Logan Dividend Performers Balanced

DPB

CONSISTENT RETURNS WITH LESS RISK

Q1 | 2024

LOGAN DIVIDEND PERFORMERS BALANCED PORTFOLIOS Q1 | 2024 REVIEW[1]

MARKET ENVIRONMENT

Surprisingly resilient economic growth, continued robust investor appetite for information technology stocks as well as hopes for Federal Reserve interest rate cuts led to another strong quarter for the S&P 500 Index . The first quarter's 10% gain, the best start to a year since 2019, followed a double digit return in the fourth quarter of last year. The stronger backdrop was supported by corporate earnings results from the fourth quarter, which tended to outpace analysts' expectations. Even though we have seen some slippage on the path to 2% inflation, Chairman Powell appears willing to let the economy "run hotter", continuing to forecast interest rate cuts this year helping to add optimism to market dynamics.

The positive results were broad-based, with most asset classes seeing a lift and all but one of the S&P 500 Index sectors was up in the quarter. However, similar to last year, the outsized winners remain a narrow bunch with the top seven names by market capitalization dramatically outperforming the S&P 500 Index. In fact, the top four names ranked by contribution generated more than half of the quarterly return, leading to a challenging environment for diversified active managers. When looking at the S&P 500 Equal Weight Index, performance was a more modest 7%, still a solid absolute return for the quarter and highlighting the broad lift across sectors. Not surprisingly, growth factors were stronger in the quarter versus value factors and dividend stocks also tended to underperform the broader market index. The focus on a few large names in addition to a trend towards momentum stocks is leading to a historic valuation imbalance between dividend-paying stocks and non-dividend paying stocks.

Sector performance by contribution to Index returns during the quarter was influenced by the focus on the "Magnificent Seven" as well as a risk-on mentality fueling momentum stocks. The information technology sector was the strongest performing during the quarter followed by financials. Diversified financials and some larger banks benefited from the stronger economy and the higher interest rates. Communication services, which tends to be dominated by social media stocks, was helped by the top three names by market capitalization as those names contributed essentially all of the performance for the sector. Notably, from an absolute return basis, energy and industrials had market-beating results, also benefiting from a more cyclical bias during the quarter.

On the negative side, sectors that tend to be more interest-sensitive and relatively more defensive lagged the overall market from a contribution standpoint. REITs , which are typically more challenged in higher interest rate environments, were the worst performing during the quarter and the only negative performing sector. Secondly, utilities, which also struggle in higher rate environments were laggards. Lastly, the materials sector was a modest laggard, due for the most part to the underperformance of a few larger names in the sector. In general, defensive characteristics such as consistent earnings and dividend growth were not rewarded in the first quarter.

Switching to fixed income , the strategy's fixed income benchmark posted a mostly neutral

[1]Dividend Performers Balanced results discussed herein should be read in conjunction with the attached performance and disclosures

return for the quarter as corporate bonds modestly outperformed US Treasuries within the benchmark. The Federal Reserve has now left the federal funds rate unchanged for five consecutive meetings. Assessments remain for multiple federal funds rate cuts in 2024 assuming confidence can be gained that inflation is trending sustainably toward the 2% target. Following the March meeting, the Federal Reserve's Summary of Economic Projections (SEP) showed upward revisions to the change in real GDP to 2.1% and core inflation for 2024 to 2.6%. The projection for the unemployment rate was revised lower to 4.0%. These projections support the Federal Reserve's recent message that economic activity is firm, unemployment remains low and inflation has trended lower over the year but remains elevated. The yield curve remains inverted (2-year vs. 10-year) and a potential concern as historically many yield curve inversion periods have preceded an economic recession. The target range for the federal funds rates remains at 5.25% - 5.50%. During the quarter, the benchmark 10-year US Treasury yield increased from 3.88% to 4.20%. The strategy's fixed income benchmark, the Bloomberg Intermediate U.S. Government/Credit Index , was down –0.15% during the quarter, while the Bloomberg US Aggregate index was down –0.78%. (yield and index information sourced from Bloomberg). (Summary of Economic Projections (SEP) data sourced from Board of Governors of the Federal Reserve System)

