Logan Concentrated Value

A BOTTOM UP APPROACH

Q4 | 2024

LOGAN VALUE PORTFOLIOS: LOGAN CONCENTRATED VALUE (LCV) Q4 | 2024 REVIEW[1]

MARKET ENVIRONMENT

The fourth quarter of 2024 saw a surge of exuberance following the U.S. presidential election, although that enthusiasm seemed to be tempering in the last few weeks of the quarter. With this has come the return of speculation and dominance of growth stocks, as can be seen in the relative performance of the growth and value indices. Specifically, the Russell 1000 Growth Index advanced by 7%, while the Russell 1000 Value Index declined by 2%. Moreover, in December, the Russell 1000 Value Index saw a record 14-day losing streak. Despite these headwinds, the Logan Concentrated Value (LCV) portfolio posted a solid 16% return for the year, coming in ahead of its benchmark on a gross return basis.

As with any period of exuberance, it is not without some valid underpinnings: the prospects of lower corporate tax rates, deregulation, and less pressure against merger and acquisition activity can all provide tailwinds to stock valuations. But problems can arise when the market begins pricing in a near-certain probability that everything will go just right, and many participants begin believing that prices can only go in one direction: up. In addition, some companies with ties to artificial intelligence or cryptocurrency are now seeing valuation metrics reminiscent of the dot-com bubble era. Fortunately, such disconnects between fundamentals and stock prices can create opportunities for us, as some others with a speculative bug and a fear of missing out swarm around already sky-high valuations in the latest fad. We see some excellent companies that have been left behind with very attractive risk/reward profiles.

As always, we maintain a disciplined process, focused on quality companies with strong balance sheets and prudent capital allocation trading at sensible valuations.

PORTFOLIO REVIEW

Of the sectors in which we hold positions, those that detracted most from LCV's relative performance were consumer staples, industrials, and health care. Sectors that contributed the most to relative performance were information technology, financials, and communication services.

The largest detractor within the consumer staples sector was our multinational confectionery, snack, and beverage holding. The stock underperformed primarily due to cocoa prices - a key input commodity for the company - seeing a 45% spike during the quarter. The cocoa price spike was driven by weather disruptions in West Africa, a region that serves as a major supplier. We see the input price disruption as a transitory event that is not uncommon in commodity markets in general. Further, we see the company's quarter-end 6.3%.

[1]LOGAN CONCENTRATED VALUE results discussed herein should be read in conjunction with the attached performance and disclosures

combined shareholder yield (dividend yield plus share repurchase yield) as especially attractive for a consumer staples company with such a strong portfolio of brands.

The largest detractor within the industrials sector was our multinational shipping holding. While the company reported earnings in the quarter that beat expectations and drove a near-term boost to the share price, the stock underperformed overall in the quarter, partly on broader macroeconomic concerns. While management has dealt with mix-shift headwinds and ongoing rationalization of the business to a more optimal cost structure, we are confident that efficiency measures underway will provide tailwinds to margins going forward. The company's return to domestic volume growth last quarter, combined with its 5.2% dividend yield (as of December 31, 2024) and 15x forward estimated earnings multiple, present what we believe to be a compelling set up for investors.

Our Chicago-headquartered pharmaceutical company was the largest detractor within the health care sector. The company reported revenues and earnings in the quarter that beat estimates, as a couple of its key drugs had sales that outperformed expectations. However, in November it was announced that a schizophrenia treatment drug the company had been developing that was in Phase II trials (roughly mid-way through the development stage) did not show statistically significant reduction in treated symptoms. While this is a setback to one of the company's many drugs currently in the development pipeline - and an outcome that is occasionally part of the broader drug development process - it has little impact on the company's otherwise attractive profile and portfolio of successful drugs. Further, the stock's 3.7% dividend yield and 15x forward P/E ratio on estimated earnings (as of December 31, 2024) presents an attractive risk/reward profile for investors.

Our networking and software information technology holding was the largest contributor to relative outperformance within the information technology sector. While the company reported earnings in the quarter that beat expectations, the stock outperformed largely on investors' anticipation that the company could benefit greatly in the future from the rise in artificial intelligence capital expenditures and usage, which was also highlighted by an article in Barron's and an analyst upgrade. We see the high return-on-capital business with a greater than 6% forward estimated free cash flow yield and 5.1% combined shareholder yield (as of December 31, 2024) as having a diverse set of growth opportunities going forward that make it well-positioned and attractively valued.

