Logan International Dividend ADR

LID

INVESTMENTS WITH AN INTERNATIONAL FOCUS

Q2 | 2020

LOGAN INTERNATIONAL DIVIDEND ADR PORTFOLIO Q2 | 2020 REVIEW[1]

MARKET ENVIRONMENT

The more things change, the more they stay the same, except sometimes. The coronavirus first meaningfully made its way into the consciousness of the global economy during the first quarter of 2020, and equity markets clearly suffered as a result. As shutdowns and quarantines ebbed in the second quarter, equity markets were quite willing to set aside immediate economic concerns and look to the future. The stock market rebounded sharply during most of the quarter, aided by accommodative policy and perhaps oversold conditions in late March. For the quarter overall though, there were noticeable differences in performance in different parts of the market. For instance, international growth stocks (as measured by the MSCI EAFE Growth index) outpaced international value stocks (measured by the MSCI EAFE Value index) by 500 basis points. Year to date, the spread is now 1,500 basis points in favor of growth. Also, high dividend yielding international stocks were not accorded the respect of other areas of the marketplace. The MSCI EAFE High Dividend Yield index returned 11.3% for the quarter, well behind EAFE's 14.9% net return.

A look back at some of the events of the second quarter helps provide some perspective. At or near the top of the list were government efforts, as policymakers across the globe provided all the fiscal and monetary assistance they could to combat Covid-19 related economic weakness. In Europe and Japan, in particular, a concerted effort from both a fiscal and monetary perspective is in sharp contrast to the fragmented assistance during the financial crisis. Who can forget Europe's heavy austerity measures imposed from 2010 to 2012, as well as two ill-timed rate hikes from the ECB in 2011? Fast forwarding to today, with monetary policy mostly exhausted, government officials had to rely on fiscal assistance, and they did not disappoint. As of mid-June, according to Cornerstone Macro, Eurozone fiscal stimulus amounted to 30% of GDP. Not to be outdone, Japan's fiscal bazooka amounted to 40% of GDP, whereas the US was at just 15%. The impact amongst various segments of the equity markets was uneven at best, unfortunately. Growth stocks, especially large technology stocks, fared especially well for a number of reasons.

Though we have no way of knowing when the fortunes of value and growth will trade places, we suspect the likeliest condition triggering it will be more certainty as to the economic recovery. The financials and energy sectors remain among the most modestly valued areas of the global market, but they remain constrained by the low interest rate environment and still relatively low oil prices (even though Brent crude prices ended the quarter about 81% higher than where they ended the first quarter). If and when an economic recovery becomes self-sustaining, we would expect to see interest rates begin to rise (at least longer term rates), and we would expect to see energy prices rise as well.

[1]LOGAN INTERNATIONAL DIVIDEND ADR results discussed herein should be read in conjunction with the attached performance and disclosures

In that type of environment, we would expect to see cyclical stocks generally perform much better on a relative basis. That is precisely the reason we always suggest investors invest with an allocation game plan, and stick with it even when the wind is not at their back.

FINANCIAL MARKETS

Regionally, strength was widespread across all major geographies, though 1 year returns remain muted. The UK was a notable laggard, as Brexit concerns have returned alongside Covid-19 challenges. The UK is a dividend-friendly market with a sizable opportunity set available to the Logan International portfolio. Hence, we typically employ an overweight relative to our benchmark, the FTSE Developed ex USA index . Our UK portfolio holdings are global companies, most with somewhat limited exposure to the domestic market. Below are the quarter and annual returns for those stock markets where Logan International had holdings:

Regarding currency, the euro has been pressured for several years, weighed down by negative interest rates and subpar economic growth. However, the euro enjoyed a resurgence in the second quarter and has now appreciated modestly versus the US dollar since the March 23rd market low. US deficits and a commitment to maintain the Fed funds rate at 0 to 0.25% have contributed to dollar weakness. However, a more aggressive approach to containing the coronavirus and a subsequent reopening have further strengthened the euro. After bottoming at $1.07 on March 23, the euro ended the quarter at $1.12. On a related note, European equities have significantly lagged US equities for several years but outpaced in June, as the Euro Stoxx 50 outpaced the S&P 500 by 450 basis points (Source: Bloomberg).

COUNTRY	2Q20 RETURN IN US DOLLARS	1 YEAR RETURN IN US DOLLARS
AUSTRALIA	28.9%	-11.5%
CANADA	20.2%	-8.2%
FRANCE	16.2%	-10.3%
GERMANY	26.5%	-2.6%
ITALY	16.1%	-11.4%
JAPAN	11.6%	3.1%
NETHERLANDS	24.8%	8.9%
SWITZERLAND	11.0%	5.9%
U.K.	7.8%	-17.7%

Source: MSCI

PORTFOLIO REVIEW

The second quarter was unusual for Logan International in that a handful of companies announced a reduction or deferral of their dividends. Logan International's investment process involves significant emphasis attempting to determine the sustainability of a company's dividend. Indeed, our history on that score over 15 years is very strong. However, the coronavirus' impact went almost beyond the imagination in some cases, and in some respects made revenue streams virtually disappear overnight. In those cases, managements decided the future was so unclear that the prudent course of action was to reduce or eliminate the dividend, despite the underlying financial strength of the company. Needless to say, Logan International's relative performance was not helped by those stocks. However, we would note that several of the deferrals were driven by regulators, and we expect a reinstatement later this year, assuming there's progress on the Covid-19 front.