PORTFOLIO REVIEW

After a relatively strong fourth quarter last year, Logan Dividend Performers Balanced reported another positive absolute return but underperformed the balanced benchmark during the first quarter of 2024. The current market environment continues to be relatively challenging for most quality, dividend-centric managers. Similar to the market bubble experienced twenty years ago, we are seeing a wide divergence in asset class performance as well as within various stock specific factor effects. The S&P 500 Index remains heavily weighted to a handful of large information technology-related stocks, many of which are also the largest contributors to the S&P 500 Index's performance year-to-date. In addition, the exuberance with Generative AI stocks has driven up valuations of anything that may be associated with it in some way. This modern-day gold rush has effectively been stoked by a vocally accommodative Federal Reserve that has recently taken on a more dovish stance. As investors seek outsized short-term returns in Generative AI stocks, the virtues of rewarding consistent growth in earnings, cash flows and dividends have been set aside. We are seeing some of the historically largest dispersions in valuations among higher quality, predictable earnings and dividend growth stocks today. This is a near term relative performance challenge for Logan Dividend Performers, which is firmly rooted in the proven, long-term benefits of investing in stocks with steadily growing dividends.

Delving into sector attribution during the quarter, our real estate holding outperformed in a tough environment for the sector. Real estate was the worst performing sector during the quarter, so our underweight here was also supportive. Secondly, performance in the materials sector was particularly strong. Our holding in this area continues to have relatively strong earnings growth supported by a robust project backlog. This is leading to attractive dividend growth in the high single-digits. Lastly, our utilities holdings outperformed peers in the Index, although our overweight was a drag as this was another relatively more defensive sector underperforming in the quarter.

Looking at the detractors during the quarter, our underweight in information technology was a slight headwind as was our lack of ownership in some of the largest names in the sector. Not owning one of the largest semiconductor manufacturers, which does not have a history of dividend growth, represented virtually all our underperformance. Notably, many semiconductor companies tend to lack a growing dividend and have less predictable earnings. In addition, within health care solid performance by our holdings in managed care was offset by poor near term performance by our holding in animal health. Within industrials, strong performance from our holding exposed to the growth in electrification was offset by lagging performance from a diversified industrial and railroad.

Overall, we experienced elevated volatility during the quarter in a market environment that did not favor higher quality, dividend growth stocks.

Related to fixed income performance, the fixed income portion of the portfolio posted a mostly neutral return for the quarter as most US Treasury yields moved higher. Allocation and selection within corporates contributed to fixed income performance. Selection within US Treasuries detracted from relative performance.

PORTFLIO OUTLOOK

We think the debate on economic growth and associated inflation metrics is far from decided. Last quarter, we wrote how we felt this would be a year of normalization post all of the pandemic effects. We still think this is true, but the resilience of the US economy has been impressive given the rapid deployment of monetary restraint and a new dynamic. In fact, we are seeing estimates of GDP as well as corporate earnings be revised upward for this year. It is hard to ignore the signs that manufacturers are showing stability and perhaps renewed growth as construction spending has picked up. In addition, housing and stock prices are creating a meaningful wealth effect. Much of this is rooted in the positive outcomes of technological innovation, which has been accelerated by investments in Generative AI. Bank of America recently reported that it sees capital expenditures from the top names in technology rising to nearly $200 billion this year, while the rest of the economy is growing capital expenditures by about 1%. Lastly, it's hard not to ignore the fact that fiscal stimulus is very much still with us, driving up budget deficits and government debt, a problem that is likely left to the next US president who will be elected this November.

While its possible technology may solve all our problems, there are real stresses in the economy that could still derail the resurgent growth. Consumer strength is showing cracks as the first signs of labor weakness have surfaced. Wage growth has slowed in the midst of a contraction in new job openings. Delinquencies are up as well as bankruptcies amidst monetary tightening leading to falling loan growth and a higher cost of financing year over year. All that excess savings from the pandemic has now turned into expensive credit card debt as consumers struggle to keep up with inflation and maintain their living standards.

The quandary for the Federal Reserve is how best to respond to the recent surge in growth and wealth while keeping the labor market alive and well. Lately it seems Chairman Powell is more interested in keeping economic growth relatively hot than the potential creation of another bubble in tech land. The risk is that the wealth generative capacity of the stock market fuels inflation, and the Fed is forced to delay interest rate cuts and actually may need to raise rates.

