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LOGAN CONCENTRATED VALUE ("LCV"): 1ST QUARTER REVIEW[(a)]

The first three months of 2016 was a two part story. The first part saw the S&P 500 get off to its worst ever start to a year, declining by -10.5% from the beginning of the year to its low point on February 11th. The second part was much more pleasant as the S&P finished the quarter up +12.6% from the low, with the net result a modest +1.4% gain for the quarter. LCV had another standout quarter following 2015's very strong absolute and relative fourth quarter and full year. LCV's first quarter gross composite return was +5.2% (+5.0%, net), compared to +0.7% and +1.6% returns for its respective benchmarks, the Russell 200 Value and Russell 1000 Value indexes.

As might be expected, LCV's relative performance has dramatically improved as the stock market's exuberance from 2012 through 2014 (double digit gains in all three years) has given way to a more cautious environment, with the Federal Reserve no longer providing the strong tailwind (i.e., quantitative easing) which it had during that period. Indeed, investors' concerns coming into 2016 about the Fed raising interest rates several times this year while many other central banks were easing had turned the tailwind into a potential headwind. For instance, the European Central Bank announced a further reduction to already negative interest rates in addition to increasing bond purchases (this time including corporate bonds). Japan similarly has negative interest rates. Among other factors, coming into 2016 the divergence in central bank policies made it seem likely the U.S. dollar would continue to strengthen. That, in turn, implied foreign exchange translation would continue to have a negative impact on reported corporate earnings. In addition, investors were concerned the strength of the dollar might also lead to further declines in commodity prices, notably oil. And if all that wasn't enough, concern over China's slowing growth became a daily source of consternation for equity markets worldwide.

The winds shifted in mid-February as it became apparent U.S. economic growth was not as strong as had been anticipated, and therefore, the Fed would likely not raise rates as much as had been expected just a few weeks earlier. The Fed's renewed dovishness led the dollar to decline more than 4% against major currencies from the peak level reached in late January, a meaningful change in a short time. In addition, oil prices began a sharp upwards reversal, climbing approximately 40% off the bottom (despite some prominent analysts recently projecting oil prices would drop towards $20). Equity markets have to some extent become tethered to oil prices recently. Consequently, the lift in energy prices helped improve overall investor sentiment.

It now appears first quarter 2016 GDP growth is likely to have been very modest and the Fed appears once again to be backtracking on its own forecasts and its likely path forward. The Fed's dovishness may well foreshadow a "lower for longer" approach to interest rates. That, in turn, would help cushion U.S. equities somewhat against steep declines.

First Quarter Portfolio Review

With regard to sectors that helped and hurt the portfolio's relative performance the most during

(a) *LCV results discussed herein should be read in conjunction with the attached performance and disclosures.*

the quarter, the consumer staples and telecom sectors were the most helpful sectors which LCV was invested in. Moreover, not owning any stocks in the financial sector provided a significant contribution to outperformance. Modestly detracting from relative performance were the health care and consumer discretionary sectors. In terms of specific stocks, the best performing stocks were AT&T, Philip Morris and IBM (up +15.4%, +12.8%, and 11.2%, respectively), while on the other side of the ledger, the stocks with lagging performance were Pfizer, Ford and Dow Chemical (down -7.3%, -1.0% and -0.3%, respectively).

AT&T's performance would appear to be a function of investors becoming more comfortable with the Company's business model and cash flows and the ability to integrate the Direct TV acquisition. Reported earnings were essentially in line with analysts' estimates, and 2016 guidance was reaffirmed. Importantly though, cash flow was stronger than expected, and going forward improving cash flow will provide additional financial support for the dividend. For instance, the dividend payout for 2016 is expected to be near 60% of free cash flow, well below the 2015 level. As investors became more comfortable with the dividend's sustainability and bid up the stock price during the quarter, the dividend yield declined from 5.6% at the beginning of 2016 to a still attractively high level of 4.9% as of March 31st.

