

EDGEWOOD
MANAGEMENT LLC

View from Edgewood

1Q 2023 COMMENTARY

The Edgewood Management Large Cap Growth Composite returned 15.1% for the first quarter 2023, net of fees. The S&P 500 Total Return Index rose 7.5% and the Russell 1000 Growth Index gained 14.4% in the comparable period. Since the beginning of the fourth quarter 2022, the Edgewood Large Cap Growth Composite is up +25.8% versus +15.6% for the S&P 500 Total Return Index and +16.9% for the Russell 1000 Growth Index.

After the excessive volatility of 2022, the year began in a relatively placid mode until the bank crisis at the beginning of March. The Federal Reserve took its overnight Funds rate to 5.0% to continue its inflation battle and the economic data indicates it is succeeding. The February consumer price index (CPI) was 6.0%, versus 6.4% in January, down for eight consecutive months and well off the 9.1% June 2022 peak. Since June, the annualized rate of inflation is just 3.5%. The 3-month U.S. Treasury Bill yields 4.7% and is below the overnight Fed Fund rate of 5%; this shows financial markets believe the worst of the inflation battle is now behind us and Fed rates are at or near a peak. There are still risks in the U.S. economy, with commercial real estate, specifically office buildings, getting attention. The head of JP Morgan, Jamie Dimon, recently said he believes the worst of the issues with the banks are behind us.

Many of the securities in the Edgewood portfolio have seen price appreciation over the past six months based on strong fundamental results, as can be seen from the six-month performance returns. One of our recent portfolio additions, Lululemon Athletica (LULU), closed out the quarter on a strong note after posting impressive 4Q results and issuing solid FY24 guidance. We believe investors gained increasing confidence in management's ability to handle excess COVID-related inventory and consumers' continued appetite for the brand, as LULU took several points of market share from competitors in the U.S. while gaining traction internationally. We continue to be pleased with execution at LULU and expect 2023 to be another year of good growth.

A long time holding, NVIDIA (NVDA), has had a sharp price bounce back after its market value peaked in the fall of 2021. NVDA has become the world's leading chip company, both in the performance of its powerful processors and in the software ecosystem that has been built to support chip developers and users. The company's quarterly results have been good over the last six months, but one major new technology in particular helped drive the 90% price appreciation in the first quarter 2023.

Artificial Intelligence (AI) gained a lot of the media and investment news attention this quarter after exploding onto the world stage with OpenAI's launch of ChatGPT. The Edgewood portfolio has many leaders in the space. ASML equipment makes the NVIDIA chips that run the trillions of calculations. Microsoft has applied it across many of its offerings including the Bing search engine. ServiceNow's newest "Utah" software is AI powered. Intuit uses it for customer tax preparation and will be applying it to their other business lines. Applications are multiplying daily.

AI will likely upend many business models, but accelerate others. We believe our research approach has found, and will continue to find, well managed businesses that move quickly to deploy this technology. We expect the businesses that use AI to harness the power of their data will create value for the Edgewood portfolio.

<https://www.bls.gov/opub/ted/2023/consumer-price-index-up-0-4-percent-over-the-month-6-0-percent-over-the-year-in-february-2023.htm>
<https://fred.stlouisfed.org/series/DTB3>

No recommendation is made, positive or otherwise, regarding individual securities mentioned. The specific securities identified and described do not represent all of the securities purchased, sold, or recommended for advisory clients, and the reader should not assume that investments in the securities identified were or will be profitable.

FIRM OVERVIEW

Founded	1974
Employees	39
Total Assets	\$31.9 Billion (as of 3/31/2023)
Ownership	100% Employee Owned
Investment Strategy	Large Cap Growth Equity
Separate Account	\$5 Million Minimum*

*Please refer to Edgewood's Form ADV Part 2A and 2B Brochure regarding account minimums.

