength analysis and research. Navigator Traditional Balanced with Sentry offers three portfolio schemes with differing risk levels: 80/20%, 70/30%, 60/40%. The portfolio is invested in exchange traded funds (ETFs). The Sentry strategy, which employs volatility exchange-traded products and/or put options in an effort to limit loss, is employed in this portfolio. See also Item 6, Methods of Analysis, Investment Strategies & Risk of Loss.

**Navigator Premier Taxable Fixed Income****Component Minimum \$250,000**

Navigator Premier Taxable Fixed Income actively invests across the full maturity and investment grade spectrum of U.S. fixed income sectors and securities. The portfolio seeks to add value through taking advantage of market inefficiencies and opportunities as they present in shifting market themes, yield curve inefficiencies and undervalued maturities. Attractive opportunities are actively sought. Portfolios tend to be fully invested at all times and are diversified among corporate, government and mortgage securities. An effort is made to control risk by maintaining portfolio duration of 3 to 10 years. Portfolios are invested in individual securities and may include some mutual funds and exchange traded funds (ETFs). Navigator Premier Taxable Fixed Income was formerly known as Navigator Taxable Fixed Income Core 2. See also Item 6, Methods of Analysis, Investment Strategies & Risk of Loss.

**Navigator Premier Tax-Free Fixed Income****Component Minimum \$250,000**

Navigator Premier Tax-Free Fixed Income actively invests across the full maturity and investment grade spectrum of the municipal bond market. The portfolio seeks to add value through taking advantage of market inefficiencies and opportunities as they present in shifting market themes, yield curve inefficiencies and undervalued maturities. Attractive opportunities are actively sought. Portfolios tend to be fully invested at all times and are diversified among the municipal bond sectors and regions. An effort is made to control risk by maintaining portfolio duration of 3 to 10 years. Portfolios are invested in individual securities and may include some mutual funds and exchange traded funds (ETFs). Navigator Premier Tax-Free Fixed Income was formerly known as Navigator Tax-Free Fixed Income Core 2. See also Item 6, Methods of Analysis, Investment Strategies & Risk of Loss.

**Navigator Premier Diversified Equity****Component Minimum \$250,000**

Navigator Premier Diversified Equity employs a “bottom up,” fundamental approach. Companies are sought that exhibit superior growth prospects, solid fundamentals, and strong management and stock prices that are reasonable relative to the market. Portfolios are diversified across approximately ten broad economic sectors and consist of 25 to 40 equity issues. For further diversification, a portion of the portfolio may be invested in exchange traded funds (ETFs). The sell discipline considers dividend reductions, weakening earnings trends, and declining margins. The Premier Option Enhancement, an actively managed overlay strategy that sells call options on portfolio securities, and the fixed income programs may be used in conjunction with this portfolio in an effort to enhance the income stream and boost return. See also Item 6, Methods of Analysis, Investment Strategies & Risk of Loss.

**Navigator Premier High Yield Equity****Component Minimum \$250,000**

Navigator Premier High Yield Equity employs a “bottom up,” fundamental approach. This approach focuses on analysis of individual stocks and de-emphasizes economic and market cycles. Companies are sought that exhibit strong and growing earnings, strong financials, and superior and improving dividend yields. Fundamental and quantitative analysis is employed as well as assessment of management strength and the potential for a near term event effecting positive fundamental change. Preferred stocks and REITs are also considered for the portfolio. Generally 25 to 40 securities are held. The sell discipline considers dividend reductions, weakening earnings trends, and declining margins. The Premier Option Enhancement, an

actively managed overlay strategy that sells call options on portfolio securities, and the fixed income programs may be used in conjunction with this portfolio in an effort to enhance the income stream and boost return. See also Item 6, Methods of Analysis, Investment Strategies & Risk of Loss.

#### Sub-advised Portfolios

Independent Sub-advisor(s), utilizing different investment styles and strategies, may be selected and retained by Clark Capital, to manage portfolio(s) on a fully discretionary basis according to the investment objectives and strategies chosen by you as the client. Sub-advisory portfolios available and their minimums are:

Victory Capital Management	U.S. Large Cap Core	\$100,000
Navellier & Associates, Inc.	U.S. Large Cap Growth	\$100,000
Santa Barbara Asset Management	U.S. Dividend Growth	\$100,000
Philadelphia Trust Company	U.S. Large Cap Growth	\$100,000
Anchor Capital Advisors	U.S. Mid Cap Value	\$100,000
Santa Barbara Asset Management	U.S. Small/Mid Cap	\$100,000
Palliser Bay	U.S. Small Cap Core	\$100,000
Palliser Bay	U.S. All Cap Core	\$100,000
Palliser Bay	U.S. All Cap Core Hedged	\$125,000
Tradewinds Global Investors	International Value	\$100,000

#### Navigator Master Program

Navigator Master is a legacy wrap fee program sponsored by Clark Capital that is no longer being actively marketed. Clark Capital is the overlay manager for the Master Program. In this capacity, Clark Capital selects and retains one or more sub-advisors ("Master Portfolio Managers"), which utilize different investment styles and strategies, to manage the client portfolios on a fully discretionary basis according to the investment objectives and strategies chosen by you as the client. The Master Portfolio Managers, pursuant to written contracts with Clark Capital, are delegated investment management authority over all or a portion of the assets in your account, and such managers are authorized to, among other things, buy, sell or hold securities or other investment for your account, to select the broker-dealers or others with whom transactions for the account are effected, and to take any and all other actions on your behalf that Clark Capital determines is customary or appropriate for the manager to perform. Clark Capital itself acts as a sub-advisor for segments of the portfolio. We also determine how account assets will be allocated or distributed among the sub-advisors we have chosen and coordinate portfolio administration. Clark Capital monitors your account to help ensure that the Master Portfolio Managers are following your stated investment strategies and are managing the account consistent with your chosen objectives and strategies and any restrictions you place on the account. Clark Capital monitors the performance of the sub-advisors selected and from time to time may replace those sub-advisors or change how client assets are allocated among sub-advisors. Portfolio assets are allocated to domestic equities -- including growth and value, large-, mid- and small-cap issues -- and international equities. The program consists of approximately 10 portfolios as described below, which may be combined to meet a wide variety of individual client objectives. In addition to the above, the client may choose the Navigator Sentry strategy as an option. The Navigator Sentry strategy is described below.

**Global All Cap (2)<sup>2</sup>** **Investment minimum \$250,000**  
Combines growth and value in mostly large- and mid-cap equities with an international portfolio

**U.S. Core (3)** **Investment minimum \$375,000**  
Combines large growth and value, mid-cap, and small-cap equities.

**Global Core (3)** **Investment minimum \$375,000**  
Combines all U.S. market cap weightings, both growth and value styles, with an international portfolio.

**Global High Income (3)** **Investment minimum \$375,000**  
Combines large-cap/high dividend value and mid-cap equities with an international portfolio.

<sup>2</sup> Denotes the number of sub-advisors used in the portfolio.

**U.S. Diversified (4)** **Investment minimum \$500,000**  
Combines large-cap growth, large-cap value with mid-cap and small-cap equities.

**Global Diversified(4)** **Investment minimum \$500,000**  
Combines growth and value styles, most U.S. cap weightings with an international portfolio.

**Global Diversified (5)** **Investment minimum \$675,000**  
Combines growth and value styles, most U.S. cap weightings with an international portfolio.

**U.S Growth & Income (2)** **Investment minimum \$250,000**  
Combines large-cap/high dividend value with small-cap equities.

**U.S. Growth & Income (3)** **Investment minimum \$375,000**  
Combines large-cap/high dividend value with mid- and small-cap equities.

