

## LOGAN GROWTH Q1 | 2025 REVIEW AND A LOOK AHEAD<sup>1</sup>

### *Focusing on Innovation, Resources, and Resilience*

As we look ahead to the second quarter of 2025, we continue to position our Growth portfolios around a central belief: resource-rich, innovative businesses are best equipped to lead in a world marked by disruption, geopolitical noise, and opportunity. This outlook builds upon the themes introduced in our January commentary—namely, that wealth in today's economy includes balance sheet strength, intellectual capital, and adaptability.

### **Early 2025: A Solid Start, but Resistance Emerging**

Growth strategies performed well in the early part of the year, as investors—including our team—reassessed asset allocations and made thoughtful adjustments. While there was early momentum, especially among innovation-focused names, resistance emerged as the quarter progressed. A rotation into

more defensive sectors, paired with increasing global diversification, drove stronger relative performance in Europe and among traditionally defensive areas.

Meanwhile, growth stocks, particularly mega-cap AI names, faced valuation headwinds. The correction in these names appeared more about digestion than deterioration. Indeed, traditional U.S. retail stocks outperformed the so-called “Magnificent 7” tech leaders by nearly 20% over the same period—a sign of healthy rebalancing rather than a breakdown in U.S. equity leadership. However, we are mindful that dispersion in outcomes may increase if economic momentum continues to cool.

### **Economic Context: Strength with Caution**

Consumer spending—long a key driver of U.S. economic strength—is showing signs of fatigue. Real retail sales in key control categories rose only 0.5% in January and February relative to Q4 2024. Broader categories such as restaurants, building

materials, and autos posted sharp declines. At the same time, household balance sheets are under pressure: delinquency rates on student loans, credit cards, and auto loans have returned to levels not seen since 2011, despite unemployment remaining historically low.

The labor market, while still resilient, is at an inflection point. Job openings have declined to 4.6%, nearing the threshold where further weakening could trigger rising unemployment. Surveys from the University of Michigan and the New York Fed show rising concerns about job security, while the broader U-6 unemployment rate has reached a three-year high.

These developments suggest we may be entering a ‘stagflation-lite’ environment characterized by moderate growth, sticky inflation, and wider dispersion in equity outcomes. Importantly, recent market volatility appears more linked to valuation normalization and shifting investor positioning than to deteriorating

<sup>1</sup>Logan Growth results discussed herein should be read in conjunction with the attached performance and disclosures

corporate fundamentals. Forward earnings expectations have held up in the U.S., and unemployment remains low, even if momentum is moderating.

At this time, we do not expect a full-blown recession, but we recognize that economic conditions could continue to soften in the coming quarters. As such, we are positioned for a potential slowdown and remain vigilant for signs of a deeper contraction. Our portfolios continue to emphasize resilient, innovative companies with the resources and adaptability to thrive across a range of economic outcomes.

### **Taking Profits, Reinvesting in Innovation**

Some of the market's most prominent "Tech Only" names became extended following a strong 2024. We used this as an opportunity to take profits in positions that had grown significantly and redeployed capital into areas where we see greater upside potential. This included adding to companies with solid fundamentals that had underperformed recently, as well as initiating positions in emerging leaders that are leveraging AI and other transformative technologies.

We remain focused on experienced innovators—companies with a history of navigating disruption, the resources to execute, and the ability to invest through the cycle.

### **Political Uncertainty and Market Behavior**

Political uncertainty continues to influence sentiment, both domestically and globally. In our experience, markets often respond positively once periods of uncertainty resolve. We expect bouts of volatility as political and policy questions come into focus, but we believe these moments also create opportunity.

Given how concentrated equity returns have been—particularly in a handful of mega-cap names—we see room for leadership to broaden. Our portfolios are positioned to benefit from this shift, with exposure to high-quality growth companies across sectors.

### **Fundamentals Remain Supportive, But We Are Watchful**

Many economic indicators have come off their recent highs, though they remain within historically constructive ranges. Unemployment is still low, interest rates have steadied, and corporate earnings—particularly in the U.S.—have largely met or exceeded expectations.

Still, the momentum behind these fundamentals appears less certain than earlier in the recovery. Consumer confidence has slipped from recent highs, and corporate commentary increasingly

points to caution in spending and hiring. We believe selectivity and discipline will be increasingly important as the cycle matures. We continue to emphasize companies with pricing power, operational flexibility, and innovation-led growth.

### **Investing in Capability**

Looking ahead, we continue to believe that resources—in people, capital, and strategic capability—will define success in 2025 and beyond. The competitive business environment remains intense, but also full of opportunity. While political leadership across the globe grapples with long-delayed issues, we anticipate continued short-term volatility—and signs of cooling economic activity—but also significant longer-term potential.