PORTFOLIO MANAGEMENT

ALAN W. BREED	
President & Portfolio Manager	
Years of Experience	39yrs
LAWRENCE G. CREEL	
Partner & Portfolio Manager	
Years of Experience	37yrs
ALEXANDER M. FARMAN-FARMAIAN	
Partner, Vice Chairman & Portfolio Manager	
Years of Experience	34yrs
PETER JENNISON	
Partner & Portfolio Manager	
Years of Experience	37yrs
KEVIN R. SETH	
Partner & Portfolio Manager	
Years of Experience	39yrs
NICHOLAS A. STEPHENS, CFA	
Partner & Portfolio Manager	
Years of Experience	38yrs

INVESTMENT APPROACH

Edgewood's Large Cap Growth Equity strategy pursues long-term capital growth through a portfolio of 22 stocks of large-sized companies that are distinguished by their financial strength, levels of profitability, strong management, and an ability to deliver long-term earnings power. Our goal is to purchase companies that trade at discounts to their fair value and believe that, over time, the stock prices of high-quality companies will rise to reflect the true value of the underlying company. The Large Cap Growth Equity strategy's performance is typically benchmarked against the S&P 500 Index over a full-market cycle.

INVESTMENT PROCESS HIGHLIGHTS

Edgewood's Large Cap Growth Equity strategy pursues a bottom-up investment process to construct a portfolio of U.S. large-cap growth companies. The investment team looks for potential investments across the economy where it can find growth irrespective of the sector or industry.

Edgewood's investment process focuses on two distinct areas:

Stock Selection – The team's investment process begins by identifying companies that are distinguished by their financial strength, levels of profitability, strong management, and an ability to deliver long-term earnings power. The team searches for companies that are well positioned for long-term growth, driven by demand for their products and services, trading at discounts to their fair value, and are at an early stage in their profit cycle to benefit from the increased cash flows produced by the profit cycle.

Capital Allocation – Based on the investment team's fundamental analysis of a company's profit cycle and using a five-year discount to present value model, portfolio holdings evolve through three phases: Phase One investments are in the early part of their profit cycle and will warrant a more sizeable weighting once their profit cycle begins to grow; Phase Two investments are companies that are being increased to a larger weighting due to the relative attractiveness of their valuation which are moving through the strongest part of their profit cycle; and Phase Three investments are companies that are being reduced to a lesser weighting because they are nearing the team's estimate of full valuation or their profit cycle has begun to deteriorate.

MARKET CAP DISTRIBUTION AS OF 3/31/2023*

MARKET CAP (IN BILLIONS)	EDGEWOOD (%)**	COMPANIES (#)
Less than \$30	5	2
\$30-\$75	12	3
\$70-\$125	29	7
\$125+	51	10

*Rounded to the nearest percentage

**For the equity portion of the portfolio

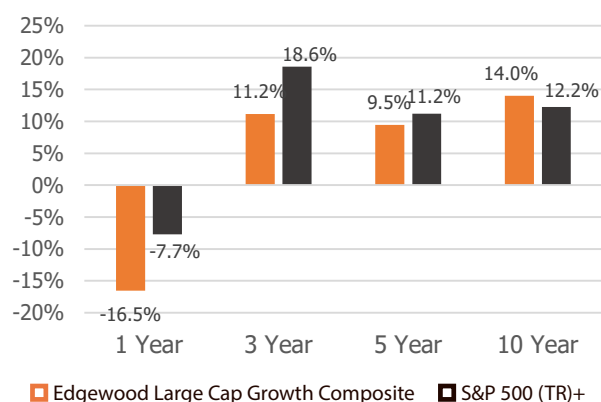
FIVE LARGEST HOLDINGS AS OF 3/31/2023*

ASML Holding N.V.	NVIDIA Corp.
Intuit Inc.	Visa Inc.
Netflix Inc.	

*The specific securities identified and described do not represent all of the securities purchased, sold, or recommended for advisory clients, and the reader should not assume that investments in the securities identified were or will be profitable

Portfolio holdings are shown in alphabetical order.

NET LARGE CAP GROWTH COMPOSITE RETURNS (%) AS OF 3/31/2023



Performance is rounded to the nearest tenth. Returns are net of management fees. Returns shown here are annualized. Past performance does not guarantee future results.

+The S&P 500 is an unmanaged index with no expenses which covers 500 industrial, utility, transportation and financial companies of US markets. It is a capitalization-weighted index calculated on a total returns basis with dividends reinvested.

PORTFOLIO CHARACTERISTICS AS OF 3/31/2023*

	EDGEWOOD	S&P 500	COMMENTS
Market Cap Mean (Billions)*	\$289bn	\$515bn	Focused on Growth
Number of Holdings	22	503+	Concentrated Portfolio
Most Recent Quarter YoY EPS Growth	12%^	0%	Focused on Earnings Growth
Sales Growth ¹ (3 Years Historical)*	14%	10%	Focused on Revenue Growth
LT EPS Growth*	13%	10%	Earnings Outlook

*All portfolio characteristics produced by Refinitiv and are rounded to the nearest whole number with the exception of the Most Recent Quarter YoY EPS Growth which is calculated by Edgewood.