We would be remiss in not pointing out that all this momentum in large information technology-related stocks is leaving a wide swath of relatively undervalued stocks in the market. In fact, we see some well-known consumer staples stocks with long track records of consistent earnings and dividend growth, wide moats and strong balance sheets trade at thirty-year low price-earnings ratios relative to the S&P 500 Index. We think those disparities will be resolved in the near term. We are not calling for a recession, but we believe complacency is creeping in while our universe of higher quality, dividend growth companies look relatively attractive and represent outsized potential returns with less risk than the overall market.

Dividend growth stocks are typically favored during more volatile times and in times of more modest market returns, dividend yields along with dividend growth can be a more meaningful part of portfolio total returns. Our portfolio dividends continue to grow double-digit on average, adding to client yield-on-cost over time.

In the coming months, should the Federal Reserve gain comfort that inflation is trending sustainably towards target levels, a pivot to federal funds rate decreases could develop. In a backdrop such as this, bonds could perform well and provide potential diversification benefits as investors seek to meet their investment objectives. The Logan Dividend Performers Balanced portfolio provides the potential for growth, income and stability by combining high quality dividend growth stocks with higher quality fixed income investments.

also not be construed as advice meeting the particular investment needs of any investor. ***Past performance does not guarantee future results.***

Indices are unmanaged and investors cannot invest directly in an index. Unless otherwise noted, performance of indices does not account for any fees, commissions or other expenses that would be incurred. Returns do not include reinvested dividends.

The Standard & Poor's 500 (S&P 500) Index is a free-float weighted index that tracks the 500 most widely held stocks on the NYSE or NASDAQ and is representative of the stock market in general. It is a market value weighted index with each stock's weight in the index proportionate to its market value.

The S&P 500 Equal Weight Index provides exposure to the largest 500 public U.S. companies in the S&P 500 Index (a market value weighted index). However, each company is weighted at 0.2%, to provide more diversification and less concentration.

A REIT is a security that sells like a stock on the major exchanges and invests in real estate directly, either through properties or mortgages. REITs receive special tax considerations and typically offer investors high yields, as well as a highly liquid method of investing in real estate. There are risks associated with these types of investments and include but are not limited to the following: Typically no secondary market exists for the security listed above. Potential difficulty discerning between routine interest payments and principal repayment. Redemption price of a REIT may be worth more or less than the original price paid. Value of the shares in the trust will fluctuate with the portfolio of underlying real estate. Involves risks such as refinancing in the real estate industry, interest rates, availability of mortgage funds, operating expenses, cost of insurance, lease terminations, potential economic and regulatory changes. This is neither an offer to sell nor a solicitation or an offer to buy the securities described herein. The offering is made only by the Prospectus.

Fixed income securities are subject to increased loss of principal during periods of rising interest rates. Fixed income investments are subject to various other risks, including changes in credit quality, liquidity, prepayments, and other factors. REIT risks include changes in real estate values and property taxes, interest rates, cash flow of underlying real estate assets, supply and demand, and the management skill and creditworthiness of the issuer.

Logan Capital Management, Inc.
Performance Disclosure Results
Dividend Performers Balanced Wrap Composite
December 31, 2002 through March 31, 2024

DPB

Year	Total Return Net of Fees	Total Return Pure Gross of Fees	60 % S&P 500/40% Barclays Int. Gov't Credit	Number of Accounts	Composite Dispersion Gross of Fees	Composite 3-Yr Gross Std Dev	60 % S&P 500/40% Barclays Int. Gov't Credit 3-Yr Gross Std Dev	Composite 3-Yr Gross Sharpe Ratio	Assets in Composite ($millions)	% of Firm Assets	Firm Assets ($millions)
YTD 2024	1.8%	2.5%	6.2%	355	N/A	11.1%	11.8%	0.3	$163	6.1%	$2,679
2023	8.2%	11.4%	17.7%	346	0.7%	11.3%	11.8%	0.3	$146	6.0%	$2,451
2022	-11.1%	-8.5%	-13.7%	368	0.3%	12.8%	13.5%	0.3	$142	6.3%	$2,261
2021	12.3%	15.7%	15.9%	374	2.0%	10.4%	10.6%	1.4	$172	6.5%	$2,635
2020	5.3%	8.4%	14.3%	375	0.5%	10.2%	11.2%	0.9	$146	6.5%	$2,240
2019*	18.8%	22.0%	21.3%	347	0.0%	6.2%	7.1%	1.8	$144	7.0%	$2,050
2018	-0.3%	2.8%	-2.0%	893	0.0%	5.8%	6.3%	1.2	$250		
2017	10.5%	13.9%	13.6%	1112	1.3%	5.8%	5.8%	1.0	$323		
2016	3.6%	6.8%	8.1%	1047	0.6%	6.1%	6.3%	0.6	$279		
2015	-3.8%	-0.9%	1.5%	1051	0.3%	6.2%	6.3%	1.1	$273		
2014	3.1%	6.3%	9.4%	1117	0.6%	5.5%	5.5%	0.2	$324		

