

## LOGAN INTERNATIONAL DIVIDEND ADR PORTFOLIO Q2 | 2024 REVIEW<sup>1</sup>

### MARKET ENVIRONMENT

International stocks traded sideways in the second quarter, declining sharply in April before a strong May gave way to modest declines in June. A familiar foe emerged late in the quarter, as political tensions mounted following French President Emmanuel Macron's decision to call for snap elections in France. The fear is that France's already stretched fiscal situation would deteriorate further, thus stressing the country's financing and driving up borrowing costs. In the end, international equities, as defined by the FTSE Developed ex-USA index, traded essentially flat in the quarter, below the 3.9% return of the S&P 500 but ahead of the equal-weighted S&P 500 index. Interestingly, unlike last quarter, the top performing sectors in the FTSE index were Health Care and Utilities, whereas the more cyclical Consumer Discretionary sector was notably weakest. The Logan International ADR composite (both gross and net) traded comparably to the FTSE index in the quarter and continues to fare

well versus its benchmark over longer time periods.

Central bank activity has been under the microscope for the better part of a decade, and the second quarter was no exception. The Swiss National Bank was the first major developed economy to cut interest rates in March, and they did so again in June, a move that surprised many analysts. The Bank of Canada became the first G7 nation to cut interest rates, and the European Central Bank cut rates for the first time in five years in June. Meanwhile, the Federal Reserve remains on hold, unwilling to cut interest rates until inflation readings reach their target. Despite the Fed's reluctance to cut rates, the US Dollar rose meaningfully against just one developed market currency, the Japanese Yen. Due to the sizable gap in interest rates, the Yen is approaching a 34-year low versus the Dollar. Intervention from the Bank of Japan to stop the bleeding has been only effective at the margin.

### PORTFOLIO REVIEW

The sectors that contributed most to relative performance included financials, consumer staples, and energy. At the other end of the spectrum, communication services, health care, and materials each detracted from relative performance.

Consumer staples stocks added the most to relative performance in the quarter, and the portfolio's UK-based tobacco company fared best. Early in the quarter, the company re-affirmed full year guidance and then proceeded to report solid first half results for the period ending March 31st. Next Generation Products (NGP) continue to serve as the growth engine, as they offer an alternative to combustible tobacco. Capital allocation remains excellent, as the company intends to repurchase 6% of outstanding shares this year, and the dividend yield at quarter-end was over 7%.

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

Within financials, the portfolio's Japanese property & casualty company was a top performer for the second consecutive quarter. The company is predominantly focused on non-life insurance, covering automobile, personal accident, fire, and marine liabilities, and has a small life insurance business that contributes around one fifth of net written premiums. Full year financial results were ahead of estimates, and the company announced a sizable dividend hike and a sizable stock repurchase plan, which was well-received. At quarter-end, shares offered a respectable 2.9% dividend yield.

While oil prices declined slightly in the second quarter, they remain up sharply for the year, and the portfolio's integrated oil & gas companies continue to generate significant cash flows as a result. The portfolio's Norwegian oil company reported solid quarterly results and maintained its capital allocation strategy, which includes substantial dividends and buybacks. At quarter-end, the company offered a 5% dividend yield and intends to repurchase 7% of outstanding shares, which equates to an excellent 12% shareholder yield.

Communication services detracted from relative performance, weighed down by weakness from the portfolio's Japanese telecommunications stock. The company reported full year results for the period ending March 31 that missed estimates,

but it was forward guidance that sent the shares lower. Specifically, the company guided towards a 6% profit decline in fiscal 2025, as the mobile communications business is suffering from lower average revenue per user. Investors were also disappointed in the lack of a share repurchase plan, which was previously announced in last year's first quarter. Following the selloff, shares offered an attractive 3.5% dividend yield at quarter-end.

The portfolio's lone Japanese pharmaceutical dragged down performance in the health care sector. The company's full year results for the period ending March 31st missed street estimates, and management lowered guidance for the fiscal year 2025. The share price was down modestly for the quarter and negatively impacted by a weak Japanese Yen. Nevertheless, the company has a robust balance sheet that includes no net debt, a solid history of repurchasing stock, and a dividend yield at quarter-end of 4.75%.

The portfolio has just two holdings in the materials sector, and shares of the German-based chemicals company weighed on relative performance. Higher costs continue to depress profit margins, and the share price was further pressured by an April announcement to close their Finnish battery plant. The closing was a disappointing setback, as all employees

were terminated. The original intent had been for the facility to help move the EV supply chain from Asia to Europe. However, the company has maintained a stable dividend, and the shares yielded 7.4% at quarter-end.

### PORTFOLIO OUTLOOK

In Europe, inflation readings have come down, which bodes well for consumer spending, and central banks have begun to cut short term interest rates. Both actions should be supportive of economic growth in the relatively near term. On June 6th, the ECB raised its 2024 GDP estimate for the eurozone from 0.6% to 0.9% and is now projecting 1.5% growth in 2025. However, recent strength has been overshadowed by adverse political developments, and we believe that some of the most attractive investment opportunities today reside outside the US in companies trading at low P/E ratios with high dividend yields. Elections in France and the UK early in the third quarter will provide visibility on the political structure and perhaps remove a near-term overhang.

While the macro-economic catalysts are noteworthy, our conviction in the Logan International strategy is a function of business fundamentals. At quarter-end, the Logan International strategy had a dividend yield of 4.6% and a P/E ratio on next twelve month's earnings of 11.7x. This compares favorably to the FTSE

Developed ex-USA index, which had a yield of 2.9% and a forward P/E ratio of 15.7x earnings estimates at quarter-end. In addition to favorable valuation, we have been pleased with the financial performance of our companies, as all but four portfolio holdings have raised their dividend in the last twelve months.