**Global Growth & Income (4)** **Investment minimum \$500,000**  
Combines large-cap/high dividend value with mid- and small-cap equities with an international portfolio.

See also Item 6, Methods of Analysis, Investment Strategies and Risk of Loss in regard to the above portfolios.

## **FEES AND COMPENSATION**

As a client, you should be aware that the wrap fee charged by Clark Capital may be higher (or lower) than those charged by others in the industry, and that it may be possible to obtain the same or similar services from other firms at lower (or higher) rates. A client may be able to obtain some or all of the types of services available through Clark Capital's wrap fee programs on an individual basis through other firms and, depending on the circumstances, the aggregate of any separately paid fees may be lower or higher than the annual fees shown below. The factors that impact the relative cost to clients in our wrap fee programs include: the size of the account, the investment strategies selected for the account, the number of sub-advisors chosen for the account, customized options selected by the client (i.e., active core allocation, passive core allocation, sentry strategy), the level of trading activity in the client's account (the lower the activity, the less the client may benefit), and any Solicitor's Fee (described below) charged by a client's personal investment advisor.

### **Navigator Unified Solutions Fees**

Clients in the Navigator Unified Solutions program pay a fee for our investment advisory services ("Investment Advisory Fee"). The range of Investment Advisory Fees you pay for our services are shown in the annual fee schedules below. The services we provide in exchange for our Investment Advisory Fee are also described below. Clients who gain access to the program through a personal investment advisor pay such advisors a separate fee for their services ("Solicitor's Fee"), which is also described in detail below.

A "Total Investment Fee" (consisting of the Investment Advisory Fee and the Solicitor's Fee) is deducted quarterly in advance from your account by your custodian and is based on the assets in your account at the close of the prior quarter. At the inception of our relationship with you and each quarter thereafter, we notify your custodian of the amount of the Total Investment Fee due and payable to us. Upon receiving the Total Investment Fee from your custodian, we will remit the Solicitor's Fee to your personal investment advisor. The custodian does not validate or check the Total Investment Fee or its calculation or the assets on which the fee is based. Your custodian will deduct the fee from your account or, if you have more than one account, you may arrange to have fees paid from an account you designate with our approval.

Each month, you will receive a statement directly from your custodian showing all transactions, positions and credits/debits into or from your account, including the Total Investment Fee deducted from your account. Quarterly, you will receive a statement from us that will show the allocation of your account, performance, portfolio value and changes in portfolio value, and the Total Investment Fee paid, among other account details. You should compare the statements you receive from your

custodian with the quarterly statement from Clark Capital and notify us immediately if you find discrepancies, or if you do not receive the monthly custodial statements.

The Total Investment Fee will not be adjusted if assets are withdrawn after the inception of a quarter. When you contribute additional assets to your account after the initial subscription date, the Total Investment Fee will be increased on a pro rata basis during the quarter in which additional assets are received. Notice of cancellation or termination of an account must be received within ten days of quarterly billing to request a refund.

### **Investment Advisory Fee**

The Investment Advisory Fee covers the following services provided by Clark Capital: investment advice; portfolio allocations; sub-advisor review, selection, monitoring and replacement where necessary when sub-advisors are used; account processing; client consultation; detailed account statements; and other services. The Investment Advisory Fee is also inclusive of custodial, clearing, sub-advisory and brokerage services. The Investment Advisory Fee is a flat fee based on the amount of assets the client has under management and the level of the account according to the schedule below, subject to certain exceptions. Sub-advisor fees are included in your Investment Advisory Fee and range from 0.35% to 0.75% annually. The Investment Advisory Fee encompasses all portfolio components except the Solicitor's Fee and certain management fees and other operating fees and expenses incurred by mutual funds and ETFs as disclosed in the prospectus for such funds. The Investment Advisory Fee may be negotiable.

### **Solicitor's Fee**

Your personal investment advisor receives a Solicitor's Fee for services rendered to you. The amount of the Solicitor's Fee on a given account is determined solely by your personal investment advisor, not Clark Capital, and relates to, among other things, the services they provide and the net asset value of your account. Personal investment advisors may charge up to 1.25% annually but also have the option to waive the Solicitor's Fee. The fee charged by your personal investment advisor may be more than what your personal investment advisor would receive if you participated in another program or paid separately for the services provided in our wrap programs. Therefore, your personal investment advisor may have a financial incentive to recommend this particular wrap fee program.

Clark Capital has marketing service agreements with certain broker dealers which refer business to Clark Capital whereby the broker dealer firm receives compensation of a negotiated percentage of aggregate assets brought by the broker dealer in addition to the Solicitor's Fee. In exchange, the broker dealer may agree to provide Clark Capital with such assistance as lists of associated advisors and representatives and ability to perform due diligence meetings and provide marketing support to advisors and representatives. As part of its marketing effort, Clark Capital may also pay to attend conferences/symposium sponsored by broker dealer firms which refer business to Clark Capital. Marketing services fees and the cost of conferences/symposium are paid out of the Advisor's portion of the Total Investment Fee and are not an additional expense to the investor. Advisor does not know if such arrangements with broker dealer firms influence the individual solicitors of the broker dealer firms to refer business to Clark Capital or to other advisors with which the broker dealer may have similar arrangements.

### **Investment Advisory Fee on Assets for:**

#### **Advisor Directed Active Core Option**

From:	To:	Level I	Level II	Level III	Level IV	Level V
\$100,000	\$250,000	1.05%	1.15%	1.25%	1.25%	1.25%
\$250,000	\$500,000	1.05%	1.15%	1.25%	1.25%	1.25%
\$500,000	\$750,000	0.95%	1.10%	1.20%	1.20%	1.20%
\$750,000	\$1,000,000	0.90%	1.00%	1.10%	1.10%	1.10%
Over \$1,000,000		0.80%	0.95%	1.00%	1.00%	1.00%

The Investment Advisory Fee includes fees paid to sub-advisors, your custodian and Clark Capital, but does not include the Solicitor's Fee. Account levels are based upon risk determination and investment objectives.

## Investment Advisory Fee on Assets for:

### Advisor Directed Passive Core Option

From:	To:	Level 0	Level I	Level II	Level III	Level IV	Level V
\$100,000	\$250,000	0.90%	1.05%	1.15%	1.25%	1.25%	1.25%
\$250,000	\$500,000	0.80%	1.00%	1.05%	1.15%	1.15%	1.15%
\$500,000	\$750,000	0.70%	0.90%	1.00%	1.10%	1.10%	1.10%
\$750,000	\$1,000,000	0.65%	0.85%	0.90%	1.00%	1.00%	1.00%
Over \$1,000,000		0.60%	0.75%	0.85%	0.95%	0.95%	0.95%

The Investment Advisory Fee includes fees paid to your custodian and Clark Capital, but does not include the Solicitor's Fee. Account levels are based upon risk determination and investment objectives.

## Investment Advisory Fee on Assets for:

Client Constructed U.S. Equity Core  
 Client Constructed U.S. Equity Passive Core  
 Client Constructed U.S. Equity Income Core  
 Client Constructed International Equity Core  
 Client Constructed International Equity Passive Core  
 Client Constructed U.S. Style Opportunity  
 Client Constructed U.S. Sector Opportunity  
 Client Constructed International Opportunity  
 Client Constructed ETF Explore (Conservative & Maximum)  
 Client Constructed Global Equity ETF

Client Constructed Alternative Strategy  
 Client Constructed Global Opportunity  
 Client Constructed All Cap Core U.S. Equity\*  
 Client Constructed Small Cap Core U.S. Equity\*  
 Client Constructed Global Equity ETF Hedged  
 Client Constructed All Cap Core U.S. Equity Hedged\*  
 Client Constructed Traditional Balanced with Sentry  
 Client Constructed Premier Diversified Equity  
 Client Constructed Premier High Yield Equity

From:	To:	
\$100,000	\$500,000	1.10%
\$500,000	\$750,000	1.00%
\$750,000	\$1,000,000	0.95%
Over \$1,000,000		0.85%

The Investment Advisory Fee includes fees paid to your custodian and Clark Capital, but does not include the Solicitor's Fee. \* Also includes Sub-advisory fees for these accounts.

