Logan Concentrated Value

LCV

A BOTTOM UP APPROACH

Q1 | 2024

LOGAN VALUE PORTFOLIOS: LOGAN CONCENTRATED VALUE (LCV) Q1 | 2024 REVIEW[1]

MARKET ENVIRONMENT

At the end of 2023 we saw market expectations pricing in a whopping six quarter-point interest rate cuts by the Federal Reserve for 2024. Since then, we've seen markets rapidly adjust to a potential higher-for-longer reality, as fewer than three quarter-point interest rate cuts are now priced in by the market. At the same time, we've seen U.S. equity markets rise at a healthy pace, with the Russell 1000 Value up 7% and the Russell 1000 Growth up nearly 12%. We are also at a point where many economists and observers alike were surprised by the decision of the Federal Reserve at their recent meeting to remain apparently dovish and hold the line at three expected rate cuts. Many macroeconomic figures such as employment and GDP growth have continued to look strong, inflation continues to hold stubbornly above 3%, and several speculative assets have seen conspicuous levels of price rise this quarter (in some cases a return to conspicuous levels), including NFTs, companies seen as A.I.-proximate, obscure cryptocurrencies, and certain so-called "meme stocks".

The environment this quarter consisting of continued outperformance of growth stocks relative to value stocks, a resurgence in speculative asset prices, and the underperformance of higher-dividend-yielding companies relative to non-dividend-paying companies served as a headwind to Logan Concentrated Value (LCV). Nevertheless, we are relatively pleased with LCV's performance for the quarter with the portfolio finishing the quarter up, though it trailed its benchmark, the Russell 1000 Value index. While LCV has trailed its benchmark in the first quarter, it continues to offer competitive returns over longer time periods. We see the trend-chasing and momentum dominance in the markets of late as setting up ample opportunities in our investing realm and are excited by the prospects in our portfolio that continue to provide solid earnings growth and dividend increases on top of their attractive valuation metrics.

The continued strength of the U.S. economy, as well as the surge in U.S. equity markets this year in parallel with an increase in bond market interest rates caught many by surprise. To us, this serves as further evidence why the best policy is to remain invested for the long term and avoid the temptation to try to time the markets. We believe the best path forward is to prudently stay the course by avoiding temptation to speculate for short-term gains, and to bias strongly toward higher-quality, free-cash-flow-generative companies with solid balance sheets such as those that make up the LCV portfolio.

PORTFOLIO REVIEW

Of the sectors in which we hold positions, those that detracted most from LCV's

[1]LOGAN CONCENTRATED VALUE results discussed herein should be read in conjunction with the attached performance and disclosures

PORTFOLIO REVIEW

relative performance were industrials, consumer staples, and energy. Sectors that contributed the most to relative performance were information technology, health care, and financials.

The largest detractor within the industrials sector was our multinational shipping holding. The company held an investor day that gave investors clarity on management's path forward, though some investors were expecting more immediate results than the back-end-weighted improvement plan implies. While the company has seen a transitory setback from recent labor union negotiations and market conditions, we see opportunity going forward for operational improvement and market share capture that lines up well with a stock that is offering a 4.3% dividend yield (as of March 31, 2024) on top of an asset base that generates exceptional returns on capital.

The largest detractor within the consumer staples sector was our tobacco holding. The company reported earnings in the quarter that were slightly below analysts' expectations, driven by weaker than expected combustible product volumes, as well as somewhat weaker than expected full-year guidance. However, the company did continue to see positive trends in smoke-free product growth, as well as market share growth for heated tobacco units. We see its current dividend yield of 5.7% and forward price to earnings ratio of 14x (as of March 31, 2024) as a compelling opportunity within the consumer staples sector.

Our British multinational oil and gas holding was the largest detractor within the energy sector. While the stock saw positive performance in the quarter and reported solid operating results in the quarter, the portfolio's relative sector performance experienced a headwind that came about partly due to higher-beta energy stocks being bid up on increasing oil commodity prices. We continue to be drawn to management's commitment to free cash flow generation and its prudent return to shareholders. The now higher underlying oil prices serve as an even more compelling addition to the story for a strongly-branded multinational company with a solid balance sheet offering a combined shareholder yield of 10% and a P/E on forward estimated earnings of only 9.5x (as of March 31, 2024).