We remain constructive but vigilant. Our investment process is rooted in preparation: for volatility, for leadership rotation, and for economic shifts. As always, we are balancing risk and reward, taking a prudent approach to position sizing, and aligning portfolios with companies that we believe can exceed expectations through a range of outcomes.

While a recession is not our base case, we are prepared for a more prolonged slowdown and are actively monitoring

whether current headwinds become more entrenched. Our portfolios are built with this possibility in mind—centered around experienced, resilient businesses capable of adapting to changing conditions.

*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.***

*Asset Allocation does not guarantee a profit or protect against a loss in a declining market. It is a method used to help manage investment risk.*

Year	Total Return Net of Model Fees*	Total Return Gross of Fees	Russell 1000 Growth Index	Number of Accounts	Composite Dispersion Gross of Fees	Composite 3- Yr Gross Std Dev	Russell 1000 Growth Index 3- Yr Gross Std Dev	Composite 3- Yr Gross Sharpe Ratio	Assets in Composite (\$millions)	% of Firm Assets	Firm Assets (\$millions)
YTD 2025	-10.7%	-10.6%	-10.0%	18	N/A	20.9%	20.5%	0.3	\$22	0.8%	\$2,583
2024	34.8%	35.7%	33.4%	18	0.4%	21.9%	20.6%	0.2	\$26	0.9%	\$2,753
2023	32.3%	33.1%	42.7%	16	0.7%	21.6%	20.8%	0.1	\$20	0.8%	\$2,451
2022	-32.1%	-31.6%	-29.1%	15	0.4%	25.9%	23.8%	0.2	\$15	0.6%	\$2,261
2021	22.9%	23.7%	27.6%	16	0.2%	20.7%	18.4%	1.6	\$23	0.9%	\$2,635
2020	39.2%	40.2%	38.5%	15	0.5%	21.6%	19.6%	1.0	\$18	0.8%	\$2,240
2019	38.1%	38.9%	36.4%	19	0.6%	13.8%	13.1%	1.4	\$15	0.7%	\$2,050
2018	-3.1%	-2.5%	-1.5%	18	0.2%	13.4%	12.1%	0.6	\$12	0.8%	\$1,431
2017	29.9%	30.7%	30.2%	16	0.5%	12.0%	10.5%	1.0	\$14	0.9%	\$1,590
2016	2.7%	3.4%	7.1%	21	0.2%	12.9%	11.2%	0.5	\$13	1.0%	\$1,401
2015	3.0%	3.6%	5.7%	25	0.4%	11.7%	10.7%	1.4	\$12	0.9%	\$1,398

Annualized Returns (March 31, 2025)  
YTD is not annualized

Year	Total Return Net of Model Fees*	Total Return Gross of Fees	Russell 1000 Growth Index
1 Year	7.6%	8.3%	7.8%
3 Year	10.3%	11.0%	10.1%
5 Year	18.3%	19.0%	20.1%
10 Year	12.4%	13.1%	15.1%
Since Inception <sup>†</sup>	10.2%	10.9%	10.8%

<sup>†</sup>Inception 03/31/1995

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 Growth Composite contains fully discretionary mid to large cap growth equity accounts, measured against the Russell 1000 Growth Index. You cannot invest directly in an index. 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. It has been constructed to provide a comprehensive and unbiased barometer for the large-cap growth segment. 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 \$1 billion at time of purchase. A small portion of the strategy (<10%) can be invest in ADR's and Canadian common shares. Turnover is low, typically under 35% and holdings range between 30 and 40 positions. Only accounts paying commission fees are included. The minimum account size for this composite is \$100 thousand.

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.

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. 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.

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 Growth Composite was created April 1, 1995.

Year	Total Return Net of Model Fees*	Total Return Gross of Fees	Russell 1000 Growth Index	Number of Accounts	Composite Dispersion Gross of Fees	Composite 3- Yr Gross Std Dev	Russell 1000 Growth Index 3- Yr Gross Std Dev	Composite 3- Yr Gross Sharpe Ratio	Assets in Composite (\$millions)	% of Firm Assets	Firm Assets (\$millions)
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2018	-5.4%	-2.6%	-1.5%	12	0.1%	13.5%	12.1%	0.7	\$7	0.5%	\$1,431
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10 Year	10.0%	13.3%	15.1%
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**Net fee includes the maximum 3% fee required by the SEC for wrap programs.**

Logan Growth Wrap Composite contains fully discretionary mid to large cap growth equity accounts, measured against the Russell 1000 Growth Index. You cannot invest directly in an index. 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. It has been constructed to provide a comprehensive and unbiased barometer for the large-cap growth segment. 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.

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The Logan Growth Wrap Composite was created October 1, 1996.