## Investment Advisory Fee on Assets for:

### Client Constructed Global Balanced

### Client Constructed Global Balanced Hedged \*

From:	To:	
\$100,000	\$500,000	1.00%
\$500,000	\$750,000	0.90%
\$750,000	\$1,000,000	0.85%
Over \$1,000,000		0.75%

\* Navigator Global Balanced Hedged Separate Account Allocation

The Investment Advisory Fee includes fees paid to your custodian and Clark Capital, but does not include the Solicitor's Fee.

**Investment Advisory Fee on Assets for:**

**Client Constructed Global Balanced Hedged\***

From:	To:	
\$100,000	\$500,000	0.50%
\$500,000	\$750,000	0.40%
\$750,000	\$1,000,000	0.30%
Over \$1,000,000		0.25%

\* Navigator Equity Hedged Fund Allocation. The Investment Advisory Fee includes fees paid to your custodian and Clark Capital, but does not include the Solicitor's Fee. In addition to the Investment Advisory Fee on Client Directed Global Balanced Hedged portfolios, Clark Capital receives a fee for management of the Navigator Equity Hedged Fund Allocation.

**Investment Advisory Fee on Assets for:**

**Client Constructed Fixed Income Total Return**

From:	To:	
\$100,000	\$500,000	0.85%
\$500,000	\$750,000	0.70%
\$750,000	\$1,000,000	0.60%
Over \$1,000,000		0.50%

The Investment Advisory Fee includes fees paid to your custodian and Clark Capital, but does not include the Solicitor's Fee.

**Investment Advisory Fee on Assets for:**

**Client Constructed Taxable Fixed Income Core  
Client Constructed Tax-Free Fixed Income Core**

**Client Constructed Premier Taxable Fixed Income  
Client Constructed Premier Tax-Free Fixed Income**

From:	To:	
\$100,000	\$500,000	0.50%
\$500,000	\$1,000,000	0.40%
\$1,000,000	\$3,000,000	0.30%
Over \$3,000,000		0.25%

The Investment Advisory Fee includes fees paid to your custodian and Clark Capital, but does not include the Solicitor's Fee.

**Investment Advisory Fee on Assets for:**

**Client Constructed Holding Accounts**

Asset Valuation:	
\$100,000 and over	0.35%

*See "Platform Fees" below for information on other potential fees.*

## Navigator Master Program Fees

### **Investment Advisory Fee**

As the client, you agree to pay Clark Capital, the principle advisor and overlay manager, an annual Total Investment Fee that covers Clark Capital's Investment Advisory Fee and the Solicitor's Fee. The Investment Advisory Fee covers the following services provided by Clark Capital Management Group, Inc.: investment advice; portfolio allocations; sub-advisor (Master Manager) review, selection, monitoring and replacement where necessary; account processing; client consultation; consolidated, detailed quarterly statements; and other services, but does not include the Solicitor's Fee.

The fees paid by Clark Capital to each Master Manager are based on your portfolio assets managed by such Master Manager, and range from 0.35% to 0.75% annually. The portion of the fee to Clark Capital ranges from a high of 0.85% of account assets on accounts up to \$500,000 to 0.42% on accounts of \$2 to \$5 million.

### **Solicitor's Fee**

Your personal investment advisor receives a Solicitor's Fee for services rendered to you. The amount of the Solicitor's Fee on a given account is determined solely by your personal investment advisor, not Clark Capital, and relates to, among other things, the services they provide and the net asset value of your account. Personal investment advisors may charge up to 1.25% annually, but also have the option to waive the Solicitor's Fee. The fee charged by your personal investment advisor may be more than what your personal investment advisor would receive if you participated in another program or paid separately for the services provided in our wrap programs. Therefore, your personal investment advisor may have a financial incentive to recommend this particular wrap fee program.

Clark Capital has marketing service agreements with certain broker dealers which refer business to Clark Capital whereby the broker dealer firm receives compensation of a negotiated percentage of aggregate assets brought by the broker dealer in addition to the Solicitor's Fee. In exchange, the broker dealer may agree to provide Clark Capital with such assistance as lists of associated advisors and representatives and ability to perform due diligence meetings and provide marketing support to advisors and representatives. As part of its marketing effort, Clark Capital may also pay to attend conferences/symposium sponsored by broker dealer firms which refer business to Clark Capital. Marketing services fees and the cost of conferences/symposium are paid out of the Advisor's portion of the Total Investment Fee and are not an additional expense to the investor. Advisor does not know if such arrangements with broker dealer firms influence the individual solicitors of the broker dealer firms to refer business to Clark Capital or to other advisors with which the broker dealer may have similar arrangements.

### **Investment Advisory Fee on Equity Assets**

From:	To:	
\$250,000	\$500,000	1.60%
\$500,000	\$1,000,000	1.45%
\$1,000,000	\$2,000,000	1.30%
\$2,000,000	\$500,000	1.20%
Over \$5000,000: negotiated		

The Investment Advisory Fee includes fees paid to Master Managers, your custodian and Clark Capital, but does not include Solicitor's Fee.

### **Investment Advisory Fee on Fixed Income Assets**

From:	To:	
\$250,000	\$500,000	.50%
\$500,000	\$1,000,000	.40%



\$1,000,000	\$1,500,000	.30%
\$1,500,000	\$2,000,000	.25%

The Investment Advisory Fee includes fees paid to Master Managers, your custodian and Clark Capital, but does not include Solicitor's Fee.

*See "Platform Fees" below for information on other potential fees.*

### Platform Fees

For accounts to be custodied at Pershing, LLC, the minimum account size is \$100,000. Accounts smaller than \$100,000 may be accepted with our prior approval. Accounts less than \$100,000 will be assessed an annual Platform Fee of \$100, which will be deducted from the account quarterly on a pro rata basis. This fee does not apply if an account drops below the \$100,000 level solely due to market action, but the Platform Fee will be levied if an account drops below the \$100,000 due to withdrawals.

For accounts to be custodied at Charles Schwab, the minimum account size is \$150,000. Accounts smaller than \$150,000 may be accepted with our prior approval. Accounts less than \$150,000 will be assessed an annual Platform Fee of \$500, which will be deducted from the account quarterly on a pro rata basis. This fee does not apply if an account drops below the \$150,000 level solely due to market action, but the Platform Fee will be levied if an account drops below the \$150,000 due to withdrawals.

These minimums apply to all accounts. The Platform Fee applies to all accounts except the Navigator Global Balanced Hedged utilizing the Navigator Equity Hedged Fund (institutional share class) and the Navigator Cash Holding Account.

### Additional Fees and Expenses that May Be Incurred by Wrap Accounts

The Investment Advisory Fees payable to us do not include all the fees you will pay when we manage your account. The following fees may be assessed depending upon your investment choice: (1) advisory fees and administrative fees charged by mutual funds and exchange traded funds (such as distribution fees, servicing fees, operating expenses and deferred sales charges); (2) wire transfer and electronic fund processing fees; (3) SEC or other regulatory fees; (4) brokerage commissions or other charges imposed by broker-dealers or entities other than the custodian if trades are cleared by another broker-dealer; or (5) other fees mandated by law.