The largest contributor within the information technology sector was our multinational hardware- and consulting-focused technology holding. The company reported earnings in the quarter that were in-line with expectations but gave guidance for full year free cash flow and margins that was better than expected. Investors were also excited by the solid book-to-bill in its consulting business and strong growth in its artificial intelligence offering. The stock has one of the larger dividend yields and free cash flow yields in the large cap information technology space, at 3.5% and 7.0%, respectively (as of March 31, 2024).

Our Chicago-headquartered pharmaceutical holding was the largest contributor within the health care sector. The company reported sales in the quarter that beat expectations and also raised long-term sales guidance for two of its key drug offerings. We believe investors have now rightly started to focus their attention on the positive longer-term prospects for the company, rather than on shorter-term concerns, which has helped drive the stock higher after the solid execution and upgrade to longer-term guidance. Even after the outperformance over the past quarter, the stock still offers an attractive 3.5% dividend yield and nearly 7% free cash flow yield (as of March 31, 2024), putting it well above the respective metrics of our benchmark, the Russell 1000 Value index.

The largest contributor within the financials sector was one of our bank holdings. The company reported earnings that were ahead of expectations driven by better than expected net interest income and lower than expected operating expenses. Importantly, the company also saw the easing of restrictions that had been placed on it in the wake of a 2016 salesforce scandal, after the U.S. government cited present improvement in the company's culture as it concerned the prior issues. We see the company as well-positioned within its industry and appreciate the ongoing catalyst of a turnaround from prior troubles as the stock is offering a combined shareholder yield of 5.7% and a P/E ratio on expected earnings of 12.0x (as of March 31, 2024).

PORTFOLIO OUTLOOK

While inflation has moderated from its post-pandemic peak, it remains stubbornly higher than the historical Federal Reserve goal of 2%. The effective Federal Funds Rate now holds at a level that is higher than it's been in the past twenty years, as investors wait to see if the typically-delayed impact of higher interest rates on the economy will result in a "soft landing", "hard landing", or "no landing" scenario. Observers have been vexed by the contrast between strong employment and GDP results, and the concern that consumer spending, a critical engine of U.S. growth, could face pressure due to rising costs and dwindling savings, as many analysts estimate that excess pandemic savings have now or will soon cross below zero. Additionally, some other leading economic indicators are flashing warning signs, as banks' willingness to lend remains subdued, and the presently inverted yield curve has been a historical indicator of an impending economic slowdown (although it's now well past the average historical lead time to a recession start).

Uncertainty amidst the intersection of strong consumer macroeconomic data and weak leading economic indicator data, combined with the historical ability of equities to generate superior returns over the long-term, all point to reasons why holding a diverse portfolio of large, free cash flow generative companies with sizeable margins of safety, strong balance sheets, and sensible capital allocation policies is as important as ever for those wishing to achieve attractive risk-adjusted returns through any market environment.

The LCV portfolio contains a diverse mix of such companies, and it offered a dividend yield of 3.9% and a P/E ratio on the next twelve month's estimated earnings of 14.2x (based on Factset estimates) as of March 31, 2024. This compares favorably to the Russell 1000 Value index, which had a yield of 1.9% and a forward P/E ratio of 15.8x at quarter-end.

We thank you for your continued confidence and investment in Logan Concentrated Value. As always, please call or email us if you have any questions.

This material represents an assessment of the market and economic environment at a specific point in time and is not intended to be a forecast of future events, or a guarantee of future results. Forward-looking statements are subject to certain risks and uncertainties. Actual results, performance, or achievements may differ materially from those expressed or implied. Information is based on data gathered from what we believe are reliable sources. It is not guaranteed as to accuracy, does not purport to be complete and is not intended to be used as a primary basis for investment decisions. It should 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 Russell 1000 Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

The Russell 1000 Value Index measures the performance of the large-cap value segment of the US equity universe. It includes those Russell 1000 companies with relatively lower price-to-book ratios *and lower sales per share historical growth (5 years). The Russell 1000 Value Index is constructed to provide a barometer for the large-cap value segment. The index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect value characteristics.*

Investing internationally carries additional risks such as differences in financial reporting, currency exchange risk, as well as economic and political risk unique to the specific country. This may result in greater share price volatility. Shares, when sold, may be worth more or less than their original cost.

