



The Edgewood Management Large Cap Growth Composite returned +11.2% for the second quarter 2023 and has returned +28.1% year-to-date, net of fees. The S&P 500 Total Return Index returned +8.7% and +16.9%, while the Russell 1000 Growth returned +12.8% and +29.0% for the comparable periods.

The Federal Reserve finally paused its relentless rate hike campaign at its June meeting. CPI has fallen from 9% in June 2022 to 4% in May 2023. The Fed's rate hikes have had some effects on this, but as we have said several times, monetary policy takes a while to work. The steep decline in inflation is also due to supply chains normalizing and energy markets responding and rerouting supplies after the Russian invasion of Ukraine and the West's energy embargo. We believe the major effects of the Fed's efforts have yet to be felt; they are talking about a one month pause, but the June CPI and employment data will be a big factor in that decision. We should also keep in mind, however, that squeezing the last 2% out of inflation, to get to the Fed's 2% target, will take a while with rates likely remaining at current levels for longer than currently expected by some.

We believe that artificial intelligence (AI) will add to U.S. and world productivity growth over time and will put a ceiling on inflation for quite some time. While there is much talk about ChatGPT, the true economic benefits from using AI will come in applications used by many companies and institutions to increase productivity and automate the more mundane aspects of work. This will take time, and it is probably not a large factor in the Federal Reserve's near-term inflation concerns; we expect the next several years will reveal large and small applications that many may not even be aware involve AI, but are taking costs out of corporate income statements.

Many technology stocks have rallied this year on AI-related news. One of our long-time holdings provides technology used in the chip clusters needed to train AI systems and a number of the portfolio companies have positioned themselves as leaders in various AI applications. These companies have benefited from the expansion of AI technology and future earnings are forecasted to increase as a result.

Edgewood Management LLC
July 3, 2023

Edgewood's commentary on specific securities is for informational purposes only. 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. For information about the whole portfolio, please contact kmcbride@edgewood.com.

Edgewood Management LLC: Large Cap Growth Composite				
	Ending June 30, 2023			
	Net 1 Year Performance Returns	Net 3 Year Performance Returns (Annualized)	Net 5 Year Performance Returns (Annualized)	Net 10 Year Performance Returns (Annualized)
Edgewood Large Cap Growth Composite	26.77%	5.54%	10.28%	15.03%
S&P 500 (TR) Index	19.59%	14.60%	12.31%	12.86%
Russell 1000 Growth Index	27.11%	13.73%	15.14%	15.75%
<i>Note: Returns are shown in U.S. dollar. Composite returns are net of fees.</i>				

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.

GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.