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

*The Standard & Poor's 500 (S&P 500) Index is a free-float weighted index that tracks the 500 most widely held stocks on the NYSE or NASDAQ and is 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 Financial Times Stock Exchange 100 Index, also called the FTSE 100 Index, FTSE 100, FTSE, or, informally, the "Footsie" is a share index of the 100 companies listed on the London Stock Exchange with the highest market capitalization. It is seen as a gauge of prosperity for businesses regulated by UK company law.*

<b>COUNTRY</b>	<b>QUARTER RETURN IN US DOLLARS</b>	<b>1 YEAR RETURN IN US DOLLARS</b>
Australia	1.6%	14.1%
Canada	-2.1%	8.6%
France	-7.5%	0.5%
Germany	-1.4%	10.1%
Japan	-4.3%	13.2%
Netherlands	5.0%	25.6%
Norway	6.6%	14.2%
Switzerland	3.1%	6.1%
Singapore	8.9%	13.5%
United Kingdom	3.7%	12.5%
Spain	-1.6%	15.0%

Source: FactSet

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 Std Dev	Composite 3- 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 2024	4.2%	4.5%	4.8%	15	N/A	15.5%	17.1%	0.3	\$18	0.7%	\$2,651
2023	17.4%	17.9%	18.7%	13	0.3%	15.5%	17.0%	0.6	\$5	0.2%	\$2,451
2022	-1.2%	-0.9%	-14.6%	10	0.2%	19.8%	20.5%	0.2	\$35	1.6%	\$2,261
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%	22.6%	14	0.1%	10.8%	11.0%	0.6	\$27	1.3%	\$2,050
2018	-13.6%	-13.2%	-14.1%	10	0.4%	10.5%	11.3%	0.2	\$22	1.5%	\$1,431
2017	20.2%	20.6%	26.3%	15	0.4%	9.7%	11.7%	0.8	\$6	0.4%	\$1,590
2016	5.1%	5.5%	3.4%	15	0.3%	10.8%	12.3%	0.0	\$22	1.6%	\$1,401
2015	-1.4%	-1.0%	-1.9%	16	0.2%	11.3%	12.0%	0.5	\$18	1.3%	\$1,398
2014	-2.7%	-2.5%	-4.0%	13	0.2%	11.7%	12.6%	1.0	\$17	0.9%	\$1,816

Annualized Returns (June 30, 2024)

YTD is not annualized

Year	Total Return Net of Fees	Total Return Gross of Fees	FTSE Developed x US
YTD	4.2%	4.5%	4.8%
1 Year	9.2%	9.9%	11.6%
3 Year	7.9%	8.3%	2.6%
5 Year	8.0%	8.4%	7.1%
10 Year	5.0%	5.4%	4.9%
Since Inception <sup>†</sup>	4.5%	4.8%	4.1%

<sup>†</sup>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-FTSE Developed x US 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, 2023. 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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Logan Capital Management, Inc. is a privately owned Pennsylvania-based investment adviser registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. Registration as an investment adviser does not imply a certain level of skill or training. The verbal and written communications of an investment adviser provide you with information you need to determine whether to hire or retain the adviser. The firm maintains a complete list and description of composites, which is available upon request.

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.

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 Std Dev	Composite 3- 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 2024	3.0%	4.5%	4.8%	414	N/A	15.5%	17.1%	0.3	\$110	4.1%	\$2,651
2023	13.9%	17.3%	18.7%	385	0.2%	15.5%	17.0%	0.6	\$103	4.2%	\$2,451
2022	-3.9%	-1.0%	-14.6%	237	0.5%	19.7%	20.5%	0.2	\$57	2.5%	\$2,261
2021	14.0%	17.4%	11.8%	158	0.3%	17.1%	17.5%	0.6	\$42	1.6%	\$2,635
2020	-6.1%	-3.3%	10.3%	114	0.4%	17.6%	18.2%	-0.1	\$26	1.2%	\$2,240
2019	17.3%	20.8%	22.6%	84	0.5%	10.8%	11.0%	0.6	\$20	1.0%	\$2,050
2018	-16.3%	-13.8%	-14.1%	40	0.2%	10.4%	11.3%	0.2	\$11	0.8%	\$1,431
2017	16.5%	20.0%	26.3%	20	0.4%	9.7%	11.7%	0.7	\$13	0.8%	\$1,590
2016	2.0%	5.0%	3.4%	30	0.3%	10.8%	12.3%	0.0	\$10	0.7%	\$1,401
2015	-4.1%	-1.2%	-1.9%	20	N.M.	0.0%	0.0%	0.0	\$9	0.7%	\$1,398
2014	-5.0%	-2.1%	-4.0%	9	N.M.	N/A	N/A	N/A	\$6	0.3%	\$1,816

Annualized Returns (June 30, 2024)  
YTD is not annualized

Year	Total Return Net of Fees	Total Return Gross of Fees	FTSE Developed x US
YTD	3.0%	4.5%	4.8%
1 Year	6.7%	9.9%	11.6%
3 Year	4.9%	8.0%	2.6%
5 Year	5.0%	8.2%	7.1%
10 Year	2.0%	5.1%	4.9%
Since Inception <sup>†</sup>	4.6%	7.7%	7.3%

<sup>†</sup>Inception 06/30/2012

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 Wrap 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 wrap fees are included in the composite.

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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 investment management fees, net of all withholding tax, and includes 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 returns are calculated by geometrically linking monthly gross returns reduced by the highest wrap fee (3% annually). 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.

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The Logan International ADR Wrap Composite was created April 1, 2013.