

LOGAN HIGH QUALITY BALANCED PORTFOLIOS Q3 | 2022 REVIEW¹

MARKET ENVIRONMENT

Equity

What started out as a pleasant ride on the stock market's up escalator in the third quarter turned into an unpleasant round trip as the reality of higher interest rates and a slowing economy exerted persistent downward pressure on stock prices after they peaked in mid-August. For the quarter, the S&P 500 was down -4.9%, after having been up almost 14% at its peak. Growth stocks modestly outperformed value stocks for the quarter (-3.6% v. -5.6%), but the Russell 1000 Value Index still commanded a sizable advantage in its year-to-date return relative to the Russell 1000 Growth Index (-17.8% v. -30.7%).

To understand what has been troubling the stock market in 2022, one need not look much further than where interest rates were at the beginning of the year and where they have risen to since. Specifically, the Federal Funds target range as of January 1, 2022 was 0.0%-.25%. However, through an

aggressive series of rate hikes by the Fed beginning in March 2022, the indicated range at the end of the third quarter was 3.0%-3.25% (the highest since 2008). Indeed, that is the fastest increase since the days of Paul Volcker back in 1980. Moreover, the Fed indicated that they could raise the Fed Funds rate by an additional 100 basis points by the end of 2022.

Despite the slowing economy, the Fed seems determined to keep interest rates high and rising as it seeks to both reduce inflationary pressures and re-establish its credibility after having had it diminished over the last few years when it kept monetary policy loose claiming inflation was transitory. While raising interest rates, the Fed is also further unwinding its quantitative easing policy by doubling the amount of Treasuries and mortgage backed securities it owns and is letting mature without replacing (now stated at \$60 billion per month versus \$30 billion up through August). With a large buyer out of the market, that has the effect of reducing liquidity in the system and keeping interest

rates higher than they might otherwise be. The backdrop described above is a difficult one for equities to flourish, so the stock market's dismal performance in 2022 to date is not all that surprising. There have been several energizing rallies along the way, though as pointed out in Barron's both the bear markets of 2000 and 2008/2009 each had five rallies of close to 20% each before ultimately bottoming out.

Having said all this, we would point out that every market environment is unique, so following a road map from prior cycles can be helpful, but can also be misleading. What we can say with some degree of confidence is that as the economy readjusts to a less accommodative monetary policy, quality becomes increasingly important. The greater a company's ability to survive and even thrive in difficult environments like the one we find ourselves in now, the more likely that company will help shareholders preserve capital in the short term and compound it in the long term.

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

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The growth portfolios continue to favor where we see relative leadership in earnings performance. The strategy is focused more on the U.S., and has an overweight in innovative and profitable users of technology across all sectors. We also favor the more affluent U.S. consumer where employment and personal balance sheets remain strong. We continue to see pent-up demand driving spending, particularly as consumers focus on services like travel.

Fixed Income

It's All About the FOMC

Fed officials aren't explicitly projecting a recession, but Fed Chair Jerome Powell's rhetoric about the rate hikes likely causing pain for workers and businesses has gotten

progressively sharper in recent months. In his FOMC post-meeting press conference on September 21, Powell said a soft landing with only a small increase in joblessness would be "very challenging."

It's also notable that the Fed sees rates higher at the end of 2023 vs. 2022; consistent with holding the terminal Fed Funds rate in place longer. Fed Funds at 3.9% by the end of 2024 is sending a similar message.

Fed Chair Powell's attempt to stabilize prices has gone from a 'soft landing' early this year to 'softish landing,' which became 'some pain,' and finally Powell said, "No one knows whether this process will lead to a recession or if so, how significant that recession would be." Powell can no longer sugarcoat the tough reality that a hard landing is the most likely scenario. Investors no longer question how strong the Fed's resolve is to bring inflation under control, and what is required to get the job done. We do not think the Fed will cut rates at the first sign of weakness to ensure that inflation is moving convincingly back toward its 2.0% target.

PORTFOLIO REVIEW

Treasuries

We have seen a remarkable range of yields in the global haven U.S. Treasury market this year. The 10-year yield surged above 4.0% (if only briefly on September 28) towards the

end of the quarter for the first time since 2010 (Bloomberg), having been as low as 1.53% in early January. The two-year yield has moved in range of 0.75% to 4.35% this year. Selling pressure has caused bond dealers to increase bid/ask spreads wider to slow the accumulating bonds on their balance sheets which marginally reduces liquidity. Yields have marched higher since August 1, which translates to a continuation of negative performance.