¹Most recent quarter YoY EPS (year over year earnings per share) growth figures reflect the period ended 12/31/22 with the exception of Adobe, Nike, Intuit, NVIDIA, and Lululemon whose quarters end in January. These numbers are calculated based on company earnings reports excluding the impact of non-recurring items that are not indicative of the underlying business. Illumina's growth rate in the most recent quarter is calculated using reported adjusted operating profit which removes the effect of Grail dilution on YoY comparisons. We believe this metric is most representative of underlying business growth. ILMN's most recent quarter YoY adjusted EPS growth rate is -81%. American Tower's EPS figure is actually Adjusted Funds from Operations per share as we believe it is the most relevant valuation metric. Match's growth rate in the most recent quarter is calculated using reported adjusted Operating Income growth instead of EPS as we believe this metric is most representative of underlying business growth.

+Provided by S&P Dow Jones Indices. The S&P 500 is an unmanaged index with no expenses which covers 500 industrial, utility, transportation and financial companies of US markets. It is a capitalization-weighted index calculated on a total returns basis with dividends reinvested. Russell 1000 Growth Index performance produced by Russell Investments.

SECTOR DIVERSIFICATION AS OF 3/31/2023*

Medical Technology	17.0%
Business Services	15.2
Financials	15.1
Consumer Discretionary	14.9
Information Technology	12.0
Media & Advertising	5.5
Semiconductor Mfg.	5.1
Consumer Staples	4.8
Wireless	3.7
Cash	2.5
Healthcare	2.3
Internet	1.9

*Sectors defined by Edgewood's Investment Committee and are rounded to the nearest tenth.

Edgewood Management LLC Disclosures - 1Q 2023

No recommendation is made, positive or otherwise, regarding individual securities mentioned. Past performance returns do not guarantee future results. The performance returns figure includes the reinvestment of dividends. The specific securities identified and described do not represent all of the securities purchased, sold or recommended for advisory clients, and the reader should not assume that investments in the securities identified and discussed were or will be profitable. A list of all recommendations during the preceding period of not less than one year will be provided upon request, free of charge and include (1) the name of each security recommended; (2) the date and nature of each recommendation; (3) the market price at the time of the recommendation; (4) the price of the security when the recommendation was to be acted upon; (5) the market price of each such security at the most recent practicable date and (6) a disclaimer stating it should not be assumed that the recommendations made in the future will be profitable or will equal the performance of the securities on the list.

Edgewood Management LLC: Large Cap Growth Composite Net Performance Returns				
	Ending March 31, 2023			
	1 Year	3 Year Annualized	5 Year Annualized	10 Year Annualized
Edgewood Large Cap Growth Composite	-16.54%	11.17%	9.45%	14.04%
S&P 500 (TR) Index	-7.73%	18.60%	11.19%	12.24%
Russell 1000 Growth Index	-10.90%	18.58%	13.66%	14.59%

Note: Returns are shown in US dollars. Composite returns are net of fees.

Edgewood Management LLC is a registered investment adviser specializing in growth oriented investment management. The Edgewood Large Cap Growth Composite is comprised of individual and institutional accounts that invest in Edgewood's Large Cap Model of generally 22 large capitalization growth companies chosen by using fundamental analysis and an internal valuation discipline. The composite returns are benchmarked to the Standard & Poor's 500 Index ("S&P 500") and the Russell 1000 Growth Index ("R1000 Growth"). The S&P 500 is an unmanaged index with no expenses which covers 500 industrial, utility, transportation and financial companies of US markets. It is a capitalization-weighted index calculated on a total return basis with dividends reinvested. The R1000 Growth measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth rates and dividends are reinvested.

Edgewood Management LLC claims compliance with the Global Investment Performance Standards (GIPS®). Past performance returns are no guarantee of future results. Performance return results reflect the reinvestment of dividends and other earnings. Performance return results are expressed and calculated in U.S. dollars. To receive a list of composite descriptions of Edgewood Management LLC and/or a GIPS Report that complies with the GIPS standards, contact Kitty McBride at 212-652-9100, or write to Edgewood Management LLC, 600 Steamboat Road, Suite 103, Greenwich, CT 06830 or KMcBride@Edgewood.com.

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