### Additional Compensation

From time to time, Clark Capital may accept compensation from firms that may provide services to client accounts for sponsorship of events to which solicitors which refer business to Clark Capital are invited. Such arrangements are not used as a factor in determining which service providers are chosen for Navigator accounts.

## Item 5 – Account Requirements and Types of Clients

### TYPES OF CLIENTS

We provide our services to a variety of clients including:

- Individuals, including high net worth individuals
- Trusts, estates and charitable organizations
- Corporations or other business entities
- Taft-Hartley plans, governmental plans, municipalities
- Not-for-profit entities
- Mutual funds

## ACCOUNT REQUIREMENTS/MINIMUMS

For accounts to be established at Clark Capital, you (with assistance from your personal investment advisor) must complete all required paperwork and assets must be forwarded or transferred to the custodian. Accounts must meet minimum size requirements as given in the description of each portfolio/strategy in Item 4 of this Brochure – Services, Fees and Compensation. Each sub-advisor in the Navigator Master program must receive a minimum investment of \$125,000. The account size requirements do not apply if the account drops below the minimum level solely due to market action.

## Item 6 – Portfolio Manager Selection and Evaluation

### MANAGER SELECTION AND MONITORING

As discussed above, we may select independent portfolio managers to act as sub-advisors to our client's wrap fee program accounts. Clark Capital utilizes the Plan Sponsor Network (PSN) database of portfolio managers provided by Informa Investment Solutions as the initial screening device in the sub-advisor selection process. This database provides extensive research on over 1700 individual investment managers and over 6800 portfolios of varying styles.

We make unbiased comparisons of potential sub-advisors by utilizing multiple benchmarks to examine a sub-advisor's absolute performance, relative performance, and risk-adjusted returns over time. This quantitative data, in addition to regulatory compliance and other qualitative information, serve as a starting point in the assessment of a sub-advisor's overall quality and suitability. Initial screening identifies indicators of quality, such as size, longevity and a legitimate, well-defined investment style. Initial as well as on-going reports are received from PSN. Our Investment Committee continually examines each sub-advisor's overall performance to determine whether it is consistent with the goals of the wrap program and individual clients. Changes to evaluation and ratings of a sub-advisor may be triggered by events such as departure of key staff, poor performance, changes in investment discipline and risk level and may lead to replacement within the portfolio with a more suitable sub-advisor or dismissal of the sub-advisor.

In addition to the description of sub-advisor(s) in the investment proposal prepared for you, upon your request, we will provide to you an overview briefly describing any sub-advisor participating in our programs. These overviews will focus on the sub-advisor's investing style and could include the sub-advisor's brochure, Part 2A of its Form ADV and past performance data.

Clark Capital calculates sub-advisors' performance on a firm-wide basis in accordance with the Global Investment Performance Standards (GIPS standards). Clark Capital's calculations are compared to the performance calculated by the sub-advisor for consistency, and we will investigate any discrepancies as part of our ongoing due diligence. Performance results are periodically verified by EisnerAmper LLP for compliance with the GIPS standards.

### MEETING THE NEEDS OF INDIVIDUAL INVESTORS

Prior to engaging us as an investment advisor, your personal investment advisor will obtain information about your financial situation, investment objectives and risk tolerance and suggest a potential investment in our wrap program. On the basis of the information that we receive from you and your personal investment advisor, our portfolio team will review your situation and determine if the suggested program is suitable. We will then prepare an investment proposal for your review. If you accept the proposal, an Investment Advisory Agreement is completed and agreed to by you, your personal investment advisor and Clark Capital. As such, our services will be based upon your individual needs, stated objectives and guidelines as set forth in these written agreements. We make all investment decisions on your account without your prior approval of each specific transaction; however, all such decisions are made within the boundaries of your stated objectives and guidelines and the terms of your agreement with us. As a client in one of these wrap fee programs, you generally have the ability to impose reasonable restrictions on the management of your account. In such instances and when feasible, Clark Capital will refrain from buying securities or types of securities in accordance with your restrictions. Periodically, Clark Capital or your personal investment advisor will query you as to the continuing suitability of the program.

## PERFORMANCE BASED FEES

We do not charge performance-based fees (fees based on a share of capital gains or on capital appreciation of the funds or securities in your account), nor do any of the sub-advisors utilized in our wrap fee programs.

## METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

### Methods of Analysis

#### Quantitative Analysis

In managing investors' accounts, Clark Capital employs quantitative analysis techniques. Such techniques seek to understand market behavior by using complex mathematical and statistical modeling, measurement and research. Among the methods of quantitative analysis used by Clark Capital, relative strength analysis and top down analysis are significant.

**Relative Strength Analysis.** Relative strength is a technical momentum indicator that measures price trend and indicates how a security is performing relative to other securities in its group.

**Top Down Analysis.** Top down analysis is a method of analysis that examines the "big picture" first, and then looks at the smaller components in turn. By looking at the overall picture, such as trends in the overall economy and conditions in a given industry, the aspects for further analysis can be narrowed.

#### Fundamental Analysis

In managing investors' accounts, Clark Capital employs fundamental analysis of individual assets. This method of evaluating a security involves attempting to measure its intrinsic value by studying everything that can affect the security's value, including macroeconomic factors (such as the overall economy and industry conditions) and company-specific factors (such as financial condition and management quality).

**Bottom Up Analysis.** Bottom up analysis is a method that emphasizes a thorough review of an individual security and de-emphasizes the importance of economic and market cycles and the industry in which the company operates. This approach assumes that individual companies can do well even in an industry that is not performing well.

### Investment Strategies

#### Asset Allocation

In managing investors' accounts, Clark Capital employs the strategy of asset allocation. Asset allocation attempts to balance portfolio risk and reward to dovetail with an individual's goals, risk tolerance, and investment time horizon by dividing the portfolio among different asset categories, such as stocks, bonds, and cash. Clark Capital employs both strategic and tactical asset allocation.

**Strategic Asset Allocation.** In strategic asset allocation, a proportional combination of asset classes is established based upon expected rates of return for each asset class on the basis of historical data. For example, if stocks historically returned 10% per year and bonds returned 5% a year, the expected return for a portfolio consisting of half stocks and half bonds would be 7.5% over time. The asset class proportions are periodically adjusted to the original percentages. Once the allocation has been determined, there is no attempt to consciously deviate from the percentages of the original allocation.

**Tactical Asset Allocation.** Unlike strategic asset allocation, in tactical asset allocation an effort is made to take advantage of market opportunities by adjusting the percentages of the various asset classes in the portfolio while maintaining the risk control framework established on behalf of the individual investor.

**Hedging.** Hedging involves strategically using financial instruments in the market in an effort to offset the risk of any potential loss. One investment is "hedged" against another. The investments chosen are expected to be negatively correlated (the price movement of one is expected to be opposite the movement of the other). If the investment loses value, a successful hedge will reduce the loss. On the other hand, if the investment performs well, the potential profit is less.

## **Risk of Loss**

All investments in securities include a risk of loss of your principal (invested amount) and any profits that have not been realized (the securities were not sold to “lock in” the profit). As you know, stock markets and bond markets fluctuate substantially over time. In addition, performance of any investment is not guaranteed and your account may experience loss of assets due to a variety of reasons including market movements and global and domestic events affecting the economy. As a result, there is a risk of loss of the assets we manage that may be out of our control. We will do our very best in the management of your assets; however, we cannot guarantee any level of performance or that you will not experience a loss of your account assets. Depending upon the program you choose and the securities used, your portfolio may be subject to the risks described below.