Corporates

We have observed new issuance greatly slow down to end the quarter, as the broad selloff has dampened corporate sentiment, keeping borrowers sidelined. Spreading global fears have overlaid with a slowing economy here and abroad to widen credit spreads. We are closely monitoring if interest rate risk will morph into more extensive credit risk.

Municipals

The tremendous selloff in the sector has created an excellent entry point for crossover buyers. Improved income and total return is available in a market where many state and local governments have healthy balance sheets and strong income from sales and property taxes.

Technical pressures of redemptions from muni funds and ETFs have added to the upward pressure originating from the Treasury market.

We are also watching a decrease in new issuance, as the higher interest rates make it less attractive for municipalities to borrow for new projects or to refinance existing debt. These two offsetting forces will have a huge impact on the direction and performance of the sector for the remainder of the year and into 2023.

PORTFLIO OUTLOOK

From a global perspective, higher rates in the U.S. increase the U.S. dollar and devalue other currencies around the globe. When these other nations attempt to protect the value of their own currency by increasing interest rates locally, their economies slow. When nations (both developed and developing) simultaneously raise interest rates, it's easy to see how this will result in a severe global economic slowdown. From the consumer's perspective, higher interest rates impact different segments of consumers in fundamentally different ways:

- For consumers that typically borrow as the economy slows, tougher access to credit reduces demand supported by debt (example: credit cards & HELOCs).
- For consumers that typically do not borrow, higher carrying costs of risk assets depress the price, eroding the wealth cushion and lowering spending sentiment. Specifically, the value of future cash flows is eroded by higher rates today and in the intermediate future.

Some of the impact of higher rates have already surfaced (the housing market), while some effects are still to come, such as lower employment & lower consumer spending.

Consumer spending has shown resilience this summer mostly due to healthy household balance sheets. However, with gas prices falling more slowly, borrowing rates rising and the jobs market cooling, we expect the staying power of the consumer to fade over the remainder of the year. Retail spending is likely to feel the pullback to a disproportionate extent, after many goods purchases were pulled forward during the pandemic while spending on experiences was put on hold. The unwinding of supply chain issues and lower commodity prices will not save the day here. Currently, we see the current consumer strength directly influencing additional Fed tightening in order to suppress the current elevated inflation. The terminal Fed Funds rate may reach 4.75%-5.00% by the end of the first quarter of 2023.

As we navigate an increasingly uncertain economic landscape, we believe the Logan High Quality Balanced portfolio's healthy balance of attractive value stocks, innovative growth companies, and defensively positioned fixed income strategies are well positioned for a variety of market outcomes.

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.***

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 Russell 1000 Value 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.

U.S. TREASURY YIELDS	12/31/2021	3/31/2022	6/30/2022	9/30/2022	YTD Change
2 YR	0.726%	2.286%	2.931%	4.200%	-3.474%
3 YR	0.955%	2.464%	2.978%	4.210%	-3.255%
5 YR	1.265%	2.422%	3.001%	4.040%	-2.775%
7 YR	1.436%	2.404%	3.035%	3.940%	-2.504%
10 YR	1.512%	2.324%	2.975%	3.800%	-2.288%
20 YR	1.935%	2.598%	3.382%	4.070%	-2.135%
30 YR	1.905%	2.453%	3.121%	3.770%	-1.865%
10S MINUS 2S	78.6bps	3.7bps	4.4bps	-40bps	

Source: FactSet

LOGAN AUM+AUA

Strategy AUM	\$33M
Firm AUA	\$1,448M
Firm AUM	\$2,020M
Total Firm AUM+AUA	\$3,468M

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 MUNI	EQUITY ONLY	S&P 500	RUSSELL 1000	FIXED INCOME ONLY	BC MUNI
QTD	-4.1%	-3.6%	-4.0%	-4.9%	-4.9%	-5.0%	-2.6%	-4.5%
YTD	-18.8%	-17.5%	-17.8%	-23.9%	-4.6%	-25.5%	-11.1%	-14.8%
1 Year	-13.9%	-12.2%	-13.0%	-15.5%	-15.5%	-18.4%	-11.0%	-15.0%
3 Year	2.9%	4.9%	3.5%	8.2%	8.2%	6.3%	-1.9%	-5.6%
5 Year	4.0%	6.0%	5.2%	9.2%	9.2%	7.1%	0.3%	-3.4%
10 Year	5.2%	7.2%	6.9%	11.7%	11.7%	9.5%	0.8%	-2.3%
Since Inception [†]	4.7%	6.7%	6.3%	8.7%	8.7%	6.6%	2.3%	-1.1%

