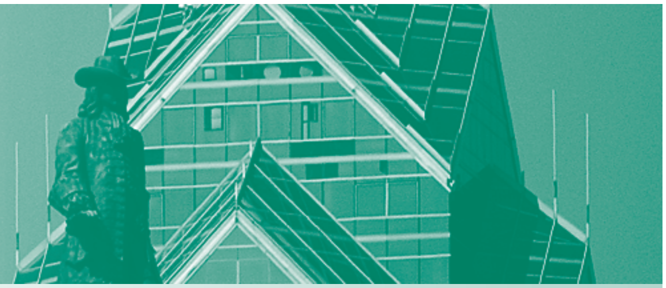
LOGAN CAPITAL
MANAGEMENT, INC.



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Logan Concentrated Value ("LCV"): 2nd Quarter Review[a]

The stock market started the second quarter much better than it finished. Specifically, the S&P 500 advanced 4% in the first few weeks of April before falling -15% over the next ten weeks, resulting in an overall decline for the quarter of -11.4%. The Russell 1000 Value and Russell Large Cap 200 Value indexes were down -11.2% and -11.8%, respectively. The LCV composite gross return of -11.3% slightly outperformed the Russell 200 Value index and was in line with the Russell 1000 Value index. Typically, LCV would outperform the indexes in a down quarter, and indeed it would have outperformed noticeably last quarter if not for the decline in BP's stock price, as discussed more fully below.

In our first quarter letter, we said that with ". . . continued enormous government budget deficits as far as the eye can see, investors know there will be a cost to pay at some point (i.e., higher taxes, higher interest rates, higher inflation or some combination thereof)." While we were actually referring to the U.S. economy at the time, it was Europe where this "cost" surfaced last quarter – most notably Greece. Deficit concerns in that country as well as Spain, Italy, the UK and others put increasing pressure on those countries as they faced maturing debt. The ultimate effectiveness of the large European Union/IMF rescue plan and proposals by individual governments to reduce spending and raise taxes remains to be seen. In all likelihood, however, they will lead to reduced growth. At the same time, China attempted to slow down its own economy to reduce inflationary pressures. As a result, the trajectory of the world's economic growth appeared to flatten considerably as the quarter wore on. In the U.S., it became apparent additional U.S. government stimulus spending was becoming increasingly politically unfeasible, and thus economic growth here would likely slow as well. The net result was a worldwide decline in equity markets during the quarter.

As for the LCV portfolio, BP was clearly the main drag on performance during the second quarter, having about a three percentage point negative impact on LCV's results. At the same time BP was reporting very good earnings in late April, the Gulf oil spill was just coming to light. The stock price was not materially impacted for several days after the explosion on the rig, but when the price did start falling, the magnitude of the decrease in BP's market capitalization appeared to far surpass the clean-up costs and liability exposure most analysts were projecting - a pattern we often observe in high profile cases like this. However, in this instance as time wore on, the estimated costs and risks began to increase. Eventually, when the Company was preparing to attempt its "Top Kill" to stop the leak, we weighed the likelihood of additional downside in the stock if the procedure was not successful against the meaningful upside if it was successful. Given the uncertainties of each, we decided it prudent to hedge our exposure by selling part of the position and replacing it with Chevron. When the Top Kill failed, BP's stock declined to a level about where we expected under that scenario, given that other options remained that could contain the situation before a relief well was expected to be completed in August. However, political pressures began to impact the outlook for the company's cash flow and estimates of the amount of oil leaking grew substantially – both of which led to further

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

declines in the stock price. Ultimately, given the suspension of the dividend we sold the remaining portion in June during our rebalancing. Clearly, this was an unpleasant experience for us and our investors (to say nothing of the people in the Gulf themselves). However, we again remind ourselves that despite BP's dramatic stock price decline, LCV was still able to match or exceed its benchmarks for the quarter.

Relative to the value indexes, several stocks in the portfolio performed relatively well. Included amongst these were McDonald's (-0.5%), Kimberly-Clark (-2.5%), Altria (-2.7%), and Kraft (-6.5%) which generally met or beat first quarter earnings estimates. Honeywell (-13.1%) and Pfizer (-15.8%) detracted from relative performance even though each reported earnings above expectations.