### **General Risks**

**Management Risk.** There is no guarantee that our judgments about the worth and implementation of given strategies, the value of individual securities, and the state of the financial markets is sound and that investments in Navigator strategies will be profitable.

**Deflation.** Deflation risk is the risk that prices throughout the economy decline over time, which may have an adverse effect on the market value of an investment.

**Inflation.** Inflation risk is the risk that the value of assets or income from investments will be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of an account and distributions can decline.

### **Risks Associated with Strategies**

**Asset Allocation.** The success of asset allocation depends upon the manager’s ability to make decisions that will achieve an account’s objectives. Asset categories may not perform as expected due to economic and market influences both foreign and domestic and anticipated returns may not be realized.

**Hedging.** If the hedged investment performs well, there is likely to be a loss of upside potential. If the hedge does not perfectly match the underlying portfolio, there is a risk that results will not be as anticipated. If the investment is underhedged, it may not offer the degree of protection anticipated.

### **Risk Associated with Securities**

**Absolute Investment Strategies** seek to achieve a positive return regardless of the condition of the overall market. These strategies may have returns that perform substantially less well than the overall market returns depending upon the skill of the portfolio manager.

**American Depositary Receipts (ADRs)** -- ADRs represent ownership in the shares of a non-U.S. company that trades in U.S. financial markets. While ADRs eliminate some of the inconveniences of ownership of foreign securities, they are subject to the same risks as international securities as well as being subject to possible termination, resulting in the inability to trade in U.S. markets and the inconveniences that entails.

**Commodities** have risk in that they are affected by global supply and demand; domestic and foreign interest rates; political, economic, financial events, or natural disasters; regulatory and exchange position limits; and concentration within a commodity.

**Concentration Risk** may occur when a strategy’s investments are concentrated in a limited number of securities or specific regions or countries. The value of the account will vary considerably in response to changes in the value of the security or region/country. This may result in increased volatility.

**Derivatives** used in hedging strategies have risks different and possibly greater than the risks associated with investing directly in the investments underlying the derivatives.

**Exchange Traded Funds** may not accurately track their underlying index and may not have liquidity under severe market conditions.

**Fixed Income** securities may be affected by interest rate risk as increases or decreases in interest rates occur and also by credit risk in that issuers may not make payment on the securities.

**Exchange Traded Notes** are unsecured debt instruments. As such, exchange traded notes are subject to risk of default by the issuing bank (counterparty risk) as well as market risk. Exchange traded notes may fail to track the index they are designed to track as well as being negatively impacted by a decline in the credit rating of the issuer. They may lack liquidity under severe market conditions.

**Foreign/International Market Risk.** International investments involve special risks such as fluctuations in currencies, foreign taxation, economic and political risks, differences in accounting and financial standards. Investments in emerging markets are generally more risky than investments in developed markets.

**High Yield Fixed Income (Bond) Securities** invest in securities that are considered speculative and are susceptible to default or decline in value due to adverse economic and business developments.

**Independent Sub-Advisors and Mutual Funds** are subject to risks related to the manager's ability to achieve the components' objectives and market conditions affecting the components' assets. Each is subject to different levels of risk, based on the types and sizes of its underlying asset class allocations and strategy.

**Options** involve leverage and special risk considerations. Use of options entails the potential for significant losses and significantly increased portfolio volatility.

**Real Estate** has risks associated with direct ownership; valuations of real estate may be affected by economic or financial conditions or catastrophic events resulting from forces of nature or terrorist acts.

**Securities Selected to Reflect Particular U.S. Styles and U.S. Sectors** are subject to risk as an individual segment of the equity market may underperform other segments of the equity market as a whole. Small stocks are more volatile than larger, more established companies and are subject to significant price fluctuations, business risks, and are thinly traded.

**Sectors** may be subject to risk when a substantial portion of assets are devoted to a particular market sector or industry thereby having the potential of greater volatility than with broadly diversified strategies.

**Style.** Different types of investments tend to shift in and out of favor depending on market, economic, and other forces.

**Stocks** have risk in that their returns and the principal invested in them is not guaranteed and are subject to changing market conditions. They may decline in price significantly over short or extended periods in relation to overall market movement or due to factors affecting a segment of the market or factors affecting an individual company, such as a poor earnings report. Small stocks are more volatile than large stocks and are subject to significant price fluctuations and may be thinly traded.

## PROXY VOTING

Clark Capital does not accept the authority to exercise the proxy voting right on behalf of clients in our wrap programs. In certain circumstances, we may be required to vote proxies as part of our fiduciary duties to certain ERISA plans. In these instances, Clark Capital will vote proxies in a manner consistent with the best interests of the plan participants. Clients may request information on how proxies for ERISA plan shares were voted.

## OTHER ADVISORY SERVICES

In addition to the wrap fee programs that we sponsor, we act as an investment adviser (or "sub-adviser") to wrap fee programs sponsored by independent financial services firms, such as banks, broker-dealers, and other investment advisers. The investment management services we provide through these third-party wrap fee programs follow the investment philosophy, investment process, and security selection offered in certain Navigator Unified Solutions portfolios. As an investment adviser

to these wrap fee programs, we are compensated by the program sponsor with a portion of the wrap fee paid by the client. In some of these programs, Clark Capital maintains discretion as to which securities are purchased or sold for accounts, consistent with written information received regarding the client's selected investment style, investment objectives, policies and restrictions (if any) and the capabilities of the custodian. In others, we are retained by the program sponsor to provide only a model portfolio. In these arrangements, we do not exercise investment discretion or trade the account. Rather, the program sponsor maintains investment discretion for the account, and may or may not elect to execute any or all of the purchase or sale transactions that we recommend.

## **Item 7 – Client Information Provided to Portfolio Managers**

We provide information about you to the selected sub-advisors through the Account Establishment Form in your Investment Advisory Agreement. The data includes your non-public personal information such as your name, address, social security or tax ID; investment profile information such as your income, net worth, risk tolerance, investment objective and strategies you selected, any account restrictions you impose, custom portfolio requests, special instructions; and any other pertinent information or data necessary for such sub-advisors to provide investment advisory services to your account. We provide updated information to sub-advisors as we are advised of changes by you or your personal financial advisor. For more information on our privacy policies, please read our "Privacy Notice" under Item 9 of this Brochure.

## **Item 8 – Client Contact with Portfolio Managers**

You and your personal financial advisor may contact Clark Capital to arrange for consultations regarding the management of your account. All sub-advisors have agreed to be available at reasonable times to participate in consultations requested either directly by you or through your solicitor acting on your behalf.

## **Item 9 – Additional Information**

### **DISCIPLINARY INFORMATION**

We are obligated to disclose any disciplinary event that would be material to you when evaluating us when you are considering initiating or continuing a Client/Adviser relationship with us. We do not have any legal, financial or other "disciplinary" item to report to you. This statement applies to our firm and every employee of the firm.

### **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

#### **Registered Representatives**

We permit our employees to serve as registered representatives of broker-dealers. Currently, a number of our employees are registered representatives of Grant Williams, LP (GWLP), a broker-dealer registered with FINRA. Neither Clark Capital nor any Clark Capital employee receives compensation from the purchase or sale of securities or investments for your account. Additionally, our Executive Vice President, Steven Grant, serves as President, Chief Executive Officer and Chief Financial Officer of GWLP. Mr. Grant spends approximately 15% percent of his time serving in these roles for GWLP, and approximately 85% percent of his time serving as our Chief Financial Officer.

