

EDGEWOOD
MANAGEMENT LLC

View from Edgewood

4Q 2021 COMMENTARY

The Edgewood Large Cap Growth composite returned 2.3% in the fourth quarter of 2021 and 23.8% in 2021 (both net of fees). In comparison, the S&P 500 Total Return Index gained 11.0% and 28.7% while the S&P 500 Growth Index returned 13.4% and 32.0% for the same periods. The Russell 1000 Growth Index returned 11.6% in the quarter and 27.6% for all of 2021.

2021 is behind us. Many thought the pandemic would be a bad memory by this point; that is proving not to be true, although the vaccines have made life much less restrictive than in 2020 and the early months of 2021. The economy rebounded strongly, but we also saw the worst burst of inflation in almost 40 years. US politics are less intrusive than they were in 2020, but they are still loud and divisive.

The newest COVID variant, Omicron, is showing signs of a short, sharp spike. Cases in South Africa, where it is believed to have mutated, are already in steep decline and the sharp increase in cases in US metropolitan areas is matching the South African pattern. Drs. Fauci and Gottlieb, the two most reliable commentators on the pandemic's progress, both believe the peak will come in mid to late January in the US. Most US cases among those who have been inoculated are proving to be more annoying than dire. Many believe this will be the last surge before COVID settles in to endemic status; we all hope that is correct.

The strength of the economy was not unexpected, although the duration of the inflation surge is. From 1946 to 1948 the US economy saw a burst of inflation (very unusual after the deflation of the Depression) as supply chains shifted from making war material to consumer goods and consumers looked to satisfy the pent up demand that 4 years of war production had created. The Federal Reserve had kept rates low to finance the war and the government's military spending had been a huge fiscal stimulus. The Fed raised rates and government spending dramatically declined in 1946 and by late 1948 there were actually deflation fears. The current inflation surge is more similar to that period, and 2022 should show a marked slowdown, particularly by the second half as the Federal Reserve stops buying bonds and even begins to raise rates. Federal government spending to support the economy will decrease dramatically. Supply chain issues will not all be straightened out by the end of 2022 but pent up demand should slow and excessive savings will largely be spent.

We will get a good indication later in January of specific company viewpoints in various sectors of the economy as the 4th quarter earnings season unfolds. The market's performance in 2021 saw strength in more cyclical sectors where Edgewood does not typically invest. Energy, particularly fossil fuel stocks, had a very strong year. This was not totally surprising after the huge decline in petroleum demand and prices in 2020. Autos, industrial companies and banks were also strong. After their severe underperformance in 2020 this was expected. Following three strong years for equities and growth stocks this could be a more selective year as those companies actually showing strong results and business momentum should see their stocks perform well. We hope all of you have a safe and healthy start to the New Year.

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	38
Total Assets	\$61.6 Billion (as of 12/31/2021)
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	34yrs
PETER JENNISON Partner & Portfolio Manager Years of Experience	36yrs
KEVIN R. SETH Partner & Portfolio Manager Years of Experience	38yrs
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 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 12/31/2021*

MARKET CAP (IN BILLIONS)	EDGEWOOD (%)**	COMPANIES (#)
\$30-\$75	17	4
\$75-\$125	17	4
\$125+	64	14

*Rounded to the nearest percentage

**For the equity portion of the portfolio

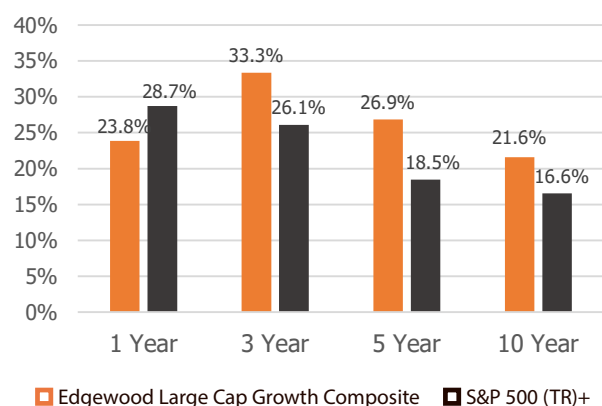
FIVE LARGEST HOLDINGS AS OF 12/31/2021*

Illumina Inc.	Snap Inc.
Intuit Inc.	Visa Inc.
NVIDIA Corp.	

*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 12/31/2021



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 12/31/2021

	EDGEWOOD	S&P 500 ²	COMMENTS
Market Cap Mean (Billions)	\$385bn ¹	\$86bn ¹	Focused on Growth
Number of Holdings	22	506 ²	Concentrated Portfolio
Most Recent Quarter YoY EPS Growth	121% ³	32% ¹	Focused on Earnings Growth
Sales Growth ¹ (3 Years Historical)	15%	3%	Focused on Revenue Growth
LT EPS Growth ⁴	19%	10%	Earnings Outlook

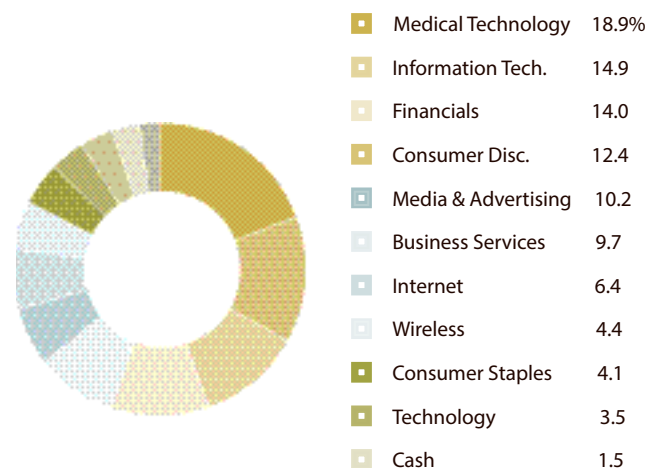
¹Provided by Bloomberg and are rounded to the nearest whole number.

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 12/31/2021*



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

Edgewood Management LLC Disclosures - 4Q 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 December 31, 2021)

	1 YEAR	3 YEAR ANNUALIZED	5 YEAR ANNUALIZED
Edgewood Large Cap Growth Composite	23.84%	33.34%	26.87%
S&P 500 (TR) Index	28.71%	26.07%	18.47%
Russell 1000 Growth Index	27.60%	34.08%	25.32%

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"), the Standard & Poor's 500 Growth Index ("S&P 500 Growth") 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 S&P 500 Growth Index is a market capitalization weighted index consisting of those stocks within the S&P 500 Index that exhibit strong growth characteristics and dividends are 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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MANAGEMENT LLC