Philip Morris' underlying business continues to improve and management continues to guide to 10-12% EPS growth measured in constant currency. Indeed, 2015 was the best year for organic growth since 2012, with total industry volume down just -0.9% compared to declines of -3.1% and -7.3% in the prior two years. In addition, the Company's IQOS electronic cigarette (heats tobacco without combustion) will be available for sale in twenty key markets by the end of 2016. One other factor aiding the stock price was the decline of the U.S. dollar versus other currencies, as mentioned above. At the beginning of the year management estimated currency effects would reduce 2016 reported earnings by $.60 per share (out of total expected constant currency EPS of about $5.00 per share). While management has not yet updated the impact of foreign exchange translation on EPS, presumably the negative impact will be reduced. Even with the stock price appreciation during the quarter, the stock's dividend yield at quarter's end was an attractive 4.2%, and dividend growth is part of the Company's DNA.

IBM's good stock price performance came despite fourth quarter earnings that were less than inspiring. However, in some ways the nature of IBM's EPS estimates are similar to Philip Morris' in that a slowing or reversing of the dollar's strength may have a significant positive impact on reported earnings. For example, coming into 2016 management had forecast an approximate -7.5% impact to EPS from foreign currency translation. Presumably there will at be less of that impact given the decline in the dollar so far this year. Also likely helping the stock price was a well received Analyst Day presentation that provided a coherent roadmap for the Company. IBM's "Strategic Imperatives" (cloud analytics, mobile,

Top Contributors	1Q16 % Contribution to Portfolio
AT&T	1.68
Philip Morris International	1.32
IBM	1.09
Royal Dutch Shell	0.96
Chevron	0.74

Bottom Contributors	1Q16 % Contribution to Portfolio
Pfizer	-0.53
Ford Motor	-0.22
General Electric	-0.17
Dow Chemical	-0.09
McDonalds	-0.06

Source: Factset

Supplemental information to a fully compliant GIPS presentation

Past peformance does not guarantee future results. To obtain the calculation methodology and a list showing the contribution of each holding in the representative account to the overall account's performance during the reporting period, please email a request to djhesketh@logancapital.com. The holdings identified do not represent all of the securities purchased, sold or recommended for advisory clients.

security, etc.) remain the primary focus with management projecting this higher margin business will comprise 40% of revenues by 2018, up from 35% in 2015 and 20% in 2014. The Company's CEO, Ginny Rometty, framed it during the Analyst presentation by saying strategic imperatives are as important a change in the Company's business as was the introduction of the mainframe computer many years ago. We shall see.

Pfizer's stock price declined despite reporting better than expected earnings and many of its key products registering higher than consensus estimated sales. To some degree, the stock price decline was a sector effect as health care was one of only two sectors that were down for the quarter (financials being the other). Perhaps presidential candidates engaging in their once every four year demonization of the industry had an impact. Specifically with regard to Pfizer, there was some apprehension that the Allergan transaction would be challenged by the US government because it was structured as a tax inversion. Following the end of the quarter, the U.S. Treasury proposed regulations that resulted in the deal being terminated, though Pfizer's stock price rose after Treasury's announcement and the subsequent termination. In any event, the stock trades at a reasonable earnings multiple and its dividend yield at the end of the quarter was an attractive 4.1%.

Ford's stock declined even though it too reported above consensus earnings for the prior quarter. It would appear investors are concerned that auto sales and profits are peaking and potentially at an inflection point which will be followed by declining sales and lower profit margins. Management contends that even should a downturn occur, which they are not projecting, the Company could remain profitable even in the case of a drastic one-third reduction in volumes. That remains to be seen, but what can be seen is that as of March 31st, the stock was selling at less than seven times consensus 2016 earnings, and had a dividend yield of 4.4%. Moreover, that yield does not include the "supplemental" $.25 per share dividend paid in the first quarter. Management has said they intend to make supplemental dividends a more regular occurrence in coming years. While we won't count on those, had we included it in the current dividend run rate, the pro forma yield would be 6.3%.

