

LOGAN INTERNATIONAL DIVIDEND ADR PORTFOLIO Q1 | 2022 REVIEW¹

MARKET ENVIRONMENT

For the first time in two years, Covid-19 has been pushed to the back pages and is no longer the primary driver of economic performance nor the topic de jour at the water color. Time will tell if the virus is contained for good, but in the meantime there is no shortage of additional challenges facing the global economy. Tensions in Eastern Europe top the list, as Russia's invasion of Ukraine has exasperated bottlenecks in the supply chain and put further upward pressure on inflation concerns. International stock prices whipsawed throughout the quarter, ultimately trading 5% lower, as defined by the FTSE Developed ex USA index (our primary benchmark), as investors sought clarity on the path for interest rates and resolution in Ukraine. The Logan International ADR strategy (Logan International) fared well once again, generating a slightly positive gross return of 0.3%, well ahead of the strategy's primary benchmark.

In addition to higher interest rates and

inflationary pressures, oil prices reacted to both the general imbalance between supply and demand that we have been noting in many of our past quarterly letters, and to market disruptions as a result of the sanctions on Russia. Brent crude prices gyrated wildly (including after the Biden administration announced at the end of March a large reserve release from the Strategic Petroleum Reserve) but ultimately rose to \$105 per barrel at the end of the quarter (having peaked near \$130 per barrel in early March), up from \$78 per barrel at the beginning of the first quarter, as reported by Bloomberg. At what point higher oil prices start to meaningfully impact the overall economy is debatable, but they do act like a tax increase and generally inhibit economic growth (though they certainly have helped the oil stocks in the portfolio).

It is difficult to estimate the magnitude of the economic carnage from the devastation in Ukraine, but we are starting to see sizable downward revisions to global GDP estimates. Ned Davis Research, for example, lowered

their 2022 GDP estimate for the Eurozone to 2.7% on March 24th, from 4% as the year began. They cited Europe's dependence on Russian energy as part of the rationale for the revision. Specifically, in the first half of 2021, 47% of EU natural gas imports came from Russia.

Currency movements continue to function as a weight on international equity returns, when measured in US dollars. As we have frequently mentioned in these letters, currency strength is a function of many factors but interest rates and economic output are the driving forces. To that end, while several central banks have begun to raise short term interest rates, Japan is last in line. As a consequence, the yen remains weak and traded 5.8% lower in the quarter versus the US dollar, according to Bloomberg. The euro declined a modest 2.7% versus the dollar, as many economists now expect the ECB to raise rates later this year to combat inflationary pressures.

As to where the economy and financial

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

markets go from here, we view that as unknowable. Should the yield curve invert (i.e., short rates exceed long rates), that would not be a good omen as most recessions are preceded by such occurrences. While the two year versus ten year US treasury yield inverted briefly during the quarter, there is no question that the curve has flattened, so it is worth keeping an eye on. Having said that, a study by the IMF several years ago found that of forty-nine recessions around the world in 2009, none had been predicted a year in advance by a consensus of economists. Moreover, only two of the sixty recessions in the 1990's had been predicted a year in advance. Given that kind of inglorious track record, we re-emphasize that the future of the financial markets is unknowable.

PORTFOLIO REVIEW

Strength was widespread throughout the quarter, as just one of the nine sectors in which Logan International has investments detracted from relative performance. This speaks well to our investment style being back in favor, a style that emphasizes strong business fundamentals, robust balance sheets, and attractive dividend yields. The sectors adding the most to relative performance include energy, health care, and communication services. The lone sector to detract from relative performance was materials, and the two sectors adding the least were utilities and industrials.

As mentioned before, energy prices

increased dramatically during the quarter because of both market dynamics independent of the situation in Ukraine, as well as the impact of that conflict on energy flows. Specifically, Brent crude had risen from just under \$60 per barrel at the end of March 2021 to about \$90 per barrel prior to the Russian invasion (and as noted earlier, it finished the first quarter at \$105 per barrel). Needless to say rising oil prices generally translate into well performing stock prices of oil companies, which was the case in the first quarter. Logan International is invested in three integrated oil and gas companies, and one pipeline operator in Canada. Health care strength was led by the portfolio's UK-based pharmaceutical company, which reported solid quarterly earnings as well as favorable updates on a handful of promising new drugs, including one to treat prostate cancer.

As for the quarterly detractors, the portfolio's diversified chemicals company in the Materials sector reported solid fourth quarter results but lowered guidance for 2022, citing higher labor and raw material costs. The company noted its intention to raise prices, but investors aren't convinced that the hikes will fully offset higher input costs. In addition, a sizable presence in China is also likely weighing on the share price. Due to stock price weakness, the company's shares trade at 8.4x 2022 EPS estimates and yield 6.7% as of quarter-end. Also, we view favorably management's decision early in the quarter to initiate a meaningful share

repurchase plan.