Overall, the sectors negatively affecting relative performance during the second quarter most were communications, technology, and energy. The sectors at other end of the relative performance spectrum were financials, industrials, and consumer staples. Communication services was the portfolio's largest detractor during the second quarter, which is not surprising given it was a "risk-on" quarter and those stocks tend to be defensive. Performance of the energy stocks in the portfolio was mixed as one of the companies referred to above surprisingly reduced its dividend, and that stock's performance was muted even though energy prices rose. As for information technology, this is typically a small component of the Logan International portfolio, as the sector offers few attractively valued companies with solid dividend yields. The low portfolio weighting hurt performance in the quarter.

Financial stocks aided performance in the quarter, as our previously beaten down European banks rallied off a low base. Despite the low interest rate overhang, our banks have effectively cut costs, increased fee income, and expanded their digital capabilities. Consumer staples and industrials essentially performed in line with our benchmark.

During the second quarter, we made just one trade, upgrading in quality to a Japanese communications company and selling a similar business in the UK.

Looking forward, we cannot help but first look back and see the tremendous volatility financial markets have exhibited this year. While markets have shown both upside and downside volatility, most of that can be traced to investor sentiment related to Covid-19 developments. International equities, as defined by the FTSE Developed ex US index, declined 35% in just one month from mid-February to mid-March, before rising 40% over the following two months (source: Bloomberg). We believe these market gyrations provide good opportunities for patient investors, as the intrinsic value of the companies and their long-term earnings power is certainly not fluctuating to the same magnitude. Perhaps stating the obvious, until the virus is clearly under control (perhaps not until an effective vaccine is announced) or that the global economy can learn to function within certain constraining parameters, enhanced volatility is likely to remain part of the landscape.

Indeed, uncertainty as to the economic outlook may be at the highest level in memory (and that is without layering on a very impactful US Presidential election in November, recurring trade tensions between China and the US, and continued Brexit negotiations). While we cannot say when a more definitive resolution to the pandemic will happen, we can say we strongly believe that day is coming.

Between now and then, we believe our investment approach emphasizing balance sheet strength, strong cash flows and attractive dividend yields provides a prudent way to invest in an uncertain world. As discussed above, we can only guess as to when a more conservatively valued segment of the marketplace will start to shine again, but when they do, we believe Logan International will shine brightly. In the interim, we believe the portfolio's attractive valuations will underpin competitive investment returns. At the end of the second quarter, Logan International's estimated dividend yield was a very attractive 4.5% and the P/E on estimated 2021 earnings was 12X, both conservative valuation levels.

Thank you for your continued confidence and investment in Logan International. As always, please call or email us if you have any questions.

Sincerely yours,

Richard Buchwald

Richard E. Buchwald, CFA

William Fitzpatrick

William Fitzpatrick, CFA

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

The MSCI EAFE Growth Index measures the performance of stocks in European, Australasian, and Far Eastern markets that represent growth characteristics.

The MSCI EAFE Value Index measures the performance of stocks in European, Australasian, and Far Eastern markets that represent value characteristics.

The MSCI EAFE High Dividend Yield Index is based on MSCI EAFE, its parent index, and includes large and mid cap representation across Developed Markets countries* around the world, excluding the US and Canada. The index is designed to reflect the performance of equities in the parent index (excluding REITs) with higher dividend income and quality characteristics than average dividend yields that are both sustainable and persistent. The index also applies quality screens and reviews 12-month past performance to omit stocks with potentially deteriorating fundamentals that could force them to cut or reduce dividends.

The FTSE Developed Europe Index is an index of European stocks, part of the FTSE Global Equity Index Series. It is a subset of the FTSE Europe Index. The FTSE Eurobloc Index is a subset of it.

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.

TEN LARGEST PORTFOLIO HOLDINGS

TEN LARGEST PORTFOLIO HOLDINGS	% OF PORTFOLIO
Roche Holding AG	3.8%
Sanofi	3.6%
Novartis AG	3.5%
Allianz SE	3.3%
Schneider Electric SE	3.1%
National Grid plc	3.1%
Siemens AG	3.0%
Unilever PLC	2.9%
British American Tobacco p.l.c.	2.9%
ABB Ltd.	2.7%

LONG-TERM TRACK RECORD

LONG-TERM TRACK RECORD	TOTAL RETURN NET OF FEES	TOTAL RETURN GROSS OF FEES	FTSE DEVELOPED X US
QTD	11.1%	11.1%	15.9%
YTD	-14.0%	-13.9%	-10.7%
1 Yr	-7.8%	-7.5%	-4.2%
3 Yrs	-1.4%	-1.1%	1.4%
5 Yrs	1.9%	2.3%	2.8%
10 Yrs	6.4%	5.6%	6.1%
Since Inception†	2.3%	2.6%	2.5%