Conclusion

LCV continued its strong absolute and relative performance in the first quarter. Some of the equity market concerns we mentioned in our prior letter clearly did affect stocks during the first three months of this year. Included in those concerns were the frequency at which the Fed would be increasing interest rates and by how much, commodity price fluctuations, and economic growth domestically and internationally. Though economic growth doesn't appear to be accelerating, some firming of commodity prices and the Fed's apparent reluctance to raise rates much, if at all, this year seemed to provide a more soothing environment to investors as the quarter progressed.

Will that be the case going forward? We have no idea. We do suspect there will be surprises along the way which will result in heightened volatility. Given this landscape, we would think a dose of investing prudence would serve investors well (actually we think that is always the case). In our view, LCV provides that prudence, as recent results as well as LCV's entire history has demonstrated. Moreover, we believe the LCV portfolio remains attractively valued, with a relatively high 4.4% dividend yield at March 31st.

Thank you for your continued confidence and investment in LCV. As always, please call or e-mail us if you have any questions.

Sincerely yours,

Richard Buchwald Marvin Kline

Richard E. Buchwald **Marvin I. Kline**

Logan Capital Management, Inc.
Performance Results: LCV Composite
January 1, 1996 through March 31, 2016

Year	Total Return Net of Fees (%)	Total Return Gross of Fees (%)	Russell 200 Value (%)	Russell 1000 Value (%)	Number of Accounts	Composite Dispersion Gross of Fees (%)	Composite 3-Yr Std Dev (%)	Russell 200 Value 3-Yr Std Dev (%)	Russell 1000 Value 3-Yr Std Dev (%)	Composite 3-Yr Sharpe Ratio (%)	Assets in Composite ($millions)	% of Firm Assets	Firm Assets ($millions)	UMA Assets ^*	Firm + UMA Assets ^
YTD 2016	5.0%	5.2%	0.6%	1.6%	51	0.3%	12.6%	11.5%	11.3%	0.8%	$17.7	1.3%	$1,383	$ 166	$ 1,549
2015	4.0%	4.9%	-3.4%	-3.8%	53	1.0%	11.9%	10.6%	10.7%	0.9%	$12.2	0.9%	$1,402	$ 207	$ 1,609
2014	4.9%	5.7%	12.9%	13.5%	49	0.4%	9.3%	9.2%	9.2%	1.4%	$14.6	0.8%	$1,816	$ 229	$ 2,045
2013	22.3%	23.3%	32.1%	32.5%	52	0.3%	9.8%	12.4%	12.7%	1.8%	$17.7	0.9%	$2,061	$ 115	$ 2,176
2012	8.4%	9.2%	17.0%	17.5%	47	0.4%	12.6%	15.1%	15.5%	1.1%	$9.7	0.5%	$1,932	$ 82	$ 2,014
2011	18.7%	19.7%	1.1%	0.4%	46	0.3%	18.2%	20.1%	20.7%	0.8%	$11.0	0.6%	$1,873	$ 21	$ 1,894
2010	12.5%	13.5%	11.7%	15.5%	30	0.4%	19.8%	22.0%	23.2%	-0.1%	$5.8	0.3%	$1,769	$ 13	$ 1,782
2009	8.5%	9.5%	14.6%	19.7%	23	0.3%	17.9%	20.1%	21.1%	-0.4%	$6.0	0.4%	$1,539	$ -	$ 1,539
2008	-22.9%	-22.3%	-36.1%	-36.8%	24	0.6%	11.7%	14.5%	15.4%	-0.4%	$6.3	0.5%	$1,240	$ -	$ 1,240
2007	-0.6%	0.3%	0.2%	-0.2%	34	0.3%	7.3%	8.1%	8.1%	0.5%	$10.8	0.7%	$1,658	$ -	$ 1,658
2006	23.9%	24.8%	23.0%	22.2%	34	0.4%	6.8%	6.4%	6.7%	1.3%	$10.6	0.8%	$1,333	$ -	$ 1,333
2005	-0.4%	0.4%	4.6%	7.1%	41	0.3%	10.2%	9.3%	9.5%	0.8%	$20.1	1.8%	$1,123	$ -	$ 1,123
2004	11.4%	12.1%	13.3%	16.5%	61	0.3%	15.0%	15.4%	14.8%	0.4%	$32.7	3.1%	$1,066	$ -	$ 1,066
2003	19.2%	20.0%	26.8%	30.0%	83	0.5%	15.4%	16.6%	16.0%	0.1%	$45.2	4.5%	$1,006	$ -	$ 1,006
2002	-10.0%	-9.4%	-18.0%	-15.5%	70	0.3%	18.3%	17.6%	17.0%	-0.2%	$34.0	4.0%	$861	$ -	$ 861
2001	-0.8%	-0.2%	-8.8%	-5.6%	71	0.4%	17.0%	15.1%	14.7%	-0.2%	$35.8	3.9%	$912	$ -	$ 912
2000	8.9%	9.6%	2.3%	7.0%	58	1.1%	18.7%	17.9%	17.3%	0.3%	$28.2	2.7%	$1,027	$ -	$ 1,027
1999	-4.5%	-3.8%	10.9%	7.3%	95	0.8%	14.9%	16.6%	16.1%	1.0%	$32.0	3.4%	$873	$ -	$ 873
1998	28.0%	29.0%	21.2%	15.6%	34	0.7%	11.9%	15.6%	15.1%	2.0%	$13.0	1.8%	$648	$ -	$ 648
1997	37.6%	38.8%	35.5%	35.2%	19	0.6%	N/A	N/A	N/A	N/A	$4.4	0.8%	$512	$ -	$ 512
1996	17.4%	18.6%	22.3%	21.6%	3	N.M.	N/A	N/A	N/A	N/A	$0.5	0.2%	$276	$ -	$ 276