Investments in commodities may have greater volatility than investments in traditional securities, particularly if the instruments involve leverage. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments. Use of leveraged commodity-linked derivatives creates an opportunity for increased return but, at the same time, creates the possibility for greater loss.

Neither Asset Allocation nor Diversification guarantee a profit or protect against a loss in a declining market. They are methods used to help manage investment risk.

Logan Capital Management, Inc.
Performance Disclosure Results
Concentrated Value Composite
December 31, 1995 through March 31, 2024

LCV

Year	Total Return Net of Fees	Total Return Gross of Fees	Russell 1000 Value Index	Number of Accounts	Composite Dispersion Gross of Fees	Composite 3-Yr Gross Std Dev	Russell 1000 Value Index 3-Yr Gross Std Dev	Composite 3-Yr Gross Sharpe Ratio	Assets in Composite ($millions)	% of Firm Assets	Firm Assets ($millions)
YTD 2024	6.4%	6.6%	9.0%	24	N/A	15.1%	16.4%	0.4	$9	0.3%	$2,679
2023	0.3%	1.2%	11.5%	25	0.3%	15.8%	16.7%	0.5	$8	0.3%	$2,451
2022	4.2%	5.1%	-7.5%	27	0.6%	21.1%	21.6%	0.3	$11	0.5%	$2,261
2021	26.3%	27.3%	25.2%	26	0.2%	19.3%	19.3%	0.5	$10	0.4%	$2,635
2020	-11.1%	-10.4%	2.8%	28	0.1%	19.1%	19.6%	-0.1	$10	0.4%	$2,240
2019	19.3%	20.3%	26.5%	40	0.3%	11.7%	11.9%	0.6	$17	0.8%	$2,050
2018	-8.2%	-7.4%	-8.3%	38	0.2%	11.1%	10.8%	0.6	$13	0.9%	$1,431
2017	13.7%	14.7%	13.7%	41	0.1%	12.1%	10.2%	1.0	$15	1.0%	$1,590
2016	17.7%	18.8%	17.3%	53	0.3%	12.5%	10.8%	0.8	$18	1.3%	$1,401
2015	3.9%	4.7%	-3.8%	53	0.2%	11.9%	10.7%	0.9	$17	1.3%	$1,398
2014	4.9%	5.7%	13.5%	49	0.4%	9.3%	9.2%	1.4	$15	0.8%	$1,816

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

Year	Total Return Net of Fees	Total Return Gross of Fees	Russell 1000 Value Index
1 Year	9.7%	10.6%	20.3%
3 Year	8.4%	9.3%	8.1%
5 Year	6.6%	7.5%	10.3%
10 Year	7.1%	7.9%	9.0%
Since Inception†	8.2%	9.1%	9.0%

†Inception 12/31/95
N.M. - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

Logan Concentrated Value (LCV) Composite contains fully discretionary large cap value equity accounts, measured against the Russell 1000 Value Index. You cannot invest directly in an index. The Russell 1000 Value Index measures the performance of the large-cap value segment of the US equity universe. It includes those Russell 1000 companies with relatively lower price-to-book ratios and lower sales per share historical growth (5 years). The Russell 1000 Value Index is constructed to provide a barometer for the large-cap value segment. The index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect value characteristics. The benchmark selected 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.

The strategy invests in 10-15 very large cap stocks with strong balance sheets, strong cash flows and relatively high dividend yields. ADR's may be included in the portfolio (generally less than 20%). Turnover is typically 30-50% annually. Only accounts paying commission fees are included. As of September 30, 2014 the minimum account size for the composite is $75,000. Prior to this date there was no minimum account size.

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.

GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

Logan Capital Management, Inc. is a privately owned Pennsylvania-based investment adviser registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. Registration as an investment adviser does not imply a certain level of skill or training. The verbal and written communications of an investment adviser provide you with information you need to determine whether to hire or retain the adviser. The firm maintains a complete list and description of composites, which is available upon request.