During the mid-year rebalancing, a number of changes were made. The remaining shares of BP were sold and replaced with Chevron. Chevron has a pristine balance sheet (there is no debt after netting out cash and investments held), generates enormous cash flow, and has one of the best production growth profiles of all the major oil companies over the next five years. Moreover, as of June 30th the company sold at just 8X estimated 2010 earnings and had a dividend yield of 4.3%.

There were two other general changes to the portfolio. First, the position in Altria was eliminated with the proceeds invested in Philip Morris. As you may recall, since Altria was split into two companies in 2008, we have been holding both of the spin-offs in the approximate percentages of their market capitalizations (30% Altria/70% PM). Altria, which sells its products primarily in the U.S., remains very profitable but given somewhat muted organic growth management has decided to raise the dividend payout ratio to approximately 80%. While the dividend is unlikely to be cut in the foreseeable future, this ratio is above our comfort level. Meanwhile, Philip Morris has a worldwide presence (other than the U.S) and derives 40% of its revenues from developing markets. With an expected low double digit earnings per share growth rate and a more modest payout than Altria, we have increased Philip Morris to a full position. As of June 30th, Philip Morris sold at 12X estimated 2010 earnings and had a dividend yield of 5.1%.

The second change relates to our pharmaceutical holdings and our policy regarding the weights of those holdings. Based on our research going back a number of years, we believe this industry has become significantly more prone to "event" risk, which we define as the risk of an unexpected material decrease in projected cash flow from an event such as an uninsured disaster, a material change in regulations, or a legal judgment against a company which would jeopardize future cash flow. Although infrequent, these events can have a significant negative impact on the stock price of an affected company. By our count, there have been at least six material adverse events in the pharmaceutical industry over the last eight years (approximately one every sixteen months) – a level we have not observed in other industries.

Importantly, event risk cannot typically be eliminated through normal fundamental analysis (e.g., a sudden drug recall or an unexpected patent loss). From our research (a more full discussion of our review is attached or available upon request) we have concluded that while the pharmaceutical industry remains very attractive for investment (strong balance sheets, strong cash flows and high dividend yields), it is prudent to de-risk the portfolio by lowering the absolute exposure to individual stocks. Consequently, we are providing for somewhat more flexibility in that we will weight individual holdings from 5-10%, rather than just 10% per position. With a maximum exposure to pharmaceuticals of 20% (which we currently have), there are now four pharma stocks in the portfolio each of which has a 5% weight (meaning there are a total of twelve stocks in the LCV model currently). These include Pfizer and Glaxo, which we previously held, and Merck and Johnson & Johnson, which were added during the rebalancing.

Merck merged with Schering-Plough in 2009, in part to reduce the financial impact of Merck's patent expirations for certain key products. As a result of merger savings and Schering's pipeline additions, Merck's five year earnings growth profile is now expected to be among the most attractive in the industry. At 10X estimated 2010 earnings and yielding 4.3%, the shares are selling at a level where a JP Morgan analyst was recently quoted in Barron's as saying investors "effectively are paying nothing for its drug pipeline", which he called "the best in Merck's domestic peer group".

Johnson & Johnson ("J&J") is one of America's most widely recognized companies with a long history of consistent earnings and dividend growth. This is the first time it has been cheap enough to be in the LCV portfolio. The business is split along three lines: pharmaceuticals (e.g., Remicade for arthritis, Procrit for anemia and Risperdal Consta for schizophrenia), consumer products (e.g., baby care, skin products and women's health), and medical devices (e.g., orthopedic implants, drug-eluting stents, etc.). Aside from overall investor apathy for stocks in this sector, J&J's stock has recently suffered from concern about the new health care law's 2.3% tax on medical devices and negative affects of recent recalls in its consumer products group. With regard to the former, this tax will not go into effect until 2013 and will only apply to J&J's U.S. business with the net impact likely to be less than 1.5% of earnings. With regard to the latter, we believe those issues are relatively short-term in nature and will be resolved within 6-9 months. The stock's current P/E of 12.3X is close to its lowest level of the past twenty years and the 3.6% dividend yield is near the high for that same time period. We believe this is a very good opportunity to buy this stock at an attractive price.