Annualized Returns (March 31, 2024)
YTD is not annualized

Year	Total Return Net of Fees	Total Return PureGross of Fees	60 % S&P 500/40% Barclays Int. Gov't Credit
1 Year	8.8%	12.1%	18.4%
3 Year	2.6%	5.7%	6.7%
5 Year	4.9%	8.0%	9.7%
10 Year	4.5%	7.6%	8.6%
Since Inception†	4.0%	7.2%	7.9%

†Inception 12/31/02
*Logan Capital data starts 02/01/19
N/A – Data is not available for time period.
N.M. - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

Logan Dividend Performers Balanced Wrap Composite contains fully discretionary dividend performers balanced accounts, measured against a blended index of 60% S&P 500 and 40% Bloomberg Intermediate Government/Credit. You cannot invest directly in an index. The S&P 500 Index seeks to reflect the risk and return of all large cap companies and is also is used as a proxy for all of the total stock market. It tracks the 500 most widely held stocks on the NYSE or NASDAQ and is widely regarded as the best single gauge of large-cap U.S. equities. The Bloomberg Intermediate US Government/Credit Bond Index is a broad-based flagship benchmark that measures the non-securitized component of the US Aggregate Index with less than 10 years to maturity. The index includes investment grade, US dollar-denominated, fixed-rate treasuries, government-related and corporate securities. The blended benchmark selected is rebalanced monthly and includes the reinvestment of dividends and income, but does not reflect fees, brokerage commissions, withholding taxes, or other expenses of investing. This benchmark is used for comparative purposes only and generally reflects the risk and investment style of the composite. The Sharpe Ratio is included to help investors understand the return of an investment compared to its risk. The ratio is the average return earned in excess of the risk-free rate (90 Day U.S. TBill) per unit of volatility or total risk.

60% of the strategy invests in US securities with a market capitalization over $2 billion at time of purchase. A small portion of the strategy (<15%) can be invest in ADR's. Turnover is low, typically under 35% and holdings range between 35 to 50 equity positions and 6 to 14 fixed income positions. 40% of the strategy invests in investment grade notes and bonds with a short to intermediate-term duration. Only accounts paying wrap fees are included. There is no minimum account size for this composite currently, but prior to April 1, 2009 there was a $100,000 asset minimum required to be included in the strategy.

Logan Capital Management, Inc. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Logan Capital Management, Inc. has been independently verified for the periods April 1, 1994 through December 31, 2023. A copy of the verification report(s) is/are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedure for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

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Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Past performance is not indicative of future results. The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Accounts in the composite pay a bundled wrap fee based on a percentage of assets under management. Other than portfolio management, this fee includes brokerage commissions, portfolio monitoring, consulting services, and in some cases, custodial services. Wrap fee accounts make up 100% of the composite for all periods shown. Pure gross returns are shown as supplemental information, as gross returns are not reduced by transaction costs. Net returns are calculated by geometrically linking monthly gross returns reduced by the highest wrap fee (3% annually). Prior to 2020, the annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. Equal-weighted dispersion is presented for 2021 and going forward. Additional information regarding the policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

The investment management fee schedule for non-wrap accounts is as follows: 65 basis points on the first $25 million, 55 basis points on the next $25 million, 45 basis points on the next $25 million and 35 basis points on the next $25 million. Fees for accounts with over $100 million in assets are negotiable. Minimum fee is $32,500. Actual investment advisory fees incurred by clients may vary. Wrap fee schedules are provided by independent wrap sponsors and are available upon request from the respective wrap sponsor. Total annual fees charged by wrap sponsors are generally in the range of 2.0% to 3.0% annually.

The Logan Dividend Performers Balanced Wrap Composite was created February 1, 2019. Performance presented prior to February 1, 2019 occurred while the original members of the Portfolio Management Team were affiliated with a prior firm and those Portfolio Management Team members were the only individuals primarily responsible for selecting the securities to buy and sell.