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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.

DIVIDEND GROWERS POST ANOTHER STRONG YEAR

In 2017, global equity markets fired on all cylinders with higher stock prices adding more than \$9 trillion in market value. After nine years of underperformance, European corporate profits finally broke out of a trough with the top 600 companies posting an average of 13% earnings growth. In the U.S., the S&P 500 Index rose 21.8%, adding \$3.9 trillion to the index's market value. Incredibly, the S&P 500 Index rose every month in 2017 for the first time on record. Twenty-five percent of the S&P 500 Index value creation was derived from the five largest U.S. companies by market value: Microsoft, Apple, Amazon, Facebook and Alphabet.

After a lackluster year in 2016, growth stocks dominated value in all four quarters of 2017. Although dividend growers are more associated with the value universe than growth, they too posted solid results for the year. Not faring as well is the category of dividend stocks referred to as “bond proxy” stocks characterized by higher dividend yields and lower growth expectations found in sectors such as; Utilities, Staples and Telecom. Bond proxies are currently overvalued versus their dividend growth peers and vulnerable to underperformance in a rising interest rate environment. We expect dividend growers will continue to perform well compared to their bond proxy counterparts during the current trend where we are returning to a more normal economic expansion. Throughout 2017, Navigator High Dividend Equity portfolio had less than 15% exposure to the bond proxy sectors.

In 2018, S&P 500 Index earnings are projected to rise 12.3% up from 10.9%, representing a six-year high*. According to Banc of America Merrill Lynch, the December passage of the tax bill and West Texas Intermediate crude oil hitting \$60 dollars a barrel has moved the S&P 500 Index three month earnings estimate revision ratio to its highest level since 2011. Top line trends also continue to improve, which could move the markets higher in 2018.

Dividend investors may benefit from the successfully passed tax reform and a reduction in the corporate tax rate to 21%, which could enhance profitability and cash flow, leading to higher shareholder payments. Repatriation of income earned by foreign subsidiaries could also be positive in the form of share buybacks, higher dividends and additional investment.

Sectors

During the fourth quarter, Navigator High Dividend Equity strategy gained 7.4% gross or 6.6% net versus 5.3% in the Russell 1000 Value Index. For the 10-year period ending September 2017, Navigator High Dividend Equity remains in the top 3% of

Source: Ned Davis, Yardeni 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.

Fourth Quarter 2017 — Portfolio Commentary

all Morningstar peer group managers according to the most recently available data. Our positioning in the Technology and Industrial sectors added relative performance while exposure to Consumer Discretionary and Financials hurt performance. Our top holdings in Caterpillar and Texas Instruments were top performers versus Time Warner and HanesBrands which underperformed.

Sources: Ned Davis, Yardeni 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.

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

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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The volatility (beta) of a client's portfolio may be greater or less than its respective benchmark. It is not possible to invest in these indices.

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