BALANCING GROWTH WITH VALUE

Q2 | 2020

LOGAN CORE PORTFOLIOS Q2 | 2020 REVIEW[1]

MARKET ENVIRONMENT

We began last quarter's commentary with the lyrics "The times they are a-changin" and that remains true as we enter another quarter. During the first quarter of 2020, investors experienced one of the most rapid downdrafts we can remember and, in an interesting turn of events, the second quarter delivered the best quarter since 1987 for some of the major indices. In fact, our data team tells us April 2020 was the best performing month in the history of our Growth strategies. All this movement despite some of the most challenging headlines our team can remember.

How can this be? When we look at what is driving the returns of the benchmarks and our portfolios, we see an environment where fundamentals rule. Investors are rewarding those who can adapt, and punishing those who just can't change with their customers. Leading retailers with a secure and direct customer relationships are performing well. As we entered this quarter, our strategy was to check our work -- and check it again -- on how our companies are doing. We are encouraged that leadership has broadened out to lesser-known, but very well-run companies. The major tech innovators have supported the indices, but we believe that valuations may now be full and the next leg will come from companies which are adjusting well, but which are not as well known.

Technical analysis has helped the growth strategy significantly this year. An objective look at each holding's performance relative to peers and the broader markets can provide important insights for a decision to buy, sell or hold. When all stocks are delivering challenging performance, it is the ones who diverge, for better or worse, which warrant extra attention. In addition, we entered this year after very strong performance, which is good news, but which also means that established support levels were a little farther away from the highs than is common. While downdrafts are never pleasant, having a sense of significant bottoms is a critical part to making prudent decisions and being well positioned to capture a recovery.

As we look forward, our focus remains on the consumer. In the United States, the consumer is seventy percent of the economic activity of the country and the consumer's perception of the health situation is just as, if not more so, important that the actual health situation. If consumers become more comfortable with a riskier world, the economy can recover even if the health results are not what we would all like. The indications so far are that the consumer is recovering and adapting faster than many expected. Our team believes that the current growth portfolios are well positioned to mitigate the risks in the world today, while still seeking to capture the very present opportunities. So far, so good.

At the other end of the spectrum, the Logan Core portfolio's value stocks are well positioned if there's a change in market leadership.

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

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 during most of the quarter, and included a fifty day stretch going back to March 23rd where the 39% gain in the S&P 500 was the strongest return over a period that length in over 75 years. For the quarter overall though, there were noticeable differences in performance in different parts of the market. For instance, growth stocks (as measured by the Russell 1000 Growth index) were up almost twice as much as value stocks (measured by the Russell 1000 Value index). And within the value world, higher dividend yielding stocks (like those held in the Logan Core portfolio) were not accorded the respect other areas of the value universe were.

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, both in the U.S. and around the world, to provide all the fiscal and monetary assistance they could. In the U.S., fiscal stimulus payments provided support for many Americans facing difficult employment circumstances. But perhaps more importantly from a financial markets perspective was the Federal Reserve actively intervening with numerous programs aimed at keeping interest rates low and financial markets running smoothly. The impact amongst various segments of the equity markets was uneven at best. Growth stocks, especially large technology stocks that were well positioned for the "stay and work at home" evolving nature of society in the midst of a pandemic, fared especially well for a number of reasons. But among the more important of those reasons was that the lower interest rates go, the more highly valued these companies become as earnings are discounted at lower rates well into the future and result in higher stock prices.

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 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 more than 20% 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. In that type of environment, we would expect to see value stocks generally perform much better on a relative basis. Though we would hasten to add, a rotation into value from growth could well occur before the evidence becomes clear. 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. The trade rotation we executed in June to rebalance (this time from Growth to Value) client allocations in the context of the current market conditions, while consistent with Logan's biannual re-allocation services, might this time around be very timely.

During the quarter, three new stocks were added to the value portfolio, one in the financial sector (which replaced an existing stock in that sector), one in the industrial sector and one in the consumer staples sector. In each case, we believe the stock added improved the overall quality of the portfolio. The growth strategy added shares of a distributor of swimming pool supplies and increased its position in a distributor of industrial supplies. The only sales in the quarter were two trims of large technology firms.

Looking forward, we cannot help but first look back and see the tremendous volatility financial markets have exhibited this year. For instance, since 1952 there have only been 28 days when the S&P 500 has declined 5% or more. Five of those days have come since March of this year, with the latest one in the middle of June. While markets have shown both upside and downside volatility, most of that can be traced to investor sentiment regarding how well the pandemic is being dealt with. On days where reports of slowing cases and hospitalizations are seen or where economic reports indicate a healthy rebound is underway, equity markets respond favorably.

However, when reports of rising cases and hospitalizations surface, investors get jittery and stocks suffer. Perhaps stating the obvious, until the virus is clearly under control (perhaps not until an effective vaccine is announced) or that the 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 Presidential election in November, and recurring trade dispute murmurings with China. An interesting article recently published by a Wall Street analyst opined that based on normalized earnings and given the trading level of company debt in the credit markets, many beaten down value stocks would be trading 25%-50% higher if the coronavirus overhang was removed. While we cannot say when a more definitive resolution to the pandemic will happen to remove that overhang, 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 value stocks will start to shine again, but when they do, we believe Logan Core will benefit.

