

LOGAN HIGH QUALITY BALANCED PORTFOLIOS Q3 | 2021 REVIEW¹

Now the fun begins! The easy part of the recovery has passed and we now need to address the more difficult aspects of the recovery. We entered the third quarter with a positive outlook. The U.S. economy was recovering more rapidly than many expected, employment was improving, significant progress was being made with regard to COVID-19, and most businesses were reporting better than expected results and strong demand for their products. Unfortunately, as the quarter progressed, much of the positive momentum was lost to increasing uncertainty on almost all fronts. Economic numbers continue to improve, but at a slower pace. In fact, unemployment started to rise at the end of the third quarter. Governments around the world started to act in less decisive and less clear ways than they had at the beginning of the COVID-19 shutdowns – giving consumers and businesses a reason to wait and see what happens with spending, taxes, and regulation. During the last week of the quarter the U.S. Government came close to a shutdown as lawmakers could not agree on

a path forward. In addition to the political overhang, supply chain disruptions continue to wreak havoc on the global economy. Despite all this, the Logan High Quality Balanced portfolio delivered positive returns during the quarter and the year-to-date returns are very solid.

With regard to the portfolio's value stocks, we remain pleased with underlying performance at a company level. Even though macro factors can clearly have an impact on the overall portfolio and stocks within the portfolio, we would note that focusing on each security from a "bottoms-up" perspective can have benefits that manifest themselves in various ways. For example, by focusing on cash flow and balance sheet quality, we strive to maintain a portfolio of financially strong companies whose dividends in our view are not only sustainable, but can be raised over time. To that point, fourteen of the portfolio's fifteen value stocks have raised their dividends in the last twelve months.

Speaking of macro factors, two factors which tend to have an outsized impact on the portfolio are interest rates and oil prices. According to Bloomberg, ten-year Treasury yields finished the quarter at 1.5%, up noticeably following the Fed meeting in September. It is not clear exactly why that happened when it did, though some speculate that despite the overhang of the delta variant, the Fed saw fit to telegraph that they saw the economy still strengthening enough to begin withdrawing the monetary stimulus it has had in place since the beginning of the pandemic. Since higher interest rates tend to benefit the financials in the portfolio by facilitating higher net interest margins, it was not surprising to us to see financials finish the quarter strong after lagging prior to that.

Oil prices were essentially flat for most of the quarter until mid-September, when Brent crude proceeded to climb towards \$80 per barrel before ending the quarter slightly over \$78 per barrel, according to Bloomberg.

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

Even at price levels seen earlier in the year (i.e., Brent crude prices between \$65 and \$70 per barrel), the oil companies in the portfolio can generate cash flows that not only cover dividends but also allow for meaningful additional capital to be returned to shareholders by way of stock buy-backs. Clearly that is even more so the case at Brent oil prices nearer to \$80 per barrel. Moreover, our understanding of the supply-demand dynamics of the marketplace, including OPEC's adherence to its production plans, lead us to believe that the pressure for oil prices to remain approximately where they are or rise over time is stronger than it is for a meaningful fall in prices. We believe that dynamic will continue to benefit the portfolio through our energy holdings, as it did in the third quarter.

Switching gears to the growth side of the Logan High Quality Balanced portfolio, the events of the past two years have, in our view, accelerated changes which have been taking place in the global economy. Technology is changing every industry and it is not uncommon for business of all types to refer to themselves as "technology" companies. Retail is a very visible place to see the rapid change, though every industry is experiencing the change. Our team has been preparing for this change for many years. We look for every company in the portfolio to have unique products that they can charge a premium for, be aggressive in the implementation of technology in their business and be adept at understanding the

changes in their customer's needs. These characteristics were critical over the past year and will remain so.

We also take the time to not just look at the companies we invest in but also the customers the businesses sell to. This recovery, like many, is being led by those consumers who can adapt to change. Most recoveries are led by the consumer, with the more affluent consumers leading first and this cycle has been typical. The nature of the shutdowns and the ability for skilled workers to work from home created a large group of consumers whose income remained secure and whose daily expenses fell – creating a glut of savings and some of the strongest personal balance sheets in decades. Personal balance sheets were also helped by a rapid recovery in the equity markets and home prices. Many chose to invest in their homes and that investment created demand, and now some shortages, across the economy.

For the Fixed Income allocation of the portfolio:

Treasuries- The end of the period saw a yield breakout spurred by a dovish Fed and rising energy prices. For the third period, the 5-year Treasury increased approximately 10 bps, whereas the 30-yr Treasury had no change in yield (source: Bloomberg).

Corporates- Companies will continue the aggressive borrowing seen through most of

2021, helped by the low-rate environment and driven by the necessity of funding a growing pipeline of M&A activity. We observed especially strong issuance immediately after Labor Day.

Municipal- Federal stimulus helped issuers take advantage of low rates and continued high demand.