In terms of geographic performance, strength was widespread by country as well. Logan International has investments in nine countries, seven of which contributed positively to relative performance. The United Kingdom, where 20% of the portfolio resides, was the top performer, aided by two energy holdings and a defense contractor that was the portfolio's top contributor to relative performance. We continue to find good value in the UK despite poor political and macroeconomic headlines. Japan was a standout for the second consecutive quarter, and another illustration of the disconnect between limited economic growth and attractive stock prices. At the other end of the spectrum, Australia detracted from relative performance due to an underweight versus the portfolio's benchmark, the FTSE Developed ex USA index, whereas Germany weighed on performance due to the aforementioned chemicals company as well as weakness from other cyclical stocks held in the portfolio.

PORTFOLIO OUTLOOK

Interest rates are meaningfully higher across the globe than they had been not long ago, central banks have initiated a rate raising cadence, energy prices are higher and geopolitical issues are becoming ever more concerning. While we do not predict market movements, we do expect volatility to result from rising inflation, as was seen in the first quarter. Downward revisions to economic

growth appear likely, and this will serve as a weight on corporate revenues. Our best advice is to stay the course, and dedicate part of a portfolio strategy to quality stocks with strong cash flows that have relatively high dividend yields. Coincidentally, that describes the nature of the Logan International portfolio.

We take comfort in the portfolio's current valuation levels, which offer an attractive dividend yield of 4% and a P/E on the next twelve months estimated earnings of 12.7x. Moreover, based on information from Factset, the companies in the portfolio are collectively projected to grow earnings per share by 7% next year.

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

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.

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) 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 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 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.***

COUNTRY	QUARTER RETURN IN US	1 YEAR RETURN IN US DOLLARS
AUSTRALIA	7.3%	13.5%
CANADA	4.6%	20.2%
FRANCE	-8.7%	4.5%
GERMANY	-12.9%	-12.0%
JAPAN	-6.6%	-6.5%
NETHERLANDS	-17.4%	-5.2%
SWITZERLAND	-6.4%	13.9%
SINGAPORE	-1.7%	-4.6%
UNITED KINGDOM	1.8%	13.6%

Source: FactSet

**TEN LARGEST
PORTFOLIO HOLDINGS**

	% OF PORTFOLIO
Shell PLC	3.6%
Novartis AG	3.1%
Sanofi	3.1%
TotalEnergies SE	3.1%
National Grid plc	3.0%
Roche Holding Ltd Dividend Right Cert.	3.0%
BAE Systems plc	2.9%
British American Tobacco p.l.c.	2.9%
UBS Group AG	2.8%
TC Energy Corporation	2.8%

**LONG-TERM
TRACK RECORD**

	TOTAL RETURN NET OF FEES	TOTAL RETURN GROSS OF FEES	FTSE DEVELOPED X US
QTD	0.3%	0.4%	-5.0%
1 Year	10.5%	10.9%	2.0%
3 Year	8.0%	8.3%	9.2%
5 Year	5.9%	6.3%	7.7%
10 Year	6.8%	7.1%	6.9%
Since Inception [†]	3.9%	4.2%	4.0%

Annualized Returns (as of 3/31/2022). Time period greater than YTD is annualized.

[†]Inception of (12/31/2006)

Reference performance disclosure

LOGAN AUM+AUA

Strategy AUM	\$87M
Strategy AUA	\$87M
Firm AUA	\$1,586M
Firm AUM	\$2,383M
Total Firm AUM+AUA	\$3,969M

Numbers are subject to rounding differences

AUA has a one month data lag

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.

Logan Capital Management, Inc.
Performance Disclosure Results
International Dividend ADR Composite
December 31, 2006 through March 31, 2022

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 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 2022	0.3%	0.4%	-5.0%	15	N.M.	17.0%	17.5%	0.5	\$37	1.5%	\$2,383
2021	17.3%	17.7%	11.8%	11	0.3%	17.0%	17.5%	0.6	\$4	0.1%	\$2,635
2020	-3.3%	-3.1%	10.3%	11	N.M.	17.6%	18.2%	0.0	\$3	0.2%	\$2,240
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

Annualized Returns (March 31, 2022)

YTD is not annualized

Year	Total Return Net of Fees	Total Return Gross of Fees	FTSE Developed x US
1 Year	10.5%	10.9%	2.0%
3 Year	8.0%	8.3%	9.2%
5 Year	5.9%	6.3%	7.7%
10 Year	6.8%	7.1%	6.9%
Since Inception [†]	3.9%	4.2%	4.0%

[†]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.

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, 2021. 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, 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. 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: 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.