Annualized Returns (as of 6/30/2020). Time period greater than YTD is annualized.
†Inception of (12/31/2006)
Reference performance disclosure

LOGAN AUM + AUA

Strategy AUM	$50M
Strategy AUA	$67M
Firm AUA	$1,055M
Firm AUM	$1,968M
Total Firm AUM+AUA	$3,023M

Numbers are subject to rounding differences

Past performance does not guarantee future results. The holding identified do not represent all of the securities purchased, sold or recommended for advisory clients. The views expressed are those of Logan Capital. Any securities, sectors or industries discussed should not be perceived as investment recommendations; any security discussed may no longer be held in an account's portfolio. It should not assumed that investment in any of the securities, sectors or industries listed were or will prove to be profitable. Sector or industry weights of any specific account can vary based on investment restrictions applicable to that account. The securities discussed do not represent an account's entire portfolio and in aggregate may only represent a small percentage of an account's portfolio holdings.

Performance Disclosure

LID

Logan Capital Management, Inc.
Performance Results: International Dividend ADR Composite
December 31, 2006 through June 30, 2020

Year	Total Return Net of Fees	Total Return Gross of Fees	FTSE Developed x US	Number of Accounts	Composite Dispersion Gross of Fees	Composite 3-Yr Gross Std Dev	FTSE Developed x US 3-Yr Gross Std Dev	Composite 3-Yr Gross Sharpe Ratio	Assets in Composite ($millions)	% of Firm Assets	Firm Assets ($millions)
YTD 2020	-14.0%	-13.9%	-10.8%	14	N.M.	14.4%	15.4%	-0.2	$25	1.3%	$1,968
2019	21.0%	21.4%	22.0%	14	0.1%	10.8%	10.8%	0.6	$27	1.3%	$2,050
2018	-13.6%	-13.2%	-13.8%	11	0.4%	10.5%	11.3%	0.2	$22	1.6%	$1,431
2017	20.2%	20.6%	25.0%	16	0.4%	9.7%	11.9%	0.8	$7	0.4%	$1,590
2016	5.1%	5.5%	1.0%	16	0.3%	10.8%	12.5%	0.0	$23	1.7%	$1,401
2015	-1.4%	-1.0%	-0.8%	17	0.2%	11.3%	12.5%	0.5	$19	1.4%	$1,398
2014	-2.7%	-2.5%	-4.9%	14	0.2%	11.7%	13.0%	1.0	$18	1.0%	$1,816
2013	20.1%	20.4%	22.8%	11	0.4%	14.0%	16.3%	0.9	$14	0.7%	$2,061
2012	19.3%	19.6%	17.3%	9	0.6%	17.8%	19.4%	0.3	$10	0.5%	$1,932
2011	-2.1%	-1.8%	-12.1%	10	0.2%	20.4%	22.4%	0.4	$8	0.4%	$1,873

Annualized Returns (06/30/2020)

Year	Total Return Net of Fees	Total Return Gross of Fees	FTSE Developed x US
YTD	-14.0%	-13.9%	-10.7%
1 Yr	-7.8%	-7.5%	-4.2%
3 Yrs	-1.4%	-1.1%	1.4%
5 Yrs	1.9%	2.3%	2.8%
10 Yrs	6.4%	5.6%	6.1%
Since Inception†	2.3%	2.6%	2.5%

†Inception 12/31/2006
N.M. - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

Performance Disclosure

Logan International Dividend ADR Composite contains fully discretionary large cap international equity accounts, measured against the FTSE Developed x US benchmark. You cannot invest directly in an index. The FTSE Developed ex US Index is part of a range of indexes designed to help US investors benchmark their international investments. The index comprises Large (85%) and Mid (15%) cap stocks providing coverage of Developed markets (24 countries) excluding the US. The index is derived from the FTSE Global Equity Index Series (GEIS), which covers 98% of the world's investable market capitalization.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 35-45 large and established international, dividend-paying companies that are primarily located in developed countries and have American Depository Receipts ("ADR's"). Portfolios are diversified across seven to eleven sectors and at least ten countries. Up to 15% of the portfolio may be invested in non-EAFE countries. Turnover is typically under 35% annually. Only accounts paying commission fees are included. There is 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, 2019. 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, net of all withholding tax and includes 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. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year.

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: 75 basis points on the first $10 million, 65 basis points on the next $15 million, 60 basis points on the next $25 million and 50 basis points on the next $50 million. Fees for accounts with over $100 million in assets are negotiable. Minimum fee is $37,500. Actual investment advisory fees incurred by clients may vary.

The Logan International Dividend ADR Composite was created November 30, 2013. On 09/25/19, Logan Capital hired Managing Director Bill Fitzpatrick, CFA to assist in portfolio management of the International Dividend ADR strategy. On 12/31/19, Managing Director Marvin Kline, CFA retired as portfolio manager of the International Dividend ADR strategy. On 03/31/20, the benchmark for the Logan International Dividend ADR Composite was reviewed and replaced to provide greater transparency and accuracy into the holdings. As a result, the composite benchmark was changed from the MSCI EAFE Index (which excludes all of North America) to the FTSE Developed x US benchmark.