With rainy day funds near record highs, local governments went into the pandemic in solid shape. With the tremendous increase in house values, and thus property taxes, municipal credit has strengthened over the past year.

An increase in the individual income tax rate to 39.6% should not move spreads materially as we believe it's already priced in. An increase in the corporate tax rate to 28% or higher could have a bigger impact. A repeal of the SALT deduction limit would modestly widen spreads in high tax states.

We believe the next phase of the recovery will be much more challenging as management skill will be critical to operating in a changed world. Businesses will need to develop a resilient supply chain to meet demand, be able to retain and attract team members that now have slightly different priorities and meet the demands of a much more tech savvy customer. Many employees enjoy the flexibility of remote work, and that change will impact many businesses as people change where they spend their time.

Spending on services is recovering and the strength in spending on goods may moderate. Providing a solid customer experience will be key and will require flexibility.

We do expect profitability to improve for many businesses as the changes implemented over the past few years have boosted productivity. Though the improvement will not be spread evenly across all companies as some will find themselves left behind in a changed world if they don't make the investments necessary to compete. Shortages of labor and materials will increase costs and businesses without the ability to pass higher costs along or be more productive will suffer – we are constantly evaluating every company we invest in to make sure they can keep up.

As we enter the final quarter of the year, we do expect much of this uncertainty to resolve. Society will become more adept at living with the challenges presented by COVID-19, supply chains will eventually recover and while we expect costs to increase, some of the extreme spikes should level off much like what happened to the price of lumber during the summer. We are keeping a close eye on energy costs and other raw materials – we would not be surprised to see those costs remain high, but at some point, they should stop rising. Those higher costs will need to be compensated for through productivity and pricing.

For Fixed Income, Treasuries ended the period with a "rate hike premium" priced in especially after St. Louis Fed President Bullard said he expects two rate hikes in 2022 (source: Reuters interview, Tuesday September 28). He is squarely focused on inflation which he expects to remain at 2.8% through next year. We expand our outlook to include commodities (global indicators). The example of oil prices increasing goes in tandem with rising Treasury yields as investors move out of bonds and into commodities. Higher oil prices can drive up inflation and therefore lower the attractiveness of government bonds and their fixed income stream. In a testimony to the Senate Banking Committee on Monday, September 27, Fed Chairman Powell said, "As reopening continues, bottlenecks, hiring difficulties, and other constraints could again prove to be greater and more enduring than anticipated, posing upside risks to inflation." Glad to be short duration across all of our composites.

October should produce strong corporate issuance once companies get past earnings releases. Changes in the Fed outlook usually bring "get in now" corporate supply increases, and that we would expect to see higher rates to maintain sufficient demand. Spreads are coming off the lows YTD as seen in early August.

Thank you for your continued confidence and investment in the Logan High Quality Balanced portfolio. As always, please call or

email 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.

U.S. TREASURY YIELDS	12/31/2020	3/31/2021	6/30/2021	9/30/2021	YTD Change
2 YR	0.121%	0.160%	0.251%	0.289%	-0.168%
3 YR	0.165%	0.343%	0.452%	0.524%	-0.359%
5 YR	0.361%	0.936%	0.878%	0.991%	-0.630%
7 YR	0.643%	1.411%	1.220%	1.323%	-0.680%
10 YR	0.913%	1.738%	1.450%	1.528%	-0.615%
20 YR	1.440%	2.422%	1.994%	2.034%	-0.594%
30 YR	1.645%	2.324%	2.064%	2.091%	-0.446%
10S MINUS 2S	79.2bps	157.8bps	119.9bps	123.9bps	

Source: FactSet

LOGAN AUM+AUA

Strategy AUM	\$66M
Firm AUA	\$1,651M
Firm AUM	\$2,451M
Total Firm AUM+AUA	\$4,102M

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.

LONG-TERM TRACK RECORD[^]	TOTAL ACCOUNT NET OF FEES	TOTAL ACCOUNT PURE GROSS OF FEES	50% SP500 / 50% BC INT GOVT CREDIT	EQUITY ONLY	S&P 500	RUSSELL 1000	FIXED INCOME ONLY	BC INT GOVT CREDIT
QTD	0.9%	1.4%	0.3%	2.3%	0.6%	0.2%	-0.1%	0.0%
YTD	6.3%	7.9%	7.4%	13.6%	15.9%	15.2%	-0.7%	-1.1%
1 Year	14.9%	17.1%	14.1%	33.9%	30.0%	31.0%	-0.5%	-1.3%
3 Year	8.1%	10.2%	10.7%	15.8%	16.0%	16.4%	3.7%	4.0%
5 Year	8.7%	10.8%	9.9%	17.2%	16.9%	17.1%	2.3%	2.0%
10 Year	8.4%	10.5%	9.6%	16.1%	16.6%	16.8%	2.0%	1.8%
Since Inception [†]	6.3%	8.4%	7.3%	11.6%	10.4%	10.5%	3.0%	3.2%

Annualized Returns (as of 09/30/2021). Time period greater than YTD is annualized.

