

LOGAN DIVIDEND PERFORMERS PORTFOLIOS Q4 | 2021 REVIEW¹

MARKET ENVIRONMENT

Powered by enormous stimulus the US economy roared back to life from its pandemic lockdowns, driving corporate earnings that ultimately lifted US equities to record highs. The resilience of the US market was particularly impressive in the fourth quarter in the face of persistently high inflation, COVID-19 spikes and Federal Reserve tapering. Trends derived from the pandemic were the drivers of market action for the year, but the fourth quarter revealed new market leaders. For the year, stimulus inspired risk taking lifted the valuations of longer duration growth stocks, sometimes to mind-numbing levels. Notably, much of the performance of the S&P 500 Index was driven by a small group of massive stocks, many involved in technology. The S&P 500 Growth Index outperformed the S&P 500 Value Index by over 700 basis points while large capitalization stocks outperformed small capitalization stocks (Bloomberg). Quality indices including the NASDAQ US Broad Dividend Achievers Index underperformed the S&P 500 Index as well. International stocks (iShares MSCI EAFE ETF) were positive during the year, but lagged US markets. The best performing sectors during the year tracked areas of the economy that benefited from

resurgent demand. Energy shares soared with higher oil and natural gas prices while more cyclical real estate investment trusts also saw values increase. Conversely, higher quality, more defensive sectors like utilities and consumer staples underperformed.

In the fourth quarter, with artificial stimulus trending down and economic growth expected to return to a simmer rather than a boil, investors' interest shifted towards higher quality stocks. However, this did not stop US equities (S&P 500 Index) from pushing through new highs during the quarter. Growth stocks still tended to outperform during the quarter, but value led in December as the sentiment shift took hold (Bloomberg). Dividend growth stocks (NASDAQ US Broad Dividend Achievers Index) performance essentially matched the S&P 500 Index but outperformed meaningfully in December. Sector performance tended to follow some of the stronger trends during the year with real estate and technology outperforming. Sector laggards were the communication services and financials. The former sector has been hurt by a larger trend that appeared in the quarter as well. Notably, larger technology and internet related stocks (aka the "FANG" stocks) lost momentum during the quarter. The return of the

NYSE FANG+ Index* turned negative over the last two months of the fourth quarter versus a positive 4% total return for the S&P 500 Index. Overall, the fourth quarter was an impressive presentation by US markets, exceeding most analyst expectations given the multiple storm clouds gathering during the quarter.

PORTFOLIO REVIEW

Investors are likely in agreement that one of the gifts of the pandemic inspired stimulus programs has been historically high US equity returns this year as measured by the S&P 500 Index. Consumers and businesses flush with cash has led to a surge in economic growth and corporate earnings. Unemployment has steadily dropped; consumers are back on their feet (even with variants) and spending while wages have increased. Supply chain issues apparently didn't steal Christmas like a phantom Grinch, but inflation concerns are likely to be with us for some time. To see Logan Dividend Performers, a high quality, lower beta, dividend growth strategy achieve a high double digit return this year is impressive and rewarding for our clients. The fourth quarter for Logan Dividend Performers saw a well above historical average quarterly return, outperforming the S&P 500 Index return as well as

¹Dividend Performers results discussed herein should be read in conjunction with the attached performance and disclosures

similar indices such as the NASDAQ US Broad Dividend Achievers Index. During the fourth quarter, sector allocation and stock selection effects relative to benchmark were each positive for Logan Dividend Performers.

As we alluded to in our market review, the year was dominated by powerful trends driven by the pandemic and associated policy response. Easy money drove increased investments in riskier technology, media and internet-related stocks that would likely benefit from strong growth trends in those areas. However, these names are less likely to pay and grow dividends, causing dividend-focused strategies to underperform the S&P 500 Index for the year. More defensive sectors like staples and utilities lagged during the year. In addition, COVID-19 flare-ups are having a significant impact on market dynamics. Fear of renewed lockdowns sent investors piling back into names likely to benefit and running from those who may be harmed. The opposite, of course, is true and trying to time these moves is impossible. We have noticed the data suggests consumers have begun to learn to live with the surges and are coping with the new normal.