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. Gross of fee returns, have, however, been reduced by all actual trading expenses. Net of fee returns are calculated net of actual investment management fees & actual trading expenses. 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.

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 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.

The Logan Concentrated Value (LCV) Commission Composite was created August 1, 2000. Performance presented prior to August 1, 2000 represents that of Berwind Investment Management, L.P.

Logan Capital Management, Inc.
Performance Disclosure Results
Concentrated Value Wrap Composite
December 31, 1996 through March 31, 2024

LCV

Year	Total Return Net of Fees	Total Return Gross of Fees	Russell 1000 Value Index	Number of Accounts	Composite Dispersion Gross of Fees	Composite 3-Yr Gross Std Dev	Russell 1000 Value Index 3-Yr Gross Std Dev	Composite 3-Yr Gross Sharpe Ratio	Assets in Composite ($millions)	% of Firm Assets	Firm Assets ($millions)
YTD 2024	5.6%	6.4%	9.0%	7	N/A	15.2%	16.4%	0.4	$3	0.1%	$2,679
2023	-1.9%	1.1%	11.5%	8	0.5%	15.8%	16.7%	0.5	$2	0.1%	$2,451
2022	2.3%	5.3%	-7.5%	9	0.2%	21.2%	21.6%	0.3	$3	0.1%	$2,261
2021	23.9%	27.5%	25.2%	8	0.2%	19.4%	19.3%	0.5	$2	0.1%	$2,635
2020	-12.9%	-10.3%	2.8%	16	0.2%	19.2%	19.6%	-0.1	$4	0.2%	$2,240
2019	16.9%	20.4%	26.5%	27	0.3%	11.7%	11.9%	0.6	$8	0.4%	$2,050
2018	-9.6%	-6.9%	-8.3%	23	0.3%	11.1%	10.8%	0.7	$5	0.4%	$1,431
2017	11.7%	15.0%	13.7%	23	0.4%	12.1%	10.2%	1.0	$6	0.4%	$1,590
2016	15.6%	19.0%	17.3%	28	0.1%	12.5%	10.8%	0.8	$8	0.6%	$1,401
2015	1.8%	4.9%	-3.8%	27	0.1%	11.9%	10.7%	0.9	$7	0.5%	$1,398
2014	2.9%	6.0%	13.5%	38	0.2%	9.1%	9.2%	1.7	$12	0.7%	$1,816

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

Year	Total Return Net of Fees	Total Return Gross of Fees	Russell 1000 Value Index
1 Year	7.0%	10.2%	20.3%
3 Year	6.1%	9.3%	8.1%
5 Year	4.4%	7.5%	10.3%
10 Year	5.0%	8.1%	9.0%
Since Inception†	5.7%	8.9%	8.6%

†Inception 12/31/96
N.M. - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

Logan Concentrated Value (LCV) Wrap Composite contains fully discretionary large cap value equity accounts, measured against the Russell 1000 Value Index. You cannot invest directly in an index. The Russell 1000 Value Index measures the performance of the large-cap value segment of the US equity universe. It includes those Russell 1000 companies with relatively lower price-to-book ratios and lower sales per share historical growth (5 years). The Russell 1000 Value Index is constructed to provide a barometer for the large-cap value segment. The index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect value characteristics. The benchmark selected 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.

The strategy invests in 10-15 very large cap stocks with strong balance sheets, strong cash flows and relatively high dividend yields. ADR's may be included in the portfolio (generally less than 20%). Turnover is typically 30-50% annually. Only accounts paying wrap fees are included. As of September 30, 2014 the minimum account size for the composite is $75,000. Prior to this date there was no minimum account size.

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.

GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

Logan Capital Management, Inc. is a privately owned Pennsylvania-based investment adviser registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. Registration as an investment adviser does not imply a certain level of skill or training. The verbal and written communications of an investment adviser provide you with information you need to determine whether to hire or retain the adviser. The firm maintains a complete list and description of composites, which is available upon request.

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 Concentrated Value (LCV) Wrap Composite was created August 1, 2000. Performance presented prior to August 1, 2000 represents that of Berwind Investment Management, L.P.