



Maira F. Thompson
Senior Portfolio Manager

Maira is responsible for management of High Dividend Equity and customized 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.

MERGERS & ACQUISITIONS AT RECORD LEVELS IN Q2

In the second quarter, worldwide mergers and acquisitions challenged the 2007 record as large cap companies boosted market share through mega deals. In 2014, corporate share buybacks also increased close to 2007 levels as companies repurchased \$450 billion of shares. Dividend growth remains historically strong with another record of actual cash payments expected for 2015.

There were several high dividend equity positions with M&A activity. Time Warner entered talks with Charter Communications after a failed merger attempt with Comcast and the Heinz-Kraft merger was completed. Some takeover approaches were rebuffed. Cigna so far rejected Anthem's \$53.8 billion acquisition proposal, Williams Companies rejected a \$53.1 billion offer from Energy Transfer Equity LP and drug maker Mylan is attempting to resist a \$50 billion takeover bid by Teva Pharmaceutical. The current activity is fueled by buyers looking for fundamental growth, global positioning and tax advantages in an attractive interest rate environment. This is in contrast to the mega deal days of 2007, which were fueled by private equity-backed leveraged buyouts.

Executive Summary

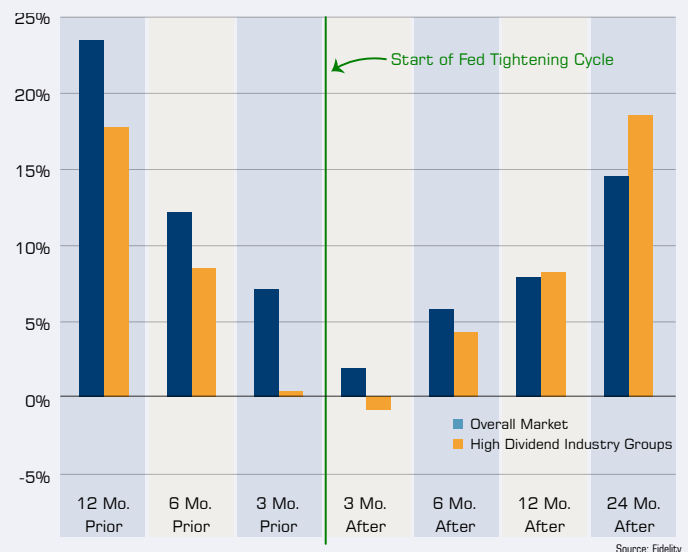
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M&A activity heats up, fueled by buyers looking for fundamental growth, global positioning and tax advantages in an attractive interest rate environment.

The Fed Waiting Game

In the beginning of a Fed tightening cycle, the highest dividend yield sectors such as Utilities and Telecom tend to underperform but eventually outperform as the economy moves closer to a late economic stage. Historically, rising long-term rates have benefitted dividend-payers over non-dividend payers.

The portfolio is currently underweight the highest yield sectors while focusing on the attractive universe of dividend growers that we believe will continue to perform during a rate tightening cycle. In the second quarter the top sectors were Healthcare +2.43%, Consumer Discretionary +1.56% and Financials +1.23% while the worst sectors were Energy -6.70%, Industrials -2.77% and Utilities -2.59%.



Sources: NDR, FactSet, S&P IQ

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

Second Quarter 2015 — Portfolio Commentary

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