Fourth quarter portfolio dynamics appeared to reflect this new normal as well with some clear shifts in market leadership. Stimulus has begun to recede, and economic growth is expected to return to normal in the coming year, factors that complement a quality, dividend-focused portfolio such as Logan Dividend Performers. As we mentioned in the market review section, investors faith in the largest technology and internet stocks somewhat faded during the quarter. Investors appear to be hunting now for higher quality companies more likely to thrive unassisted by

monetary or fiscal policy tailwind. With equity total returns possibly heading back towards historical norms, dividends may end up being a larger portion of the total return. Notably, dividend growth has accelerated recently among names we follow. Companies are relatively flush with cash as COVID-19 has crimped investment plans while profitability is high, leading to higher payouts. Overall, we saw relative strength in high quality, more defensive growth names within the portfolio during the quarter.

More specifically, the portfolio saw strength in housing-related stocks where the trend towards improving our living spaces has continued. Lockdowns appear to be a thing of the past but working virtually more often is likely to be accepted for a larger portion of the corporate world. There is no question that technology will play an increasingly important role in all aspects of our life. Our positions in the information technology sector, which tend to be higher quality and must show increasing dividends, performed well during the quarter. We saw broad-based strength in the semiconductor, data processing and software areas.

Notably, areas of the portfolio that struggled earlier in the year have seen a revival. Higher quality, more consistent growth sectors such as utilities and staples are showing relative strength recently. Utilities have outperformed the S&P 500 Index in the second half of the year and so have consumer staples, while both underperformed in the first half. This dynamic helped our utilities and staples stocks to outperform on average during the fourth quarter.

Specific challenges during the quarter tended to come from positioning within sectors. Our holdings in

the real estate sector tend to be focused on strong secular growth while names with more cyclical growth were favored. In addition, among our health care positions, names being challenged by the COVID-19 virus (staffing, less elective surgeries) offset those benefiting from COVID-19. Lastly, our stock selection within financials was a detractor. We continue to like our bank holdings which are benefiting from strong balance sheets, improving loan growth and a positive interest rate outlook. However, interest rates have been hard to predict and at this point have not suggested a strong improvement in margins for banks.

Overall, we believe our choice of higher quality dividend growth stocks were favored during the quarter as investors favored a shift away from highly valued stocks supported by accommodative policies towards more stalwart investments more likely to win in more difficult markets.

PORTFOLIO OUTLOOK

If 2021 is known for its strong economic recovery driving robust equity returns, 2022 may well be known for moderating growth and the return of the importance of dividends in the total return equation. We think we are in uncharted territory in many ways, but the powerful recovery trends that drove the surge in US equities last year will still be with us in 2022, only less so in our view. Tightening financial conditions, higher interest rates and persistent inflation along with rich valuations will limit market growth in our view to more modest returns, more akin to longer term trends. Internationally, China, one of the main engines of growth for the world, is expected to see slower growth ahead, a further headwind. Combine this with an unpredictable pandemic and investors should be ready for a volatile mix. We see 2022 as

potentially “the year of the dividend” as market returns revert towards historical norms and dividend income becomes a more meaningful portion of the total return equation once again. Overall, the combination of a strengthening consumer, strong corporate earnings and hopefully a waning COVID threat should lead to positive equity returns by year end.