[†]Inception of (09/30/2005)

Reference performance disclosure

TEN LARGEST PORTFOLIO HOLDINGS**TOP FIVE EQUITY HOLDINGS**

	% OF PORTFOLIO
Apple Inc.	2.4%
Procter & Gamble Company	2.0%
Royal Dutch Shell Plc Class B	1.6%
Paycom Software, Inc.	1.5%
Cisco Systems, Inc.	1.5%

TOP FIVE FIXED HOLDINGS

Comcast Corporation 3.6% 01-mar-2024	3.3%
Capital One Financial Corporation 3.5% 15-jun-2023	3.2%
Jpmorgan Chase & Co. 3.375% 01-may-2023	3.2%
Government Of The United States Of America 2.0% 15-aug-2025	3.2%
Westpac Banking Corporation 2.35% 19-feb-2025	3.2%

Logan Capital Management, Inc.
Performance Disclosure Results
High Quality Balanced Non-Taxable Composite
September 30, 2005 through September 30, 2021

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Year	Total Return Net of Fees	Total Return Pure Gross of Fees	50% S&P 50% BC Int Govt Credit	Number of Accounts	Composite Dispersion Gross of Fees	Composite 3- Yr Gross Std Dev	50% S&P 50%		Composite 3- Yr Gross Sharpe Ratio	Assets in Composite (\$millions)	% of Firm Assets	Firm Assets (\$millions)
							BC Int Govt Credit	BC Int Govt Credit				
YTD 2021	6.3%	7.9%	7.4%	5	N.M.	9.9%	10.6%	0.9	\$8	0.3%	\$2,451	
2020	10.2%	12.3%	13.1%	8	2.2%	9.6%	9.4%	0.9	\$24	1.1%	\$2,240	
2019	15.3%	17.4%	18.8%	9	3.7%	6.1%	5.9%	1.5	\$28	1.3%	\$2,050	
2018	-1.8%	0.1%	-1.5%	8	0.7%	6.5%	5.2%	0.9	\$22	1.5%	\$1,431	
2017	12.8%	14.9%	11.6%	7	1.2%	6.9%	4.8%	1.1	\$12	0.8%	\$1,590	
2016	4.9%	7.0%	7.1%	11	0.6%	7.5%	5.2%	0.8	\$18	1.3%	\$1,401	
2015	1.4%	3.3%	1.5%	10	0.2%	7.1%	5.3%	1.4	\$15	1.1%	\$1,398	
2014	5.4%	7.4%	8.4%	6	0.3%	6.6%	4.7%	1.8	\$10	0.6%	\$1,816	
2013	17.3%	19.5%	14.7%	7	2.0%	7.7%	6.0%	1.5	\$11	0.5%	\$2,061	
2012	6.4%	8.4%	9.9%	6	0.5%	9.6%	7.3%	1.1	\$9	0.5%	\$1,932	

Annualized Returns (September 30, 2021)

YTD is not annualized

Year	Total Return Net of Fees	Total Return PureGross of Fees	50% S&P 50% BC Int Govt Credit
YTD	6.3%	7.9%	7.4%
1 Year	14.9%	17.1%	14.1%
3 Year	8.1%	10.2%	10.7%
5 Year	8.7%	10.8%	9.9%
10 Year	8.4%	10.5%	9.6%
Since Inception [†]	6.3%	8.4%	7.3%

[†]Inception 09/30/2005

N.M. - Information is not statistically meaningful due to an insufficient number of portfolios.

Logan High Quality Balanced Non Taxable Composite contains fully discretionary balanced accounts, measured against a blended index consisting of 50% Barclays Intermediate Government/Credit and 50% 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 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 Barclays Intermediate Government/Credit index measures the performance of U.S. Dollar denominated U.S. Treasuries, government-related and investment grade U.S. corporate securities that have a remaining maturity of greater than one year and less than ten years. The benchmarks selected include the reinvestment of dividends and income, but do not reflect fees, brokerage commissions, withholding taxes, or other expenses of investing. These benchmarks are used for comparative purposes only and generally reflect 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 composite contains accounts within +/- 20% of a 50% equity and 50% fixed income allocation. In addition, the equity portion contains accounts that are +/-20% of a 50% growth and 50% value allocation and the fixed portion contains taxable positions (ie. corp and gov't bonds). The blended benchmark is calculated daily. Accounts must have \$300,000 at inclusion. For exclusion, the account has to drop below the 25% threshold of \$225,000. In addition, accounts must have \$100,000 of fixed income assets at inclusion. For exclusion, the fixed income assets have to drop below the 25% threshold of \$75,000. Includes accounts paying both wrap and commission fees. 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, 2020. 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.

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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, 2020, 10% of 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 (0.48% 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 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 High Quality Balanced Non Taxable Composite was created September 30, 2018.