Annualized Returns (as of 09/30/2022). 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**

Philip Morris International Inc.	2.6%
United Parcel Service, Inc. Class B	2.1%
Shell Plc	2.0%
Chevron Corporation	1.9%
ON Semiconductor Corporation	1.7%

TOP FIVE FIXED HOLDINGS

East Allegheny Pa Sch Dist 4.0% 01-jun-2028	3.9%
Millersburg Pa Area Sch Dist 5.0% 01-oct-2022	3.7%
New Jersey Economic Dev Auth Mtr Veh Surchargesrev 5.0% 01-jul-2027	3.5%
Madera Calif Uni Sch Dist Calif 0.0% 01-aug-2027	3.4%
Springfield Ill 5.0% 01-dec-2024	3.4%

Logan Capital Management, Inc.
Performance Disclosure Results
High Quality Balanced Taxable Composite
September 30, 2005 through September 30, 2022

Year	Total Return		50 % S&P	Number of Accounts	Composite	Composite 3-	50 % S&P		Composite 3-	Assets in	% of Firm Assets	Firm Assets (\$millions)
	Total Return Net of Fees	Pure Gross of Fees	500/50% Barclay's Muni		Dispersion Gross of Fees	Yr Gross Std Dev	500/50% Barclay's Muni 3- Yr Gross Std Dev	Yr Gross Sharpe Ratio	Composite (\$millions)			
YTD 2022	-18.8%	-17.5%	-17.8%	5	N/A	14.1%	12.0%	0.3	\$9	0.4%	\$2,020	
2021	13.9%	16.1%	14.6%	5	3.3%	12.5%	9.3%	1.3	\$12	0.4%	\$2,635	
2020	11.6%	13.7%	12.4%	9	3.3%	12.9%	9.8%	0.7	\$39	1.7%	\$2,240	
2019	20.0%	22.3%	19.2%	9	3.6%	7.6%	5.9%	1.2	\$35	1.7%	\$2,050	
2018	-4.5%	-2.6%	-1.3%	8	0.7%	6.7%	5.4%	0.8	\$27	1.9%	\$1,431	
2017	11.8%	13.9%	13.4%	13	3.4%	6.0%	4.8%	1.2	\$56	3.5%	\$1,590	
2016	4.0%	6.0%	6.1%	16	1.0%	6.5%	5.2%	0.8	\$45	3.2%	\$1,401	
2015	1.0%	3.0%	2.6%	17	0.5%	6.3%	5.5%	1.4	\$43	3.1%	\$1,398	
2014	5.0%	7.1%	11.4%	16	0.8%	5.7%	5.0%	1.8	\$44	2.4%	\$1,816	
2013	14.8%	16.9%	13.8%	20	5.2%	6.5%	6.1%	1.6	\$43	2.1%	\$2,061	
2012	6.0%	8.0%	11.5%	22	1.3%	8.2%	7.2%	1.2	\$39	2.0%	\$1,932	

Annualized Returns (September 30, 2022)

YTD is not annualized

Year	Total Return Net of Fees	Total Return PureGross of Fees	50 % S&P 500/50% Barclay's Muni
YTD	-18.8%	-17.5%	-17.8%
1 Year	-13.9%	-12.2%	-13.0%
3 Year	2.9%	4.9%	3.5%
5 Year	4.0%	6.0%	5.2%
10 Year	5.2%	7.2%	6.9%
Since Inception [†]	4.7%	6.7%	6.3%

[†]Inception 09/30/2005

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

Logan High Quality Balanced Taxable Composite contains fully discretionary taxable balanced accounts, measured against a blended index consisting of 50% Bloomberg Municipal 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 Bloomberg Municipal Bond Index is considered representative of the broad market for investment grade, tax-exempt bonds with a maturity of at least one year. 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 tax-exempt positions (ie. municipal 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, 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 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 for each year noted, the percentage of composite assets charged a wrap fee were (2012 75.2%, 2013 75.9%, 2014 76.9%, 2015 76.3%, 2016 76.4%, 2017 26.7%, 2018 24.4%, 2019 15.8%, 2020 14.9%, 2021 8.6%). 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 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 High Quality Balanced Taxable Composite was created September 30, 2015.