We have written a few lines this year about the speed at which we entered and exited the pandemic inspired downturn. In fact, the pace at which the US economy is moving through a typical business cycle has been unprecedented. Pandemic inspired monetary and fiscal policy to reboot the economy has generated a stunning recovery in economic growth and corporate earnings. This combined with supply chain bottlenecks has lifted inflation rates to levels seen only a few other times in history. In reaction, the Federal Reserve has responded with accelerated tapering of their bond purchase programs and suggested that short-term interest rates may rise three times in 2022. This is a conundrum for the Fed governors as their goal of maintaining stable prices now may conflict with the goal of full employment. We think many elements of the surge in inflation will subside over the year but believe other areas such as wages and housing costs may prove structurally higher. As the Fed moves to quell the surge in prices by tapering and raising interest rates, it may derail the nascent post-pandemic recovery, a potential risk we will be watching.

The inevitable downshift in the pace of economic growth plus the policy shift is already impacting markets and changing risk taking attitudes. During the first part of the pandemic rally, profitability, consistency, and dividends were less of a concern.

Quality stocks tended to underperform lower quality stocks and dividend payers tended to underperform non-payers. This dynamic is likely to change in 2022 and we saw a meaningful change in leadership in December. As interest rates rise as predicted, longer duration stocks (those where the earnings growth is something hoped for in the future) tend to derate and higher quality stocks, many with growing dividends tend to outperform. What makes this equation more interesting in our view is the valuation spread between stocks that pay and grow dividends and the S&P 500 Index. Relative to history, the valuation of the average stock in the S&P 500 Index looks rich today, but if we view the universe of stocks that typically pay and grow their dividends (NASDAQ US Broad Dividend Achievers Index), these stocks look relatively cheap from a price-earnings ratio perspective. This is potentially a nice setup for investors in dividend growth stocks this year.

The macro and valuation setup we see today make dividend stocks timely in our view. However, there may be another reason investors will find dividend growth stocks are particularly helpful in 2022. Growing dividends can be an inflation hedge. Dividend stocks have a built-in advantage over other yield-paying instruments—notably their ability to put through dividend increases that exceed the rate of inflation. In this period of high inflation, we think investors will find this aspect of dividend stocks attractive. Lastly, there is no better way to gage the power of dividends through time than to measure the returns of the S&P 500 with and without dividends. Due to the impact of compounding and dividend growth, fully 83% of the total return of the S&P 500 came from dividends for the period from 12/31/1959 through year end 2021. If you go

back to 1929, its 97% (Ned Davis Research/Bloomberg). Given that most strategists are looking for more modest returns, dividend stocks with growing payouts may just make up a substantial portion of this coming year's total return.

The Logan Dividend Performers team wishes our clients a healthy and prosperous New Year!

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 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.

S&P 500/Citigroup Growth Index is a market-capitalization-weighted index developed by Standard and Poor's in conjunction with Citigroup. It consists of stocks within the S&P 500 Index that exhibit strong growth characteristics. The S&P 500/Citigroup Growth Index is the outcome of a numerical ranking system based on three growth factors and four value factors to determine the constituents and their weightings.

The S&P 500/Citigroup Pure Value Index is a score weighted index developed by Standard and Poor's consisting only of those stocks within the S&P 500 Index that exhibit strong value characteristics.

The NYSE FANG+ index is an equal-dollar weighted index designed to represent a segment of the technology and consumer discretionary sectors consisting of large and highly traded names such as Meta (Facebook), Apple, Amazon, Netflix and Alphabet (Google).

The NASDAQ US Broad Dividend Achievers® Index is comprised of US accepted securities with at least ten consecutive years of increasing annual regular dividend payments. The Index began on December 5, 2003.

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 emerging markets may be more volatile and less liquid than investing in developed markets

and may involve exposure to economic structures that are generally less diverse and mature and to political systems which have less stability than those of more developed countries.