The largest contributor within the financials sector was our San Francisco-based bank holding. Two key events drove the stock's outperformance in the quarter. First, the company reported quarterly earnings that beat expectations, partly on better than expected investment advisory and investment bank fees. The company also reported expenses that were better than expectations, and completed share repurchases equivalent to an impressive 1.8% of its market capitalization in the quarter. The second key event for the stock was the presidential election outcome, which generally boosted share prices for large U.S. banks. This came as investors anticipated the new administration providing an environment of diminished regulation, reduced corporate tax rates, and other potential macroeconomic tailwinds that could benefit the banking sector.

The largest contributor within the communication services sector was our telecom holding. The stock's outperformance had two primary drivers in the quarter, with the first being a quarterly earnings report that was better than expectations. The second driver was an analyst day in which management provided better than expected long-term free cash flow guidance with improved cost savings and a strong operating profit margin outlook, as well as an intention to repurchase its shares. The company continues to prove skeptical investors wrong about its strong free cash flow generation profile and the attractive 4.9% dividend yield (as of December 31, 2024) that is well-supported by that cash flow.

PORTFOLIO OUTLOOK

As we head into the new year, the U.S. markets and economy are displaying signs of optimism and resilience mixed with trepidation and emerging challenges, with the latter being especially on display in the last few weeks of the year. By some metrics, the consumer continues to appear strong and consumer confidence remains above the lows of a couple years ago, but signs of strain have materialized. While unemployment is still low, it has been trending upward from 2023's historic lows. Delinquency rates on credit cards, auto loans, and commercial mortgage-backed securities have surged, and the U.S. Conference Board Leading Economic Index dropped precipitously throughout the year. At the same time, the 10-year Treasury yield rose by roughly one percentage point since September when the Fed started cutting short-term rates, indicating potential concern about growing deficits and coming inflationary pressures.

In this environment, we believe it's even more important to emphasize that focusing on fundamentals and valuation is crucial. Growth- and speculative-oriented assets have seen inflated valuations, with the P/E ratio on forward estimated earnings of the S&P 500 climbing to a lofty 22x multiple, a level rarely seen, and one that would historically imply significantly diminished expected returns over the coming years. The LCV portfolio, by contrast, holds a diversified mix of quality, free-cash-flow-generative companies with strong balance sheets, and trades at just 14.5x its forward estimated earnings while also offering a dividend yield of 3.8%. Compared even to the valuation metrics of the Russell 1000 Value index, the LCV portfolio wins out, with the index's P/E ratio of 16.2x and dividend yield of 1.9% as of December 31, 2004.

We thank you for your continued confidence and investment in Logan Concentrated Value. 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 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 Russell 1000 Value Index measures the performance of the large-cap value segment of the US equity universe. It includes those Russell 1000 companies with relatively lower price-to-book ratios and lower sales per share historical growth (5 years).

The Russell 1000 Value Index is constructed to provide a barometer for the large-cap value segment. The index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect value characteristics.

The Russell 1000 Growth 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.

Logan Capital Management, Inc.
Performance Disclosure Results
Concentrated Value Composite
December 31, 1995 through December 31, 2024

Year	Total Return Net of Model Fees*	Total Return Gross of Fees	Russell 1000 Value Index	Number of Accounts	Composite Dispersion Gross of Fees	Composite 3-Yr Gross Std Dev	Russell 1000 Value Index 3-Yr Gross Std Dev	Composite 3-Yr Gross Sharpe Ratio	Assets in Composite ($millions)	% of Firm Assets	Firm Assets ($millions)
2024	17.3%	18.0%	14.4%	18	1.8%	14.9%	16.9%	0.3	$5	0.2%	$2,753
2023	0.5%	1.2%	11.5%	25	0.3%	15.8%	16.7%	0.5	$8	0.3%	$2,451
2022	4.4%	5.1%	-7.5%	27	0.6%	21.1%	21.6%	0.3	$11	0.5%	$2,261
2021	26.5%	27.3%	25.2%	26	0.2%	19.3%	19.3%	0.5	$10	0.4%	$2,635
2020	-11.2%	-10.4%	2.8%	28	0.1%	19.1%	19.6%	-0.1	$10	0.4%	$2,240
2019	19.5%	20.3%	26.5%	40	0.3%	11.7%	11.9%	0.6	$17	0.8%	$2,050
2018	-8.0%	-7.4%	-8.3%	38	0.2%	11.1%	10.8%	0.6	$13	0.9%	$1,431
2017	14.0%	14.7%	13.7%	41	0.1%	12.1%	10.2%	1.0	$15	1.0%	$1,590
2016	18.0%	18.8%	17.3%	53	0.3%	12.5%	10.8%	0.8	$18	1.3%	$1,401
2015	4.0%	4.7%	-3.8%	53	0.2%	11.9%	10.7%	0.9	$17	1.3%	$1,398