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

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 Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be 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 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 Growth Index is constructed to provide a comprehensive and unbiased barometer for the large-cap growth segment.

The Russell 1000 Value Index measures the performance of those Russell 1000® companies with lower price-to-book ratios

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

TOP FIVE VALUE HOLDINGS	% PORTFOLIO
AT&T Inc.	4.0%
Chevron Corporation	4.0%
Philip Morris International Inc.	3.9%
Cisco Systems, Inc.	3.0%
U.S. Bancorp	2.9%
TOP FIVE GROWTH HOLDINGS	
Apple Inc.	4.3%
Mastercard Incorporated Class A	3.0%
Paycom Software, Inc.	2.6%
Masimo Corporation	2.6%
Amazon.com, Inc.	2.5%

LONG-TERM TRACK RECORD	TOTAL RETURN NET OF FEES	TOTAL RETURN PURE GROSS OF FEES	S&P 500
QTD	22.6%	23.1%	20.5%
YTD	-6.5%	-5.5%	-3.1%
1 Yr	1.8%	3.9%	7.5%
3 Yrs	7.9%	10.0%	10.7%
5 Yrs	7.9%	10.0%	10.7%
10 Yrs	12.5%	14.7%	14.0%
Since Inception†	8.9%	11.1%	10.0%

Annualized Returns (as of 6/30/2020). Time period greater than YTD is annualized.
†Inception of (9/30/2002)
Reference performance disclosure

LOGAN AUM + AUA

Strategy AUM	$135M
Strategy AUA	$34M
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

CORE

Logan Capital Management, Inc.
Performance Results: Logan Core 60/40 Composite
September 30, 2002 through June 30, 2020

Year	Total Return Net of Fees	Total Return Pure Gross of Fees	S&P 500	Number of Accounts	Composite Dispersion Gross of Fees	Composite 3-Yr Gross Std Dev	S&P 500 3-Yr Gross Std Dev	Composite 3-Yr Gross Sharpe Ratio	Assets in Composite ($millions)	% of Firm Assets	Firm Assets ($millions)
YTD 2020	-6.5%	-5.5%	-3.1%	48	N.M.	18.1%	16.7%	0.5	$54	2.7%	$1,968
2019	29.2%	31.7%	31.5%	41	0.2%	12.0%	11.9%	1.2	$54	2.6%	$2,050
2018	-6.4%	-4.4%	-4.4%	39	0.2%	11.4%	10.8%	0.7	$37	2.6%	$1,431
2017	22.3%	24.6%	21.8%	44	0.5%	11.0%	9.9%	1.1	$54	3.4%	$1,590
2016	7.5%	9.6%	12.0%	47	0.1%	11.8%	10.6%	0.7	$53	3.8%	$1,401
2015	2.1%	4.1%	1.4%	43	0.2%	10.9%	10.5%	1.4	$47	3.3%	$1,398
2014	8.1%	10.3%	13.7%	38	0.2%	10.0%	9.0%	1.8	$44	2.4%	$1,816
2013	28.8%	31.2%	32.4%	39	0.3%	12.1%	11.9%	1.3	$49	2.4%	$2,061
2012	9.5%	11.7%	16.0%	29	0.3%	15.8%	15.1%	1.0	$23	1.2%	$1,932
2011	4.9%	7.0%	2.1%	17	0.5%	18.8%	18.7%	1.1	$16	0.8%	$1,873

Annualized Returns (06/30/2020)

Year	Total Return Net of Fees	Total Return PureGross of Fees	S&P 500
YTD	-6.5%	-5.5%	-3.1%
1 Yr	1.8%	3.9%	7.5%
3 Yrs	7.9%	10.0%	10.7%
5 Yrs	7.9%	10.0%	10.7%
10 Yrs	12.5%	14.7%	14.0%
Since Inception†	8.9%	11.1%	10.0%

†Inception 09/30/02
N.M. - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

Performance Disclosure

CORE

Logan Core 60/40 Composite contains fully discretionary mid to large cap growth and concentrated value equity accounts, measured against the S&P 500. 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 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.

60% is invested in the Growth strategy, which invests in US securities with a market capitalization over $1 billion at time of purchase. A small portion of the strategy (<10%) can be invest in ADR's and Canadian common shares. Turnover is low, typically under 35% and holdings range between 30 and 40 positions. 40% is invested in the LCV strategy, which 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. Includes accounts paying both wrap and commission fees. No minimum account size for this composite.

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.

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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. Some 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. As of December 31, 2019, 42.1% of the composite assets were charged a wrap fee. Pure gross returns for accounts paying a wrap fee are shown as supplemental information as they do not reflect the deduction of any fees or transaction costs; net returns are derived by reducing the gross return by the highest wrap fee (0.50% quarterly fee). Gross returns for non-wrap accounts include investment management fees and have been reduced by transaction costs; net returns have been reduced by management fees and transaction costs. 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 Core 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 Core 60/40 Composite was created June 30, 2002.