



The equity markets lost momentum in March 2025 as cracks emerged in the previously resilient backdrop of steady corporate performance, cooling inflation, and shifting monetary policy expectations. Investor sentiment has weakened amid macro challenges, including softer consumer demand and uncertain trade dynamics, impacting risk appetite.

Consumer spending appears to be slowing, for example with Delta Airlines warning of weaker Q2 bookings and reduced discretionary travel.[^] Several U.S. retailers have reported similar trends, indicating cautious spending that could affect other consumer-facing sectors. While travel and consumer volumes remain still relatively strong, the outlook is uncertain.

Technology continued to be a bright spot, highlighted by Nvidia's GPU Technology Conference, which underscored rising AI compute demands. Despite ongoing debate around artificial intelligence ("AI") spending, we believe long-term value will emerge for companies integrating AI into real-world applications—an area where we believe our portfolio is well-positioned.

Policy and trade dynamics added uncertainty, with the new administration prioritizing fiscal discipline, slowing federal procurement, and revisiting non-essential contracts. Trade tensions are also re-emerging, with new tariffs expected in April. Despite potential supply chain disruptions, we foresee ongoing strength in areas like AI, energy transition, semiconductor reshoring, and defense.

Edgewood remains focused on a concentrated portfolio of what we consider to be 22 high-quality, all-weather businesses with durable competitive advantages and long-term growth potential. As always, we're grateful for your continued partnership and conviction. We are optimistic about the opportunities ahead and confident in our positioning as we navigate this dynamic and evolving market environment.

Edgewood Management LLC
April 7, 2025

[^]Source: <https://www.cnn.com/2025/04/07/airlines-expected-to-cut-2025-outlooks-as-travel-demand-falters.html>

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Edgewood Management LLC: Large Cap Growth Composite	Ending March 31, 2025			
	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	-3.04%	3.62%	12.86%	13.05%
S&P 500 (TR) Index	8.25%	9.06%	18.59%	12.50%
Russell 1000 Growth Index	7.76%	10.10%	20.09%	15.12%
<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.

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