



**Maira F. Thompson**  
Senior Portfolio Manager

Maira is responsible for management of High Dividend Equity and Diversified Equity portfolios in the Premier Portfolios group and is a member of the Clark Capital Investment Committee. Her more than thirty years of investment experience included the position of Vice President and head of the Philadelphia Investment Group for Meridian Asset Management. After Delaware Trust became part of Meridian, Maira managed their Trust Investment Group in Wilmington, Delaware. In the 1980s Maira managed assets for high net worth clients and co-managed a small cap fund for Fidelity Bank in Philadelphia. She began her career as a trader with Prudential Bache Securities and a licensed broker for Legg Mason Wood Walker. Maira is a graduate of Ohio Wesleyan University and undertook additional studies in economics at the London School of Economics. She joined Clark Capital in 1997.

## DIVIDENDS AND THE AGING POPULATION

With the current S&P 500 dividend yield sitting at 1.89% and five-year Treasury yields paying just 1.77%, the stock market remains an appealing place to invest your money. During the quarter, the market rallied in August but July and September were far less fruitful months for investing. The third quarter wasn't the strongest for big, dividend stocks but the Dow Jones Industrial managed to slightly edge out the S&P 500 rising +1.29% versus +1.13%.

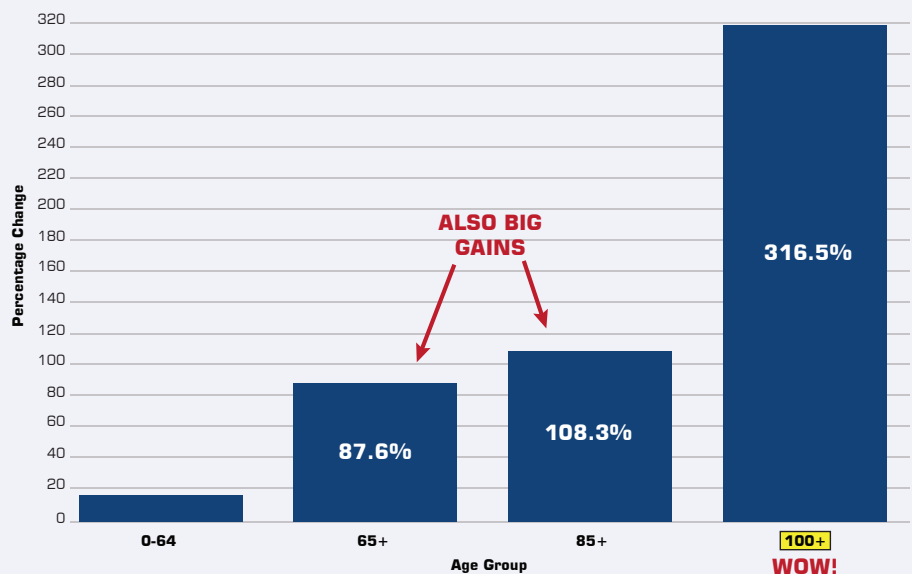
### Executive Summary

**An Aging Trend and the Need for Income:** The Centenarians age group, which consists of individuals 100 years of age and older, is now the world's fastest growing age group.

As the global population lives longer, we believe dividend paying stocks will grow increasingly important as one of the asset categories to provide growth of income.

There is a widespread perception that the Federal Reserve is entering the final stages of economic stimulus. While the market reaches new highs, small and mid-size companies struggle as the focus narrows to cheaper valuations and safety of large cap stocks. Despite the meager year to date increase of +2.8%, the Dow Jones Industrial Average hit new highs 18 times. The Dow has not kept pace with the S&P 500 Index (+8.34%), exposing numerous attractive valuations entering the last quarter of the year.

World Population Growth by Age Group from 2013 to 2033



Source: Ned Davis Research

Past performance is not indicative of future results.

This is not a recommendation to buy or sell a particular security. Please see attached disclosures.



## Navigator® High Dividend Equity

Maira F. Thompson, Senior Portfolio Manager

### Third Quarter — Portfolio Commentary

As interest rates slowly rise over the next several years, how will that impact dividend paying stocks? Dividends paid by S&P 500 companies are expected to rise an estimated 40% through 2019. Some analysts see a steady rise in growth with an increased percentage of profits distributed to shareholders. This is good news for Baby Boomers and older age categories. The chart on the previous page, provided by Ned Davis Research, shows the Centenarians age group, which consists of individuals 100 years of age and older, is now the world's fastest growing age group. As the global population lives longer, we believe dividend paying stocks will grow increasingly important as one of the asset categories to provide growth of income as well as growth of principal.

### Sectors

Top performing sectors for the quarter were Healthcare +5.03%, Information Technology +4.34% and, a distant third, Financials +1.85%. The biggest losers for the quarter were Energy down -9.15%, followed by Utilities -4.86% and Industrials -1.61%. Sector leadership shifted in the quarter with Technology remaining strong but Healthcare took over the lead. The portfolio was overweight in Technology and Industrials and underweight in Energy and Staples.

*Sources: Factset; Ned Davis Research*

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

The Dow Jones Industrial Average is a stock market index that shows how 30 large publicly owned companies based in the U.S. have traded during a standard trading session in the stock market.

The MSCI EAFE Index is a free float-adjusted market capitalization index that is designed to measure the equity market performers of developed markets outside the U.S. and Canada.

The MSCI Emerging Markets Index is a freefloat-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets.

The Russell 3000® Index measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market.

Barclays Capital U.S. Government/Credit Bond Index measures the performance of U.S. dollar denominated U.S. Treasuries, government-related & investment grade U.S. Corporate securities that have a remaining maturity of the greater than one year.

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

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Morningstar Rating for a separate account is derived from a weighted average of the performance figures associated with its three-, five- and ten-year Morningstar Rating metrics.

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