#### **Industry Affiliations**

#### **GWLP**

As described above, GWLP is a broker-dealer registered with FINRA and our Chief Financial Officer, Steven Grant, serves as President, Chief Executive Officer and Chief Financial Officer of GWLP. Additionally, Clark Capital shares common office space with GWLP. We may use GWLP to place a limited number of fixed income trades for Clark Capital clients. When placing trades through GWLP, however, Clark Capital does not receive, directly or indirectly, any commissions or transaction-

based compensation for such transactions. Accordingly, we believe that no conflict of interest exists. Additionally, Clark Capital clients pay only a nominal ticket charge for transactions executed through GWLP. Therefore, we believe that it is advantageous to clients when we use GWLP for fixed income trading.

### **Portfolio Solutions**

Certain individual owners of Clark Capital hold ownership interests in Portfolio Solutions, LLC, a company holding a majority interest in GWLP and a majority interest in Portfolio Pathways, LLC, which is a technology company that provides web-based portfolio management software to financial institutions. Collectively, these Clark Capital owners hold an approximate 70 percent interest in Portfolio Solutions. Several solicitors using Clark Capital portfolios utilize Portfolio Pathway's portfolio management software for a fee. As described in Items 4 and 9 of this Brochure, these solicitors may also refer clients to Clark Capital and may receive compensation for such activities. However, our decision to work with any solicitor for a client account is in no way tied to their decision to use Portfolio Pathway's portfolio management software.

### **The Navigator Equity Hedged Fund**

Clark Capital serves as a sub-advisor to the Navigator Equity Hedged Fund, which is registered as an open-end investment management company. The investment management services we provide to the fund mirror the investment philosophy, investment process, and security selection of the Navigator Global Equity ETF Hedged portfolio. Our fees for sub-advising the Navigator Equity Hedged Fund are disclosed in the prospectus for the fund.

A specified amount of your assets may be invested in the fund if you select the Navigator Global Balanced Hedged portfolio for your account. In order to address the economic incentive that Clark Capital may have in investing wrap accounts in the fund, our Investment Advisory Fee will be reduced (as reflected in the Navigator Global Balanced Hedged fee schedule in Item 4) when your account invests in the fund.

### **Navigator 401(k)**

Clark Capital acts as a sub-advisor to the Navigator 401(k), a "group trust" within the meaning of the Internal Revenue Service Revenue Ruling 81-100, as amended, and is a collective investment trust that is exempt from registration under the Investment Company Act of 1940. The portfolios offered in the Navigator 401(k) consist of collective trusts which mirror certain other portfolios offered by Clark Capital. The portfolios are maintained by Wilmington Trust as the trustee. Our fees for sub-advising the Navigator 401(k) are disclosed in the offering documents for the trust. The presentation of information in this Brochure relating to the Navigator 401(k) is not intended as an offer or solicitation to invest.

### **CODE OF ETHICS**

As required and as a good business practice, we have adopted a Code of Ethics that governs a number of potential conflicts of interest that may arise when providing our advisory services to you. This Code of Ethics is designed to ensure we meet our fiduciary obligation to you, our client (or prospective client), and to drive home a culture of compliance within Clark Capital. The Code is also designed to detect and prevent violations of securities laws including violations that might impact your investment account(s).

Our Code is comprehensive, is distributed to each employee at the time of hire and when there are any changes. Annually employees attest that they have read, understood, and will observe the Code. The Code is reinforced with reviews in monthly meetings as necessary and on-going monitoring of employee activity.

Our Code includes the following:

- Requirements related to the confidentiality of your personal information;
- Prohibitions on:
  - Insider trading (if we are in possession of material, non-public information);
  - The acceptance of gifts and entertainment that exceed our policy standards;
  - Political contributions that exceed our policy standards;
- Reporting of gifts received and business entertainment;

- Pre-clearance of employee transactions;
- Reporting of investment holdings on an annual basis
- Reporting (on a quarterly basis) all personal securities transactions (what we call “reportable securities” as mandated by regulation); and,
- On an annual basis, we require all employees to re-certify to our Code, identify members of their household and any account to which they have a beneficial ownership (they “own” the account or have “authority” over the account), securities held in certificate form and all securities they own at that time and divulge any outside business activities.

Our Code does not prohibit personal trading by employees or our firm. Our employees may buy or sell securities for their personal accounts identical to or different than those recommended to clients. A potential conflict of interest may arise when an employee buys or sells a security in close proximity to the date of a purchase or sale of the same security on a client’s behalf. There may be an incentive for an employee to take advantage of the market effect of a client’s trade, or the market effect of an employee’s trade may negatively affect a subsequent purchase or sale price obtained for a client. Accordingly, our Code subjects all of our employees to various procedures and restrictions relating to their personal securities transactions. These procedures include, among other things, the filing of annual reports of their investment holdings, the filing of quarterly reports of their transactions, and pre-approval of all trades from our Chief Compliance Officer.

You may request a complete copy of Clark Capital’s Code of Ethics by contacting Denise Williams, Chief Compliance Officer, One Liberty Place, 53<sup>rd</sup> Floor, 1650 Market St., Philadelphia, PA 19103 or by email addressed to [dwilliams@ccmg.com](mailto:dwilliams@ccmg.com).

## **PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS**

As described above, Clark Capital serves as a sub-advisor to the Navigator Equity Hedged Fund. The investment management services we provide to the fund mirror the investment philosophy, investment process, and security selection of the Navigator Global Equity ETF Hedged portfolio. We are compensated by the fund for our sub-advisory services. The fees paid to us by the fund may be different than the fees that are charged to your account. Additionally, a specified amount of your assets may be invested in the fund if you select the Navigator Global Balanced Hedged portfolio for your account. In order to address the economic incentive that Clark Capital may have in investing client accounts in the fund, our Investment Advisory Fee is reduced when client accounts invest in the fund.

## **BROKERAGE PRACTICES**

Unless otherwise directed by a client, we select the broker-dealers for executing client securities transactions. We generally direct securities transactions to the custodian of your account. We currently have arrangements with several custodians that provide brokerage, clearing and custody services to our wrap fee program clients. It is Clark Capital’s policy to rotate trades between these custodians on a weekly basis. We have negotiated favorable pricing with these custodians and believe that utilizing these custodians for most securities transactions is consistent with our duty to seek to obtain best execution. We also encourage our sub-advisors to direct trading to your custodian when consistent with their own best execution policies. An additional reason that we recommend that clients direct trading by or through their custodians is because the wrap fee paid by the client only covers execution costs on trades executed by or through the custodian. In other words, clients may incur additional costs for any commissions or fees on transactions that are executed away from their custodian.

On occasion, better execution may be available from broker-dealers other than the custodian of your account. Accordingly, we (as well as any sub-advisor to your account) always have discretion to select broker-dealers other than the custodian for trade execution. Generally, we will only execute trades through other broker-dealers when we reasonably believe that another broker-dealer will provide better execution – net of any additional resulting transaction charges – than would be the case if the transaction were executed through your custodian.

When selecting broker-dealers, we consider several factors, including: execution capabilities, commission rates, financial stability, willingness to commit capital and clearing and settlement capabilities. We monitor all equity and fixed income trades on a quarterly basis to ensure that your account is receiving best execution. An external firm is retained by Clark Capital to evaluate trades for best execution. This firm, Global Trading Analytics, receives trade information directly from your custodian and issues an analytical report on a quarterly basis that is reviewed by Clark Capital’s Chief Investment Officer and portfolio managers.



