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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.

MARKET VOLATILITY PRESENTS A BUYING OPPORTUNITY

The Waiting Game

As the Federal Reserve once again defers the first rate increase since 2006, the current volatility reminds us that the market doesn't like uncertainty. Increased volatility often leads investors to quality dividend paying stocks to wait out the storm. Historically, dividend paying stocks outperform the S&P 500 Total Return Index an estimated 66% of the months when the index is negative. The fastest dividend growers tend to withstand dividend tightening cycles better than highest yielding stocks.

The Picture

In the third quarter, the S&P 500 Index declined -6.94% over concerns of China's slowing economy, lower oil prices and the timing of the Federal Reserve rate increase; this was the largest quarterly decline since the third quarter of 2011. U.S. equities outperformed international as the MSCI EAFE Index declined -9.0%, and the MSCI Emerging Markets Index was down -12.1%. We believe the U.S. expansion should continue to grow moderately between 2.50% to 3.0% on annualized basis which has so far supported stock prices.

Quarterly Earnings

Energy sector earnings are expected to drag down the S&P 500 Index the most, declining an estimated -64.7% for the quarter. Minus the Energy sector, the forecast shows a loss of -3.4%. The continued earnings compression is cause for concern despite the fact that we are headed into what is historically a seasonally strong period for the market. The 2016 S&P 500 Index earnings estimate is \$130 versus the consensus estimate of \$118 for 2015. Estimates will continue to change into yearend as we look for a stronger fourth quarter.

Dividend Payments

Over the last 12 months, S&P 500 Index companies paid shareholders almost a trillion dollars in dividends and share buybacks. The Financial and Consumer Discretionary sectors led the quarter in dividend growth per share with Discretionary posting a +21.3% increase and Financials up +17.3%. While the aggregate of S&P Index dividends paid increased +11.3% to a 10-year high, dividend growth is expected to slow over the next 12 months. The recent increase in the dividend payout ratio should also continue as long as lackluster earnings persist.

Sector Rotation

For the quarter, the top sectors were Utilities up +4.4%, Consumer Staples down -.89% and Consumer Discretionary down -2.94%, while the bottom sectors included the former market leader Health Care down -11.05%, Materials down -17.34% and Energy down -18.10%. The High Dividend Equity portfolio was overweight Consumer Staples and underweight Energy for the quarter. Although the issues facing the Energy sector won't be resolved overnight, there is an increased number of undervalued stocks with above average dividends. We believe possible dividend cuts and increased mergers and acquisitions will continue with the strongest quality stocks benefitting the most from the energy shakeout.

Past performance is not indicative of future results.

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

Third Quarter 2015 — Portfolio Commentary

Winners & Losers

For the quarter, some of the portfolio winners were: Kimberly-Clark, Clorox, Reynolds American and Western Refining while losers included Macys, Williams Group, and Hasbro and Abbvie.

During this current market environment of “lower rates for longer,” divi-

dend stocks will likely continue to attract investors as compared to the 30-year U.S. Treasury bond yielding 2.01%. In our experience, owning quality and staying invested through the volatility by way of a diversified portfolio will add value in the long run.

Sources: FactSet, Bloomberg, 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 and investment grade U.S. corporate securities that have a remaining maturity of 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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