**TEN LARGEST
PORTFOLIO HOLDINGS**

	% OF PORTFOLIO
Microsoft Corporation	7.2%
Apple Inc.	6.6%
Visa Inc. Class A	4.7%
Abbott Laboratories	4.3%
Johnson & Johnson	3.3%
NIKE, Inc. Class B	3.3%
JPMorgan Chase & Co.	3.0%
Automatic Data Processing, Inc.	2.9%
Procter & Gamble Company	2.9%
PepsiCo, Inc.	2.9%

**LONG-TERM
TRACK RECORD**

	TOTAL RETURN NET OF FEES	TOTAL RETURN PURE GROSS OF FEES	S&P 500
QTD	12.2%	12.8%	11.0%
YTD	22.6%	25.0%	28.7%
3 Year	19.4%	21.8%	26.1%
5 Year	14.2%	16.9%	18.5%
10 Year	10.7%	13.7%	16.5%
Since Inception [†]	6.8%	9.9%	11.5%

Annualized Returns (as of 12/31/2021). Time period greater than YTD is annualized.

[†]Inception of (12/31/2002)

Reference performance disclosure

LOGAN AUM+AUA

Strategy AUM	\$126M
Strategy AUA	\$547M
Firm AUA	\$1,659M
Firm AUM	\$2,635M
Total Firm AUM+AUA	\$4,294M

Numbers are subject to rounding differences
AUA has a one month data lag

Supplemental to a fully compliant GIPS Report. 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
Dividend Performers Wrap Composite
December 31, 2002 through December 31, 2021

DP

Year	Total Return			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)
	Total Return Net of Fees	Pure Gross of Fees	S&P 500								
2021	22.6%	25.0%	28.7%	171	0.5%	16.2%	17.4%	1.3	\$113	4.3%	\$2,635
2020	7.3%	9.5%	18.4%	130	0.5%	16.4%	18.5%	0.7	\$62	2.8%	\$2,240
2019*	29.4%	32.0%	31.5%	155	N/A	10.3%	11.9%	1.5	\$82	4.0%	\$2,050
2018	-3.5%	-0.5%	-4.4%	237	N/A	9.8%	10.8%	0.9	\$78		
2017	18.1%	21.7%	21.8%	341	0.2%	9.4%	9.9%	1.0	\$130		
2016	6.9%	10.2%	12.0%	430	0.5%	9.8%	10.6%	0.6	\$130		
2015	-5.1%	-2.1%	1.4%	922	0.2%	9.8%	10.5%	1.1	\$248		
2014	5.9%	9.2%	13.7%	1124	0.2%	8.3%	9.0%	1.9	\$400		
2013	23.3%	27.2%	32.4%	1303	0.2%	11.5%	11.9%	1.2	\$445		
2012	7.2%	10.6%	16.0%	1569	0.2%	14.5%	15.1%	0.6	\$479		

Annualized Returns (December 31, 2021)

YTD is not annualized

Year	Total Return Net of Fees	Total Return PureGross of Fees	S&P 500
YTD	22.6%	25.0%	28.7%
3 Year	19.4%	21.8%	26.1%
5 Year	14.2%	16.9%	18.5%
10 Year	10.7%	13.7%	16.5%
Since Inception†	6.8%	9.9%	11.5%

†Inception 12/31/02

*Logan Capital data starts 02/01/19

N.M. - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

N/A - Data is not available for time period.

Logan Dividend Performers Wrap Composite contains fully discretionary dividend performers 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 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.

The strategy invests in US securities with a market capitalization over \$2 billion at time of purchase. A small portion of the strategy (<15%) can be invest in ADR's. Turnover is low, typically under 35% and holdings range between 35 and 50 positions. Only accounts paying wrap fees are included. There is no minimum account size for this composite currently, but prior to April 1, 2009 there was a \$100,000 asset minimum required to be included in the strategy.

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.

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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. 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 of fee performance was calculated by reducing the gross return by the highest wrap fee (0.50% quarterly fee). The annual composite dispersion presented is an equal-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 Dividend Performers Wrap Composite was created February 1, 2019. Performance presented prior to February 1, 2019 occurred while the original members of the Portfolio Management Team were affiliated with a prior firm and those Portfolio Management Team members were the only individuals primarily responsible for selecting the securities to buy and sell.