Annualized Returns (December 31, 2024)
YTD is not annualized

Year	Total Return Net of Model Fees*	Total Return Gross of Fees	Russell 1000 Value Index
YTD	17.3%	18.0%	14.4%
3 Year	7.2%	7.9%	5.6%
5 Year	6.7%	7.4%	8.7%
10 Year	7.8%	8.6%	8.5%
Since Inception†	8.5%	9.2%	9.0%

†Inception 12/31/95
N.M. - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

Net of fees includes a .65% model fee

Logan Concentrated Value (LCV) Composite contains fully discretionary large cap value equity accounts, measured against the Russell 1000 Value Index. You cannot invest directly in an index. The Russell 1000 Value Index measures the performance of the large-cap value segment of the US equity universe. It includes those Russell 1000 companies with relatively lower price-to-book ratios and lower sales per share historical growth (5 years). The Russell 1000 Value Index is constructed to provide a barometer for the large-cap value segment. The index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect value characteristics. 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 10-15 very large cap stocks with strong balance sheets, strong cash flows and relatively high dividend yields. ADR's may be included in the portfolio (generally less than 20%). Turnover is typically 30-50% annually. Only accounts paying commission fees are included. As of September 30, 2014 the minimum account size for the composite is $75,000. Prior to this date there was 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, 2024. 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.

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. Gross of fee returns, have, however, been reduced by all actual trading expenses. Net returns are calculated by geometrically linking monthly gross returns reduced by the highest investment management fee we charge (0.65% 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.

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 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.

The Logan Concentrated Value (LCV) Commission Composite was created August 1, 2000. Performance presented prior to August 1, 2000 represents that of Berwind Investment Management, L.P.

Logan Capital Management, Inc.
Performance Disclosure Results
Concentrated Value Wrap Composite
December 31, 1996 through December 31, 2024

Year	Total Return Net of Model Fees*	Total Return Gross of Fees	Russell 1000 Value Index	Number of Accounts	Composite Dispersion Gross of Fees	Composite 3-Yr Gross Std Dev	Russell 1000 Value Index 3-Yr Gross Std Dev	Composite 3-Yr Gross Sharpe Ratio	Assets in Composite ($millions)	% of Firm Assets	Firm Assets ($millions)
2024	14.0%	17.4%	14.4%	6	N.M.	15.0%	16.9%	0.3	$2	0.1%	$2,753
2023	-1.9%	1.1%	11.5%	8	0.5%	15.8%	16.7%	0.5	$2	0.1%	$2,451
2022	2.3%	5.3%	-7.5%	9	0.2%	21.2%	21.6%	0.3	$3	0.1%	$2,261
2021	23.9%	27.5%	25.2%	8	0.2%	19.4%	19.3%	0.5	$2	0.1%	$2,635
2020	-12.9%	-10.3%	2.8%	16	0.2%	19.2%	19.6%	-0.1	$4	0.2%	$2,240
2019	16.9%	20.4%	26.5%	27	0.3%	11.7%	11.9%	0.6	$8	0.4%	$2,050
2018	-9.6%	-6.9%	-8.3%	23	0.3%	11.1%	10.8%	0.7	$5	0.4%	$1,431
2017	11.7%	15.0%	13.7%	23	0.4%	12.1%	10.2%	1.0	$6	0.4%	$1,590
2016	15.6%	19.0%	17.3%	28	0.1%	12.5%	10.8%	0.8	$8	0.6%	$1,401
2015	1.8%	4.9%	-3.8%	27	0.1%	11.9%	10.7%	0.9	$7	0.5%	$1,398

Annualized Returns (December 31, 2024)
YTD is not annualized

Year	Total Return Net of Model Fees*	Total Return Gross of Fees	Russell 1000 Value Index
YTD	14.0%	17.4%	14.4%
3 Year	4.6%	7.7%	5.6%
5 Year	4.3%	7.4%	8.7%
10 Year	5.5%	8.7%	8.5%
Since Inception†	5.8%	9.0%	8.5%

†Inception 12/31/96
N.M. - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

Net fee includes the maximum 3% fee required by the SEC for wrap programs.

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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 10-15 very large cap stocks with strong balance sheets, strong cash flows and relatively high dividend yields. ADR's may be included in the portfolio (generally less than 20%). Turnover is typically 30-50% annually. Only accounts paying wrap fees are included. As of September 30, 2014 the minimum account size for the composite is $75,000. Prior to this date there was no minimum account size.
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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 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.
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 Concentrated Value (LCV) Wrap Composite was created August 1, 2000. Performance presented prior to August 1, 2000 represents that of Berwind Investment Management, L.P.