## REVIEW OF ACCOUNTS

Our portfolio managers, supported by members of the portfolio management team and one or more assistant portfolio managers, are responsible for overseeing client portfolios. All account types receive the benefit of daily review. The portfolio management team is in constant communication with various markets involved in client accounts and acts to make appropriate adjustments to each client's portfolio as situations arise. Client inquiries, changes in general market outlooks and changes in opinion on specific issues may prompt particular reviews of individual accounts. External non-market-related events may also trigger account reviews to ascertain if any adjustments are warranted. Sub-advisory relationships can also trigger change and/or account review. The portfolio management team reviews each investment strategy periodically for dispersion in cash levels. Dispersion in cash levels is further investigated to see if there have been any irregularities. The portfolio management team also reviews the previous day's orders to determine if the orders for the accounts have been processed correctly. On a monthly basis accounts within each composite are monitored for performance dispersion while performance is being calculated.

You will receive statements on a monthly basis from the custodian of your account that provide a detailed list of holdings with valuations and account activity, as well as confirmations of all transactions in your account. Clark Capital provides complete portfolio summaries on a quarterly basis. The quarterly statement from Clark Capital includes asset class and sector allocation, changes in the portfolio, and cumulative and current performance. Access to client accounts is also possible via the Clark Capital website for referrals from financial intermediary firm accounts where the custodian provides daily download of data. Client statements are posted to the website quarterly and you may access your statement(s) via the Internet or request a hard printed copy.

## CLIENT REFERRALS AND OTHER COMPENSATION

### Client Referrals

Clark Capital has executed agreements with various independent broker-dealers, individual registered investment advisors, and their representatives (personal investment advisors). These independent parties refer clients such as you to Clark Capital. The Investment Advisory Fee charged by Clark Capital to clients that are introduced to us by personal investment advisors will not be greater than fees or costs Clark Capital charges its advisory clients who were not introduced by personal investment advisors. However, your personal investment adviser may charge a Solicitor's Fee as described in Item 4 of this Brochure. The amount of the Solicitor's Fee on a given account is determined solely by your personal investment advisor, not Clark Capital, and relates to, among other things, the services they provide and the net asset value of your account. Personal investment advisors may charge up to 1.25% annually, but also have the option to waive the Solicitor's Fee. This fee is paid to the personal investment advisor's firm out of the fees collected by Clark Capital from the referred investor. All of our contractual agreements with personal investment advisors are handled in accordance with the provisions of Rule 206(4)-3 under the Investment Advisers Act of 1940.

## CUSTODY

Clark Capital has authority to debit fees directly from client accounts in our wrap fee programs. For this reason only, we are deemed to have custody of these clients' funds. Clark Capital does not "hold" the assets in investors' accounts. The assets of all investors in accounts managed by Clark Capital are custodied at independent qualified custodians. The custodians used for Clark Capital wrap fee program accounts send you and all other investors monthly account statements and forward copies of those statements to Clark Capital. Daily, Clark Capital receives electronic notification of assets and positions at the custodian and reconciles the custodian's information with our records electronically. Any exceptions are investigated and resolved promptly. While we do not have custody of your account, under the terms of our contract with you, fees payable on your account are debited by the custodian and forwarded to Clark Capital.

Clark Capital sends quarterly account statements to all investors in our wrap fee programs. As a client of Clark Capital, we urge you to compare the account statement you receive from the custodian for your account with the statements we provide. On occasion, our statements and the custodian's may differ slightly due to accounting procedures, reporting dates, or valuation methodologies of certain securities. For tax and other purposes, the custodial statement is the official record of your account(s) and assets.

## FINANCIAL INFORMATION

Clark Capital does not have any financial condition that is likely to impair our ability to meet our contractual or fiduciary commitments to you. Advisors who require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, are required to provide you with a balance sheet for the most recent fiscal year. This requirement does not apply to Clark Capital.

## PRIVACY NOTICE

As a client of Clark Capital, you have entrusted your personal information and financial data to our care. Because this is your private information and data, we exercise extreme care in how we handle it. We are required by federal law to advise you how we collect, share, and protect your personal information. You have the right to limit some but not all sharing of personal information. Please read this notice carefully to understand what we do.

### *The Types of Personal Information We Collect*

The types of personal information we collect and share depend on the product or service you have with us. This information can include, among other things:

- Your name and address
- Social Security number
- Date of birth
- Assets and income
- Account balances

We may collect your personal information, for example, when you enter into an investment advisory agreement, open an account with a custodian, or make deposits or withdrawals from your account.

### *Why We May Need to Share Your Personal Information*

Like all financial companies, we need to share your personal information with third parties to run our everyday business and to provide you services such as processing transactions and maintaining your account. The third parties that we share your personal information with (such as financial service companies, sub-advisors, consultants and auditors) are contractually prohibited from disclosing or using your personal information for any purpose other than providing such services and are required to maintain appropriate security measures for protecting your personal information. We may also share your personal information as required by law, such as responding to court orders and legal investigations. We do not disclose your personal information to anyone for marketing purposes.

### *How We Protect Your Personal Information*

Within Clark Capital, we restrict access to information about you to those employees who need to know the information to service your account. To protect your personal information from unauthorized access and use, we use physical, electronic, and procedural safeguards that comply with applicable laws and industry standards and practices.

### *When You Can Limit Sharing*

Federal law gives you the right to limit only: (1) sharing for affiliates' everyday business purposes, (2) sharing with affiliates to use your information to market to you, and (3) sharing with non-affiliates to use your information to market to you. We do not share your information in any of these ways. State laws and individual companies may give you additional rights to limit sharing.

When you are no longer our customer, we continue to share your information only as described in this notice.

### *Definitions*

**Affiliates:** Companies related by common ownership or control. They can be financial and non-financial companies. We do not share with affiliates.

**Non-affiliates:** Companies not related by common ownership or control. They can be financial and nonfinancial companies. We do not share with non-affiliates except as described in this notice.

**Joint Marketing:** A formal agreement between non-affiliated financial companies that together market financial products or services to you. We do not engage in joint marketing.

Questions? Please call 1-800-766-2264 and ask for Client Services.



# Clark Capital Management Group, Inc.

## Form ADV -- Part 2B Brochure Supplement

May 31, 2011

This brochure supplement is provided on the following supervised persons who provide discretionary advice as part of a team:

K. Sean Clark, CFA  
David J. Rights  
Maira F. Thompson

Jamie Mullen  
Mason Wev, CFA

The above individuals may be contacted at the address above.

This brochure supplement provides information about the supervised persons named above and supplements the Clark Capital Management Group Form ADV – Part 2A Appendix 1 Wrap Fee Brochure. You should have received a copy of that brochure. Please contact Client Services at the above number(s) if you did not receive our Form ADV – Part 2A Appendix 1 Wrap Fee Brochure or if you have any questions about the contents of this supplement.

*Additional information about the above individuals is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)*

### **K. Sean Clark, CFA, Chief Investment Officer, Born 1969**

**Educational Background and Business Experience:** Mr. Clark graduated from the University of Delaware with a Bachelor of Science and subsequently earned a Master of Arts in Economics. Mr. Clark joined Clark Capital Management Group in 1993 as a portfolio manager and later became the Chief Investment Officer. Mr. Clark is responsible for the oversight and direction of all Clark Capital's Navigator Investment Solutions. In particular, Mr. Clark's primary roles include management of Clark Capital's asset allocation programs as well as the ongoing research and development of the Firm's proprietary tactical and strategic asset allocation models. Mr. Clark earned the Chartered Financial Analyst\* (CFA) designation in 1999. Mr. Clark is a member of the CFA Institute (formerly AIMR) and the Financial Analysts Society of Philadelphia.

**Disciplinary Information:** There are no legal or disciplinary events to report.

**Other Business Activities:** Mr. Clark devotes full time to Clark Capital Management. He has no other outside business activities.

**Additional Compensation:** Mr. Clark does not receive any economic benefit from third parties for providing advisory services.

