



EDGEWOOD
MANAGEMENT LLC

View from Edgewood

3Q 2021 COMMENTARY

The Edgewood Large Cap Growth composite returned 0.9% in the third quarter of 2021 and 21.1% (both net of fees) for the first three quarters of 2021. In comparison, the S&P 500 Total Return Index gained 0.6% and 15.9% while the S&P 500 Growth Index returned 1.9% and 16.4% for the same periods. The Russell 1000 Growth Index returned 1.2% in the quarter and 14.3% for the first nine months of 2021.

As the country recovers in fits and starts from the worst of the pandemic several things have become apparent: COVID 19 is now endemic and delta or some other mutated variant will require periodic vaccinations for a long time; the labor market will require some time to sort itself out adding to upward pressures on wages; the world will take a couple more years to return to whatever we will define as normal.

In the third quarter it became evident that the spring hope of full opening and normalcy will be delayed as the delta COVID variant surged, affecting mostly the unvaccinated, and causing some pullback in office return plans. The mystery of the missing workers is ongoing. Government payments ended on Labor Day, and even states that had ended the payments earlier saw no difference in the rates of workforce re-entry. This has mostly been a problem in lower wage service jobs. A combination of child care issues, opposition to vaccine mandates, and individuals re-assessing their lives seems to be driving this.

The Federal Reserve indicated after its September meeting that it would begin to scale back the purchases of bonds it has been making since the March 2020 beginning of the pandemic. This initially helped stabilize credit markets and has helped the Fed keep interest rates very low. As the economy improves they acknowledge the need to lessen the volume of these purchases, currently running at \$120 billion a month. A slow but steady decline is expected over the course of a year to eighteen months beginning in November or December. This will precede any actual increase in interest rates by the Fed, which continues to hold that current inflation will be transitory, but the length of that interval is what is under debate.

We are experiencing supply shortfalls, demand is not the issue; this gives us some confidence that much of the inflation surge will be solved by fixing the supply chain and the sharp decline in fiscal stimulus that we will see in 2022 with a big decline in government support for the economy.

We saw solid earnings reports for the second quarter in most of Edgewood's portfolio companies. With supply chain issues becoming fully apparent over the summer there may be some effect on third quarter reporting and managements' outlook for the fourth quarter and the beginning of 2022.

Our goal at Edgewood Management is to deliver clients sustainable long-term performance by investing in companies Edgewood considers to be high-quality growth companies.

FIRM OVERVIEW

Founded	1974
Employees	39
Total Assets	\$60.4 Billion (as of 9/30/2021)
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	38yrs
LAWRENCE G. CREEL Partner & Portfolio Manager Years of Experience	36yrs
ALEXANDER M. FARMAN-FARMAIAN Partner, Vice Chairman & Portfolio Manager Years of Experience	33yrs
PETER JENNISON Partner & Portfolio Manager Years of Experience	36yrs
KEVIN R. SETH Partner & Portfolio Manager Years of Experience	37yrs
NICHOLAS A. STEPHENS, CFA Partner & Portfolio Manager Years of Experience	37yrs

INVESTMENT APPROACH

Edgewood's Large Cap Growth Equity strategy pursues long-term capital growth through a portfolio of generally 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 9/30/2021*

MARKET CAP (IN BILLIONS)	EDGEWOOD (%)**	COMPANIES (#)
\$40-\$75	25	7
\$75-\$125	23	5
\$125+	51	11

*Rounded to the nearest percentage

**For the equity portion of the portfolio

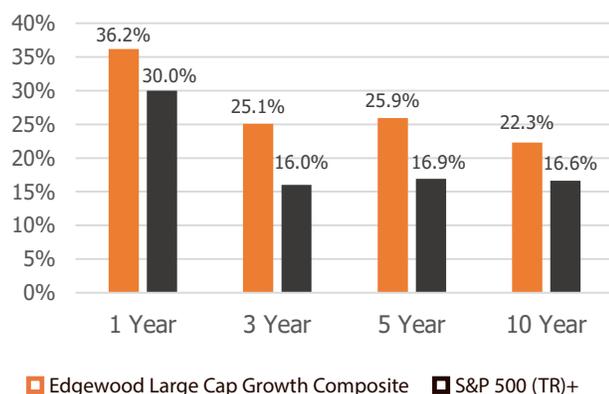
FIVE LARGEST HOLDINGS AS OF 9/30/2021*

Align Technology Inc.	Snap Inc.
NVIDIA Corp.	Visa Inc.
PayPal Holdings, 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 9/30/2021



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 9/30/2021

	EDGEWOOD	S&P 500 ²	COMMENTS
Market Cap Mean (Billions)	\$363bn ¹	\$79bn ¹	Focused on Growth
Number of Holdings	23	505 ²	Concentrated Portfolio
Most Recent Quarter YoY EPS Growth	133% ³	50% ¹	Focused on Earnings Growth
Sales Growth ¹ (3 Years Historical)	17%	3%	Focused on Revenue Growth
LT EPS Growth ⁴	24%	12%	Earnings Outlook

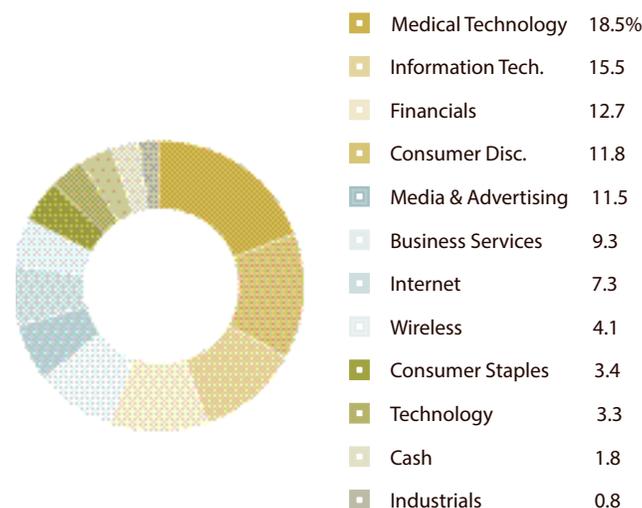
¹Provided by Bloomberg and are rounded to the nearest whole number.

²Provided 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.

³American Tower and Equinix's EPS figures are actually Adjusted Funds from Operations per share figures as we believe they are the most relevant valuation metric. Netflix's growth rate in the most recent quarter is calculated using reported GAAP Operating Income growth instead of EPS as we believe this metric is most representative of underlying business growth.

⁴Bloomberg estimates using the weighted average calculation methodology for Edgewood and the index fundamental value methodology for the S&P 500.

SECTOR DIVERSIFICATION AS OF 9/30/2021*



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

Edgewood Management LLC Disclosures - 3Q 2021

No recommendation is made, positive or otherwise, regarding individual securities mentioned. Past performance does not guarantee future results. The performance figures include 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 (Ending September 30, 2021)

	1 YEAR	3 YEAR ANNUALIZED	5 YEAR ANNUALIZED
Edgewood Large Cap Growth Composite	36.20%	25.07%	25.94%
S&P 500 (TR) Index	30.00%	15.99%	16.90%
Russell 1000 Growth Index	27.32%	22.00%	22.84%

Note: Returns are shown in U.S. 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 is no guarantee of future results. Performance results reflect the reinvestment of dividends and other earnings. Performance 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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CONTACT

JIM CARRIER

JCARRIER@EDGEWOOD.COM / 212.652.9123



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