^Information is supplemental to a fully GIPS compliant presentation
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. The 3 year annualized ex-post standard deviations are not presented from 1996-1997 because 36 months of returns are not available.
*^*UMA assets as of 2/29/16*

Portfolio Performance	Total Return Net of Fees	Total Return Gross of Fees	Russell 200 Value	Russell 1000 Value
Annualized Returns (as of 3/31/16)				
Quarter-to-Date	5.0%	5.2%	0.6%	1.6%
Year-to-Date	5.0%	5.2%	0.6%	1.6%
1 Year	8.3%	9.2%	-0.7%	-1.5%
3 Years	8.6%	9.5%	9.2%	9.4%
5 Years	11.0%	11.9%	10.1%	10.3%
10 Years	7.4%	8.2%	5.1%	5.7%
Since Inception †	8.6%	9.5%	7.6%	8.5%

†Inception of 12/31/1995
Please reference the performance disclosure below.

Logan Concentrated Value (LCV) Composite contains fully discretionary large cap value equity accounts, measured against the Russell 1000 Value and Russell 200 Value benchmarks. The Russell 1000 Value Index is an unmanaged index that measures the performance of those Russell 1000 Index companies with lower price-to-book ratios and lower forecasted growth rates. The Russell 200 Value Index is an unmanaged index that measures the performance of the largest 200 companies within the Russell 3000 Index with a less-than-average growth orientation. 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 strategy invests in 10-12 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 September 30, 2015 by Ashland Partners & Company LLP. A copy of the verification report(s) is/are available upon request.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite disclosure presentation.

Logan Capital Management, Inc. is a privately owned registered investment 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 do not reflect the deduction of investment advisory fees. 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. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. Additional information regarding the policies for valuing portfolios, calculating performance, and preparing compliant presentations 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 accounts over $10 million is as follows: 80 basis points on the first $25 million, 70 basis points on the next $25 million, 50 basis points on the next $25 million and 45 basis points on the $25 million thereafter. The investment advisory fees charged for accounts whose market value exceeds $100 million are negotiable. Accounts under $10 million will be charged a flat 1.00% per annum. 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.