**Supervision:** Mr. Clark heads the Investment Policy Committee. The Committee works as a team and meets weekly to review current security positions and consider the likelihood that each security will contribute to the investment objectives and risk profile of clients. The models used in account management are continually fine tuned to fit clients' objectives as conditions change. Denise Williams monitors each individual's personal investing activities and adherence to Clark Capital's compliance program and code of ethics on a continuous basis using various methods, including periodic inspection and review of client securities positions and transaction activity, obtaining certifications of compliance with company policies and procedures from those supervised, and obtaining and reviewing brokerage statements or transactions and holdings reports. K. Sean Clark and Denise Williams can be reached at 800-766-2264.

### **David J. Rights, Director of Research, Born 1945**

**Educational Background and Business Experience:** Mr. Rights holds a degree in Electrical Engineering from Lehigh University. In the late 1970s, Mr. Rights turned his technical skills to the investment arena and began to develop economically based, quantitatively driven econometric models. He has also developed technical models used to enhance relative returns and reduce risk of ETF and fund based products. Mr. Rights directs the ongoing research into securities selection and portfolio strategies used to enhance the Navigator investment programs. Mr. Rights was formerly President and Chief Investment Officer of RTE Asset Management which merged with Clark Capital in 2005.

**Disciplinary Information:** There are no legal or disciplinary events to report.

**Other Business Activities:** Mr. Rights devotes full time to Clark Capital Management. He has no other outside business activities.

**Additional Compensation:** Mr. Rights does not receive any economic benefit from third parties for providing advisory services.

**Supervision:** Mr. Rights is a member of the Investment Policy Committee, headed by K. Sean Clark. The Committee works as a team and meets weekly to review current security positions and consider the likelihood that each security will contribute to the investment objectives and risk profile of clients. The models used in account management are continually fine tuned to fit clients' objectives as conditions change. Denise Williams monitors each individual's personal investing activities and adherence to Clark Capital's compliance program and code of ethics on a continuous basis using various methods, including periodic inspection and review of client securities positions and transaction activity, obtaining certifications of compliance with company policies and procedures from those supervised, and obtaining and reviewing brokerage statements or transactions and holdings reports. K. Sean Clark and Denise Williams can be reached at 800-766-2264.

### **Maira F. Thompson, Senior Portfolio Manager, Born 1960**

**Educational Background and Business Experience:** Ms. Thompson is a Senior Portfolio Manager for the Premier Portfolio Group. She is responsible for the Premier Portfolios equity management and portfolio relationships. Ms. Thompson has spent a number of years in the investment business primarily dealing with high net worth investors. Prior to joining Clark Capital Management, she was Vice President and head of the Philadelphia Investment Group for Meridian Asset Management. While employed at Meridian, she also headed the Delaware Trust Investment Division. From 1986 to 1993, Ms. Thompson was Senior Portfolio Manager and Vice President for Fidelity Bank in Philadelphia.

**Disciplinary Information:** There are no legal or disciplinary events to report.

**Other Business Activities:** Ms. Thompson devotes full time to Clark Capital Management. She has no other outside business activities.

**Additional Compensation:** Ms. Thompson does not receive any economic benefit from third parties for providing advisory services.

**Supervision:** Ms. Thompson is a member of the Investment Policy Committee, headed by K. Sean Clark. The Committee works as a team and meets weekly to review current security positions and consider the likelihood that each security will contribute to the investment objectives and risk profile of clients. The models used in account management are continually fine tuned to fit clients' objectives as conditions change. Denise Williams monitors each individual's personal investing activities and adherence to Clark Capital's compliance program and code of ethics on a continuous basis using various methods, including periodic inspection and review of client securities positions and transaction activity, obtaining certifications of compliance with company policies and procedures from those supervised, and obtaining and reviewing brokerage statements or transactions and holdings reports. K. Sean Clark and Denise Williams can be reached at 800-766-2264.

### **Jamie Mullen, Senior Portfolio Manager, Born 1959**

**Educational Background and Business Experience:** Mr. Mullen developed and manages the Navigator Global Strategy portfolio. Global Strategy uses relative strength models created by Clark Capital to gain diversification across market segments. In addition, Mr. Mullen manages covered call options deployed on individual stocks and exchange traded funds in the Premier Portfolio Group and implements collar strategies on individual blocks of stocks. Mr. Mullen has over 20 years of experience in dealing with institutional clients and money managers. He joined Clark Capital in 2000. Mr. Mullen received his degree from St. Joseph's University.

**Disciplinary Information:** There are no legal or disciplinary events to report.

**Other Business Activities:** Mr. Mullen devotes full time to Clark Capital Management. He has no other outside business activities.

**Additional Compensation:** Mr. Mullen does not receive any economic benefit from third parties for providing advisory services.

**Supervision:** Mr. Mullen is a member of the Investment Policy Committee, headed by K. Sean Clark. The Committee works as a team and meets weekly to review current security positions and consider the likelihood that each security will contribute to the investment objectives and risk profile of the clients. The models used in account management are continually fine tuned to fit clients' objectives as conditions change. Denise Williams monitors each individual's personal investing activities, and adherence to Clark Capital's compliance program and code of ethics on a continuous basis using various methods, including periodic inspection and review of client securities positions and transaction activity, obtaining certifications of compliance with company policies and procedures from those supervised, and obtaining and reviewing brokerage statements or transactions and holdings reports. K. Sean Clark and Denise Williams can be reached at 800-766-2264.

## **Mason D. Wev, CFA, Portfolio Manager, Born 1971**

**Educational Background and Business Experience:** Mr. Wev joined Clark Capital Management Group, Inc. in 2005 as a Portfolio Manager and currently works on the Investment Committee, contributing to asset allocation policy and security selection. Mr. Wev has ten years experience in the investment industry. He is responsible for quantitative investment analysis, security selection, and communicating the firm's investment policy to wealth advisors and consultants. A graduate of Dickinson College, Mr. Wev earned an M.B.A. in International Management from the Garvin School of Management at Thunderbird (the American Graduate School of International Management) and holds the Chartered Financial Analyst\* (CFA) designation.

**Disciplinary Information:** There are no legal or disciplinary events to report.

**Other Business Activities:** Mr. Wev devotes full time to Clark Capital Management. He has no other outside business activities.

**Additional Compensation:** Mr. Wev does not receive any economic benefit from third parties for providing advisory services.

**Supervision:** Mr. Wev is a member of the Investment Policy Committee, headed by K. Sean Clark. The Committee works as a team and meets weekly to review current security positions and consider the likelihood that each security will contribute to the investment objectives and risk profile of clients. The models used in account management are continually fine tuned to fit clients' objectives as conditions change. Denise Williams monitors each individual's personal investing activities and adherence to Clark Capital's compliance program and code of ethics on a continuous basis using various methods, including periodic inspection and review of client securities positions and transaction activity, obtaining certifications of compliance with company policies and procedures from those supervised, and obtaining and reviewing brokerage statements or transactions and holdings reports. K. Sean Clark and Denise Williams can be reached at 800-766-2264.

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\* The Chartered Financial Analyst (CFA) designation is an international professional certification offered by the CFA Institute to financial analysts who complete a series of three examinations generally over a three year period. To become a CFA Charterholder candidates must pass each of three six-hour exams, possess a bachelor's degree from an accredited institution (or have equivalent education or work experience) and have 48 months of qualified, professional work experience. CFA Charterholders are also required to understand and sign a professional conduct statement which commits the individual to the CFA Institute's Code of Ethics and Standards of Professional Conduct which requires adherence to a high level of integrity, professionalism and duty to clients among others.