Absent a "six sigma event" that occurred in the Gulf this past quarter, LCV would have once again outperformed its benchmarks in a down market environment. That does not make us feel better about second quarter results, but it does remind us that LCV has historically been able to outperform in difficult periods in the past and we would expect that to generally be the case going forward as well. Given the highly uncertain direction of the economy at the moment, we believe this is a valuable attribute. Moreover, LCV's profile remains very attractive on an absolute basis selling at a conservative P/E of 11.5X and a very attractive dividend yield of 4.7%. We believe the portfolio represents excellent value for investors and continue to thank you for your investment.

Please call or e-mail us if you have any questions.

Sincerely yours,

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P.S. At the end of the second quarter, Verizon sold a number of local landlines to Frontier Communications in exchange for Frontier stock, which was subsequently spun out to Verizon shareholders. In the model portfolio, we plan to sell the Frontier stock and reinvest the proceeds back into Verizon stock.

Logan Capital Management, Inc.
Performance Results: LCV Composite
January 1, 1996 through June 30, 2010

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 (%)	Assets in Composite ($millions)	% of Firm Assets*	Berwind Firm Assets ($millions)	Total Firm Assets ($millions)*
YTD 2010	-9.57%	-9.17%	-6.82%	-5.13%	28	0.19%	$5.52	0.4%	$0	$1,469
2009	8.55%	9.51%	14.59%	19.69%	28	0.28%	$6.54	0.4%	$0	$1,539
2008	-22.91%	-22.32%	-36.09%	-36.85%	24	0.56%	$6.32	0.5%	$0	$1,240
2007	-0.59%	0.30%	0.24%	-0.17%	34	0.34%	$10.81	0.7%	$0	$1,658
2006	23.88%	24.80%	22.99%	22.21%	34	0.41%	$10.63	0.8%	$0	$1,333
2005	-0.31%	0.51%	4.62%	7.05%	41	0.31%	$20.14	1.8%	$0	$1,123
2004	11.36%	12.06%	13.33%	16.48%	61	0.28%	$32.67	3.1%	$0	$1,066
2003	19.17%	19.99%	26.76%	30.04%	83	0.54%	$45.20	4.5%	$0	$1,006
2002	-9.96%	-9.36%	-18.02%	-15.53%	70	0.34%	$34.05	4.0%	$0	$861
2001	-0.83%	-0.15%	-8.79%	-5.60%	71	0.35%	$35.85	3.9%	$0	$912
2000	8.90%	9.60%	2.32%	7.01%	58	1.10%	$28.15	2.7%	$0	$1,027
1999	-4.49%	-3.78%	10.95%	7.35%	95	0.75%	$32.02	3.4%	$75	$948
1998	28.05%	29.04%	21.24%	15.64%	34	0.65%	$12.96	1.8%	$56	$705
1997	37.62%	38.78%	35.47%	35.18%	19	0.58%	$4.42	0.8%	$40	$552
1996	17.35%	18.63%	22.31%	21.64%	3	N.M.	$0.51	0.2%	$27	$303

n/m - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.
** Figures are based on the combined firm assets, which includes Berwind Investment Management, L.P.*
Please reference the performance disclosure below.

Year	Total Return Net of Fees	Total Return Gross of Fees	Russell 200 Value	Russell 1000 Value
Annualized Returns (as of 6/30/10)				
1 Year	6.65%	7.61%	12.42%	16.91%
3 Years	-10.09%	-9.33%	-13.40%	-12.33%
5 Years	-1.01%	-0.19%	-2.53%	-1.65%
10 Years	2.21%	2.97%	0.26%	2.37%
Since Inception†	6.13%	6.95%	5.44%	6.44%

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

Logan Concentrated Value (LCV) Composite contains fully discretionary large cap value equity accounts. For comparison purposes the composite is measured against the Russell 1000 Value and the Russell 200 Value indices.

Logan Capital Management, Inc. has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®).

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.

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. Net of fee performance was calculated using actual management fees. 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 calculating and reporting returns is available upon request.

The investment management fee schedule 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. **Effective August 1, 2000, Logan Capital Management, Inc. acquired the investment advisory accounts of Berwind Investment Management, L.P., and no material change in personnel responsible for the investment management process occurred.

Logan Capital Management, Inc.'s compliance with the GIPS standards has been verified for the period April 1, 1994 through December 31, 2008 by Ashland Partners & Company LLP. A copy of the verification report is available upon request.